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Rent-a-Center settles harassment and contract claims

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Company agrees to Attorney General's restrictions on its collection practices and to reform its consumer contracts

SEATTLE – Seven months after the Washington Attorney General's Office sued Rent-a-Center and accused the national lease-to-own chain of crossing the line with its collection tactics – including cussing at customers, pounding on doors, peering in windows and threatening arrest – the company agreed to settle.

"Rent-A-Center maintains it has done no wrong but agrees to comply with all the terms of our settlement, which makes it clear that harassing customers for payments won't be tolerated," Attorney General Rob McKenna said.

In its July 2009 [complaint](#), the Attorney General's Office claimed Rent-A-Center's collection practices were unfair and deceptive under Washington's Consumer Protection Act. The state presented [testimony](#) from customers who said employees seeking to collect on debt went so far as to attempt to kick in the door of a couple's home and told an 11-year-old autistic girl being babysat that her mom could be jailed for theft.

Assistant Attorney General James Sugarman said affidavits from former Rent-a-Center employees showed they were under tremendous pressure to collect on overdue accounts and rarely, if ever, faced discipline for abusive collection practices. The former employees state they were reprimanded, demoted or fired if they failed to meet weekly collection quotas.

Texas-based Rent-A-Center has 3,000 stores nationally and 50 in the State of Washington. The company denied the state's allegations but agreed to a lengthy list of restrictions on its collection practices as part of the [settlement](#) filed in King County Superior Court. Specifically, Rent-A-Center and its employees can not:

- Speak to a customer more than six times per week to discuss an overdue account.
- Engage in violence.

- Trespass, including entering a customer's home or yard other than as necessary to reach the primary entrance.
- Call or visit a customer at home or work after receiving legal notice that the customer has filed bankruptcy, unless authorization is obtained from the court or bankruptcy trustee.
- Impersonate others or fail to properly identify themselves when making collection calls.
- Discuss a customer's account with anyone else, other than a spouse.
- Threaten legal action, unless permitted under the Rent-a-Center Legal Action Guidelines or state law.
- Leave a recorded message for a customer that includes anything other than the caller's name, contact information and a courteous request that the customer return the call.
- Call or visit a customer's workplace after having been told not to do so.
- Use profanity or any language meant to abuse, ridicule or degrade the customer.
- Attempt to harass a customer to take action by repeatedly calling, leaving messages, knocking on doors or ringing doorbells.
- Ask someone, other than a spouse, to make a payment on behalf of a customer.
- Obtain payment through a customer's bank, credit card or other account without authorization.

Rent-a-Center customers make weekly or monthly payments on furniture, televisions and other household items with a high markup. According to Rent-A-Center, only 25 percent of its customers actually complete the payment schedule.

Washington's settlement also makes it easier for customers to know exactly how much they'll pay. The Attorney General's Office alleged Rent-A-Center violated the state's Lease-Purchase Agreements Act by failing to disclose the individual cash price of each item. In December 2009, Rent-A-Center began listing a cash price for each item on its Lease Purchase Agreements. The settlement requires the company to continue that practice. The company also agreed to note in its contracts that certain prohibitions regarding class actions and private attorney general actions may not be lawful in the State of Washington.

Rent-a-Center will pay the state \$243,000 in attorneys' fees and legal costs plus \$100,000 to monitor and enforce the order.

DOCUMENTS:

[Rent-A-Center Consent Decree](#)

[Rent-A-Center Complaint](#)

[Consumer Statements](#)

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