

# FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Division of Consumer & Business Education

## Credit Card Interest Rate Reduction Scams

Voice mail boxes across the nation are being clogged with prerecorded phone calls from companies that claim to be able to negotiate significantly lower interest rates with your credit card issuers if you just pay them a fee first.

The Federal Trade Commission (FTC), the nation's consumer protection agency, says consumers who get these interest rate reduction robocalls should listen to them with extreme skepticism, and delete them. Many are scams.

The companies behind the sales pitches claim to have special relationships with credit card issuers. They guarantee that the reduced rates they offer will save you thousands of dollars in interest and finance charges, and will allow you to pay off your credit card debt three to five times faster. They claim that the lower interest rates are available for a limited time and that you need to act now. Some even use money-back guarantees as further enticement.

The FTC says that the companies behind these robocalls can't do anything for you that you can't do for yourself — for free. You have just as much clout with your credit card issuer as these companies, and you are just as likely to get turned down for a rate reduction regardless of their promises or supposed efforts to negotiate on your behalf. Indeed, FTC investigators found that people who pay for these services don't get the touted interest rate reductions, don't save the promised amounts, don't pay off their credit card debt three to five times faster, and struggle to get refunds.

Amendments to the FTC's Telemarketing Sales Rule prohibit companies that sell relief services like these rate reduction scams on the phone from charging a fee **before** they settle or reduce your debt. If you do business with a debt relief company, you may be required to put money in a dedicated bank account, which will be administered by an independent third party. The account administrator may charge you a reasonable fee, and is responsible for transferring funds from your account to pay your creditors and the debt settlement company when settlements occur. See *Settling Your Credit Card Debts* at [ftc.gov/credit](https://www.ftc.gov/credit) for more information.

### Protect Yourself

The FTC says that if you're looking to reduce the interest rate you're paying on your credit card purchases, your best bet is to handle it yourself for free: call the customer service phone number on the back of your credit card and ask for a reduced rate. Be calm, patient and persistent. And if you are tempted by the promises in a rate reduction robocall, the FTC says hold off — and hang up.

- Don't give out your credit card information. Once a scammer has your data, they can charge your credit card for their own purchases or sell the information to other scammers.

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- Don't share other personal financial or sensitive information like your bank account or Social Security numbers. Scam artists often ask for this information during an unsolicited sales pitch, and then use it to commit other frauds against you.
  - Be skeptical of any unsolicited sales calls that are prerecorded, especially if your phone number is on the National Do Not Call Registry. You shouldn't get recorded sales pitches unless you have specifically agreed to accept such calls, with a few exceptions. See *New Rules for Robocalls* at [ftc.gov/phonefraud](http://ftc.gov/phonefraud) for more information.
  - If your number is on the National Do Not Call Registry, a telemarketer may call you only if you have agreed to accept calls from the company the salesperson works for, if you have bought something from the company within the last 18 months, or if you have asked the company for information within the last three months.
  - To report violations of the National Do Not Call Registry or to register your phone number, visit [DoNotCall.gov](http://DoNotCall.gov) or call 1-888-382-1222.

## File a Complaint

If you think you've experienced a credit card interest rate reduction scam, file a complaint with the Federal Trade Commission at [ftccomplaintassistant.gov](http://ftccomplaintassistant.gov) or call toll-free, 1-877-FTC-HELP (1-877-382-4357).

If your credit card has been charged for a service you didn't order, authorize or receive, and you can't get a refund, dispute the transaction with your credit card company. First call to try to stop the payment, and then follow up in writing. Under the Fair Credit Billing Act, you have the right to dispute charges for any service you didn't get or any transaction you didn't authorize. See *Fair Credit Billing* at [ftc.gov/credit](http://ftc.gov/credit).

## For More Information

To learn more about dealing with debt, visit [ftc.gov/MoneyMatters](http://ftc.gov/MoneyMatters).

The FTC works to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or get free information on consumer issues, visit [ftc.gov](http://ftc.gov) or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. Watch a video, *How to File a Complaint*, at [ftc.gov/video](http://ftc.gov/video) to learn more. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

FEDERAL TRADE COMMISSION	<a href="http://ftc.gov">ftc.gov</a>
1-877-FTC-HELP	FOR THE CONSUMER