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**MAYOR DE BLASIO AND DEPARTMENT OF CONSUMER AND WORKER PROTECTION
ANNOUNCE \$400K SETTLEMENT WITH T-MOBILE IN CONSUMER PROTECTION CASE**

DCWP charged T-Mobile and several of its authorized Metro by T-Mobile dealers for using deceptive sales practices to scam New Yorkers

NEW YORK—Mayor Bill de Blasio and the Department of Consumer and Worker Protection (DCWP) Acting Commissioner Sandra Abeles today announced a settlement agreement with T-Mobile USA, Inc. (T-Mobile) to resolve the Agency’s [alleged violations](#) of the City’s Consumer Protection Law. As part of the settlement, T-Mobile has agreed to pay \$306,000 in civil penalties and \$100,000 toward a claim fund for consumers. This agreement resolves DCWP’s allegations that T-Mobile, its subsidiary MetroPCS NY, and more than 50 of its authorized dealers and corporate stores across New York City, sold used phones as new, overcharged consumers, destroyed customer credit scores, and used deceptive return policies, among other violations.

“If a company deceives New Yorkers, this city will hold them accountable,” said **Mayor Bill de Blasio**. “No one should be sold a used phone as new or be misled into expensive financing plans. We are pleased that T-Mobile is settling this case, and we’re grateful for their other efforts to provide free hot spots for remote learning and donate phones to domestic violence survivors.”

“Using deceptive sales tactics to scam and take advantage of customers who were seeking an affordable wireless plan is just plain wrong,” said **DCWP Acting Commissioner Sandra Abeles**. “We are pleased that this settlement agreement will put money in the pockets of consumers who fell victim to these predatory practices.”

As part of the settlement, T-Mobile has agreed to:

- Pay \$306,000 in civil penalties;
- Pay \$100,000 to a claims fund for eligible consumers to seek restitution;
- Stop advertising incorrect refund policies and prices, and disclose if any products are used or refurbished;
- Comply with the City’s Consumer Protection Law, the Rules of the City of New York, and all other relevant city, state, and federal laws and regulations.

DCWP’s investigation also found that its subsidiary MetroPCS deceived consumers into entering financing plans with third-party financing companies, SmartPay Leasing Inc. and Prog Finance LLC, that ruined consumers’ credit. DCWP recently released a [report](#) to bring awareness to the predatory practices of the virtual lease-to-own industry in New York City and the deceptive tactics that are often used to lure consumers into financing agreements. As part of the settlement, T-Mobile must also notify SmartPay and Prog Finance, the major credit reporting bureaus, and federal and state consumer protection agencies of DCWP’s allegations of deceptive conduct.

Consumers who were overcharged, sold a used or refurbished phone as if it were new, or were denied a valid return within 30 days of purchase by a MetroPCS or Metro by T-Mobile store on or after September 5, 2016 should file a claim no later than June 23, 2022. To check if they are eligible, consumers can review the [Eligibility Notice](#) in English and Spanish and then submit the [Claims Form \(Spanish\)](#) online at nyc.gov/dcwp. Consumers can also learn tips for buying electronics [here](#) and file a complaint at nyc.gov/dcwp or by calling 311.

This case was handled by Senior Staff Counsel Glenna Goldis of the General Counsel Division, which is led by General Counsel Tamala Boyd and Deputy General Counsel Michael Tiger.

“I am grateful DCWP’s investigation uncovered this dishonest behavior by T-Mobile and its subsidiaries and that they will no longer be able to participate in these fraudulent acts and practices,” said **Council Member Diana Ayala**. “I am thankful the victims of this deceiving behavior will be compensated for their losses.”

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