Lawsuit Alleges Retailer Destroyed Client's Credit Over Bad Online Review

December 20, 2013 - A new lawsuit (Palmer vs. KlearGear.com) claims that KlearGear ruined one of its customer's credit reports as a result of a bad review of the retailer which was published online. The suit highlights the risks that companies may face when they take retaliatory action against consumers.

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The dispute between KlearGear and John Palmer began five years ago when Palmer placed an order with the company that he claimed to never receive. Several months later, Palmer's wife Jennifer had had enough. She posted a review of the company on RipoffReport.com complaining about the company's customer service. That probably should have been the end of it, but it wasn't.

Fast forward to May of 2012. That's when KlearGear sent a letter to Palmer demanding that the review be taken down within 72 hours or that he pay a $3,500 fine. The company claimed that it had a right to charge the fine based on the "non-disparagement clause" included in their online service terms. Palmer refused to comply with the company's demand.

In August of 2012, KlearGear had the $3,500 so-called-debt placed on Palmer's credit report as an unpaid debt. Sometime after that, the debt was referred to a debt collection firm located in Los Angeles.

The lawsuit claims that KlearGear's actions violate the Fair Credit Reporting Act. It also claims that the company is attempting to intentionally inflict emotional harm and defamation. It asks that the court find the debt null and void and that both KlearGear and their collection agency be enjoined from any further collection or reporting efforts associated with the supposed debt.

Additionally, the suit is asking for unspecified compensatory, punitive and statutory damages along with attorney's fees.
byJim Malmberg
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