

Bad Credit Where Bad Credit Isn't Due

By Reg P. Wydeven
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Every so often I will get a call from a client who is very upset because they received a letter or got a call from a collection agency for a debt they've already paid. The collection agency won't believe them, so they refuse to back off. The debt is usually being sought by a huge corporation, and when the client calls, they can't reach a live body. If they do, the person typically doesn't have the authority or the inclination to release the debt.

For several of these clients, the alleged debt is under \$50. They usually end up trying one last time to work it out with the company. However, if that is not successful, many of them simply pay the bill again, as it is typically cheaper than trying to fight it further.

The same problem happened with Marc Himmelstein after he canceled his cable and high-speed Internet services with Comcast in June of 2010. Himmelstein, a resident of Washington, D.C., was informed by the telecom giant that he was owed a refund of \$123.19. Comcast removed its equipment from Himmelstein's home, but accidentally left a modem behind.

As a result, Comcast charged Himmelstein \$220. He was completely unaware that he still had the modem and only learned of his debt after calling Comcast in August of 2010 to find out the status of his \$123.19 refund. Himmelstein was informed that as soon as he returned the modem, the charge would be removed and he would get his money back.

He quickly brought the modem back and then contacted Comcast "on at least three occasions" to confirm it received the modem. While he didn't get it in writing, Himmelstein was told by Comcast that the modem was received and the check was in the mail.

Himmelstein never did get the check, so he finally gave up. He had forgotten about it until the spring of 2011 when he tried to refinance his mortgage with Citibank. It was then he learned that not only did Comcast fail to return his \$123.19, they forwarded his \$220 bill to Credit Protection Association. In December of 2010, CPA reported the debt to three national credit reporting agencies.

As a result, Citibank required Himmelstein to pay an additional \$26,000, which was 1% of the outstanding balance of his loan, and he did. Unlike my clients, Himmelstein wasn't willing to drop the matter, however.

Himmelstein filed a complaint in U.S. District Court for the District of Columbia on September 6, 2012, against Comcast alleging breach of contract and negligence. He also sued the Credit Protection Association for negligence and for violating the Fair Credit Reporting Act. Himmelstein is seeking to recover his \$26,000 payment to Citibank, his \$123.19 refund, and his attorney fees.

So be sure to check your credit report regularly. After all, you don't want to get Comcasted.