

Rule to clarify free credit reports

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When you're shopping for a free credit report -- totally free -- you can skip that singing pirate in the commercials. Free isn't free with this guy unless you buy something else -- but what would you expect from a pirate?

If you're confused by which "Free Credit Report" is really free -- and believe me, plenty of consumers are -- things should soon clear up.

Beginning April 1, some ads for free credit reports will have to include disclosures that you might have to spend money for credit monitoring or other services to get a "free" credit report from that outfit. By Sept. 1, such disclosures will be mandated in all TV and radio ads.

You also should know that you have a legal right to get a free report on your credit through www.AnnualCreditReport.com or by calling 877-322-8228. But federal law only provides for free credit reports -- not credit scores. So you still might find yourself a bit flustered.

The Federal Trade Commission was required to change its Free Credit Report rules under a section of the Credit CARD Act of 2009,

coauthored by U.S. Sen. Carl Levin of Michigan.

In a statement, Levin said it's critical for people to have access to their credit report because so many businesses rely on the information to screen consumers for credit cards, loans, major purchases and interest rates.

This is the first major change in credit report rules since 2003, when Congress enacted the law giving everyone free access to one report each year.

Tim Burns, public affairs director for the Better Business Bureau serving Eastern Michigan, said more than 10,000 consumer complaints were filed nationwide in the past three years against Experian's Consumerinfo.com and FreeCreditReport.com.

Generally, people thought their reports were free but did not know they were signing up for other costly services.

In February, a Wisconsin college student became the lead plaintiff in a class action suit against Experian charging that the ads for FreeCreditReport.com were deceptive. The suit noted a New York Times report that Experian spent about \$54 million on its advertising campaign in 2008.

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Burns said most consumers who have worked through the BBB have been able to get refunds.

And now, if you go to www.freecreditreport.com, you'll see a disclaimer at the top that says: "Free credit reports are available under Federal law at: AnnualCreditReport.com."

An Experian spokesperson said via e-mail this week that "Experian just received the final rules issued by the FTC regarding the marketing of free credit reports, and we are currently reviewing them to determine the appropriate actions to support our business. We remain committed to clearly and conspicuously disclosing to consumers that the free report we offer is not the free annual credit file disclosure provided by federal law."

Here's the deal

If you order a free credit report at the Experian site, you do get one -- when you also begin a free trial membership in Triple Advantage Credit Monitoring. If you don't cancel that membership within the 7-day trial period, you'll be billed \$14.95 a month.

Most consumers would likely agree with Levin, who said, "free credit reports aren't supposed to produce \$15-per-month charges on a person's credit card."

The pitchman in the commercial says, "a man should always dress for the job he wants. So why am I dressed up like a pirate in this restaurant?"

Maybe he needed a second job to pay for that "free report" on his credit.

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