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FOR IMMEDIATE RELEASE

Weight Loss Drug Sales Problems Drove 2023 Complaints to BBB

BBB Metro NY Reveals Key Data for National Consumer Protection Week: Consumers Cite Financial Services, Online Purchase, Employment Issues

(March 5, 2024 - New York, NY) – The Better Business Bureau Serving Metro New York issued some surprising news to mark National Consumer Protection Week. In 2023, health, beauty, medical, and fitness related complaints rose unexpectedly from fifth place in the prior year to second place, with a significant 55.5% increase in complaints, often driven by consumer difficulties in purchasing weight loss drugs. For the third year in a row, complaints to BBB® Metro NY about financial services companies topped the list, with online retailer issues noted as the third most frequent complaint category. Online purchases were also the most common type of scam reported to Metro New York BBB in 2023; second-ranked employment scams rose dramatically in 2023 and continue to increase in 2024.

"We have seen a significant increase in complaints about weight-loss businesses and products," said Claire Rosenzweig, President and CEO of BBB Metro New York. "Weight loss drugs are in high demand and many companies are just not prepared to handle the volume. Consumers put down their payment in good faith and too often don't get what they pay for. Some fall victim to miracle weight loss claims that are just not true. They can lose money and might endanger their health due to the potentially harmful ingredients in fake weight loss drugs or other phony products."

In addition to reports about problems related to weight loss drugs, BBB Metro New York saw increased complaints about other consumer health and beauty products, including items ranging from exercise equipment to deodorant, especially those advertised heavily on social media.

Metro New York BBB released statistics on both the top ten complaint categories as well as the top scams of 2023. The announcement came during the Federal Trade Commission's National Consumer Protection Week, which runs from March 3-9.

Full information on the data released today by BBB Metro New York is available on the resource page located here:

bbb.org/local/0121/2024ncpw/2024ncpw_resources.

This page will be updated soon with a video recording of today's media conference for National Consumer Protection Week, which features remarks from 8 collaborating consumer protection government agencies, as well content from another nonprofit.

Highlights include:

BBB.org has Business Profiles on millions of businesses, including over 150,000 in the New York Metro area. In 2023, BBB Metro NY's three offices (New York City, Long Island, and Mid-Hudson) received over 87,000 complaints from consumers about locally-based businesses, as well as more than 73,000 customer reviews. Those complaints and reviews give a good snapshot of consumer satisfaction – and dissatisfaction – of various industries.

The top three complaint categories for BBB Metro New York:

- 1. Financial Services and Insurance topped the most-complained-about business categories list for a third consecutive year. The overall number of complaints in this category actually decreased by 6.81%, from 13,518 complaints in 2022 to 12,598 in 2023.
- Health, Beauty, and Fitness moved up three positions on the list, becoming the second-most-complained-about business category in 2023. The category experienced a huge 55.5% increase in consumer complaints, receiving 4,589 in 2022 and 7,136 in 2023.
- **3. Online Retailer** remained at the same position as last year, but the number of complaints increased notably by 23.65%, from 5,430 in 2022 up to 6,714 in 2023.

Rounding out the Top 10 Complaint Categories for BBB Metro NY in 2023 were: Apparel, Department and General Retail Stores; Telecommunications; Hobby, Leisure, and Entertainment; Publishing and Media; Travel; Automotive; and Household and Office Furnishings.

BBB Metro NY also released information on top categories of scams that consumers reported in 2023. In Metro NY, the top scam category was **Online Purchases**, with 1,779 scam reports comprising \$2.2 million in losses. The second-leading scam category was **Employment**, with 909 scam reports totaling over \$692,000 in losses, up dramatically from 338 reports and \$110,495 cited as losses in 2022.

In the early months of 2024, employment scams have continued to rise significantly, increasing 60% over the first two months of last year, a concerning trend. The rest of the top scam list for Metro NY was Phishing, Sweepstakes/Lottery/Prizes, Government Agency Imposter, Advance Fee Loan, Travel/Vacation/Timeshare, Fake Invoice/Supplier Bill, Healthcare/Medicaid/Medicare, and Investment Scams.

Consumers posted over 4,000 ScamTracker reports to BBB Metro New York in 2023, totaling \$7.2 million in reported losses. Investment scams, which constituted only 1.5% of all reports, accounted for the second-highest dollar loss of any single category at \$1,213,000, according to consumer reports. Online purchase scams, the category with the most reports overall, had \$2,217,912 in claimed dollar losses.

Interestingly, at the international level, Investment and Cryptocurrency Scams were the riskiest scam category. On March 4, 2024, the BBB Institute for Marketplace Trust issued its **Annual Risk Report** based on all ScamTrackerSM data collected in 2023. Their evaluation takes into account not only the volume of scam reports, but also the risk of money loss and the total amount lost. In Metro New York, by comparison, investment scams ranked 10th representing \$1,213,874 in losses.

Consumers can visit <u>BBB.org</u> to submit complaints and reviews, check out a business, learn more about scams, and find additional consumer tips. Additionally, consumers can report scams to <u>BBB.org/ScamTracker</u>.

ABOUT BBB: The Better Business Bureau has empowered people to find businesses and charities they can trust for over 110 years. In 2023, people turned to BBB more than 218 million times for BBB Business Profiles on 5.3 million businesses, and 78,000 times for BBB Charity Reports on about 12,000 charities, for free at BBB.org. Regional, independent BBBs can be found across the United States and Canada. BBB Serving Metropolitan New York, now in its second century of operation, was founded in 1922 and serves New York City, Long Island, and the Mid-Hudson region. Visit BBB.org for more information.

To find out more and/or to schedule an interview with Claire Rosenzweig, President & CEO of BBB Serving Metropolitan New York, contact Lucas Fenton at 212-358-2828 or email **lfenton.newyork.bbb.org**OR Lisa Vazquez at 212-358-2803 or email **lvazquez@newyork.bbb.org**.

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