

Karima M. Woods, Commissioner

DISB CONSUMER ALERT

Beware of Extended Automobile Warranty Scams

The District of Columbia Department of Insurance, Securities and Banking (DISB) warns residents to be on guard against extended automobile warranty scams.

HOW IS THE SCAM PERPETRATED?

Scammers are using telemarketing calls, text messages, social media platforms and door-to-door visits to lure consumers into purchasing extended warranties for their automobiles.

Automobile warranty scams may start with a recorded message, or fake warranty expiration notices designed to look as if they were sent by the manufacturer or state motor vehicle bureaus with a toll-free number for vehicle owners to call. The scammers will tell you that your vehicle's warranty is about to expire and that you have a short amount of time to activate important additional warranty coverage. Even if the caller seems to have your personal vehicle information, like the year, make and model, they might not be contacting you with a legitimate offer. The caller may even have a fake local phone number. Scammers often use caller ID spoofing (deliberately disguising their identity transmitted to your caller ID display) to falsify their information and hide their true locations.

Don't rely on the caller's story about your vehicle's warranty coverage, as your warranty may be fully intact. Check with your vehicle's manufacturer or the dealership where you bought it to verify its warranty status. And even if your warranty has expired, it may not be a legitimate offer.

WAYS TO AVOID EXTENDED AUTOMOBILE WARRANTY SCAMS:

- Never give out your personal details or payment information over the phone to an unverified number, even if the caller claims to be with a familiar business.
- If an unsolicited call is prerecorded or automated and asks you to press a number to be connected with a live person, hang up.
- If the caller immediately asks, "Can you hear me?" or another generic question, hang up. This is how unsolicited scammers can verify that your number is active. Once a robocall system recognizes your phone number as active, it may place your number on a list for subsequent calls.
- If you think you may be speaking with a legitimate automobile warranty company's representative, ask for a written copy of their policy. This should

give you time to think about your purchase and what is included if you enroll.

REPORT FRAUD

If you believe you have been the victim of an extended warranty scam or any other financial fraud, you may contact the FTC at reportfraud.ftc.gov to file a report or call the FTC's Consumer Response Center at 877-382-4357. You may also get in touch with the DISB Enforcement and Consumer Protection Division at 202-727-8000.

DISB Mission

Our mission is three-fold: (1) cultivate a regulatory environment that protects consumers and attracts and retains financial services firms to the District; (2) empower and educate residents and (3) support the development and expansion of business.

Social Media

DISB Twitter: [@DCDISB](https://twitter.com/DCDISB)

DISB Facebook: facebook.com/DISBDC

DISB Website: disb.dc.gov