Free Credit Reporting Sites Receive Warning From FTC

July 27, 2010 - At the beginning of April, new rules went into effect for websites offering so-called free credit reports to consumers. Specifically, these sites are now required to display a warning at the top of each page of their sites that reads, "You have the right to a free credit report from AnnualCreditReport.com or 877-322-8228, the ONLY authorized source under federal law." A week after the rule went into effect we ran an article which noted that some sites were circumventing the law while others appeared to be ignoring it completely. Three months later, the FTC has finally issued warning letters to 18 different sites that appear to be out of compliance with the law.

(function() {
var s = document.createElement('SCRIPT'), s1 = document.getElementsByTagName('SCRIPT')[0];
s.type = 'text/javascript';
s.src = 'http://widgets.digg.com/buttons.js';
s1.parentNode.insertBefore(s, s1);
})();

The warning letters were sent to the operators of the 19 sites in question on July 22nd. The letters told site operators that they needed to come into compliance with the law or face legal action from the government. Penalties for violating the law can be as high as $3,500 per violation. Since millions of consumers visit free credit reporting websites on a monthly basis, fines could easily stretch to be worth billions of dollars.
The sites receiving the letters include:

Â· FreeCreditReportsUSA.com

- FreeCredit-Report.net
- NationalCreditReport.com
- FreeCreditReport4U.com
- MyCreditCenter.com
- 3CreditReport.com
- OnlineFreeCreditReports.com
- My3BureauCreditReport.com
- FreeScore.com
- Free3BureauCreditReport.com
- FreeTripleCreditScore.com
- FreeOnlineReportNow.com
- GoFreeCredit.com
- Free-Credit-Reports-Repair.com
- SmartCredit.com
- 3FreeCreditReportsUSA.com
- AllFreeCreditReports.com

Consumers familiar with the industry may be surprised that the FTC didn't warn FreeCreditReport.com even though the site does not carry the specified warning. The site is one of the largest sites offering free or discounted credit reports to consumers, and certainly among the largest advertisers within the industry. It is owned by Experian.

The FTC never mentioned the site in their release but we believe the reason for excluding it is that they no longer offer "free" credit reports to consumers. When the new rules went into effect, they changed their business model to charge $1 for credit reports. This slight change appears to keep them in compliance with the law.

ACCESS advises any consumer looking at FreeCreditReport.com to pay special attention to the warning run at the top which advises them that by using the service they will be enrolled is a credit monitoring service for a seven day free trial. At the end of that trial, they will be billed $14.95 per month.

As mentioned above the only way to get a truly free credit report without any strings attached is by using AnnualCreditReport.com. ACCESS highly recommends that consumers who use this site resist the temptation to receive an online copy of their credit report; opting instead to use the telephone option by calling 877-322-8228. The reason for this is that the privacy policy for phone use is significantly stronger than the one used for internet delivery. Consumers should avoid using any of the other sites mentioned herein.

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