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Verizon's service bundle brings no joy

By Laura Gunderson
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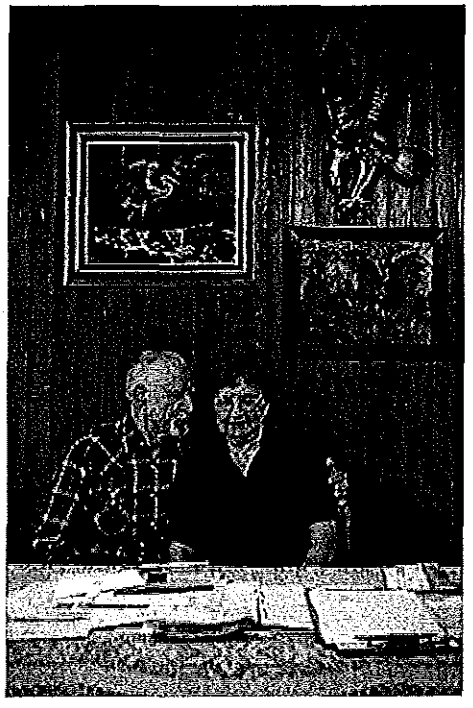

The Oregonian

Dennis and Elaine Streed said they were happy Verizon customers for years but still felt it best to put demands in writing before agreeing to bundle phone, TV and Internet services for $77.99 a month.

The Verizon ad promised phone, Internet and satellite TV service for $77.99 a month.

And that's all Dennis Streed wanted to pay.

So the 83-year-old drew up his own contract and, on May 9, a Verizon salesman signed it. Included was a provision Streed crafted to ensure there would be no misunderstanding: "No hidden fees, and no additions, unless we ask for them."

But when the first bill arrived May 22, it asked for $158.49. The monthly charge grew to $186.33 in June and $183.03 in July.

With the second bill, in June, Streed began paying only the $77.99 he'd promised. By August, Verizon cut off his Internet and TV service.

"We did everything but pound on the table in order to stress that we would sign up providing there would be no extra fees or charges," said Streed, who also has an online order confirmation stating his monthly bills would be $77.99.

And yet his first bill was more than twice the agreed-upon amount, Streed noted. "Can a person trust Verizon?"

Many don't.

The Oregon Public Utility Commission has received enough complaints concerning Verizon and competitor Qwest Communications' bundling that it recently asked the Oregon attorney general's office to investigate.

The attorney general has received eight bundling-related complaints about Verizon and 26 about Qwest this year, though currently it has no open investigations into either's billing practices.

The Desk called Verizon on Monday to find out why the Streeds' monthly bill was more than $77.99. On Wednesday, the company still couldn't say. By Thursday, a company spokesman said the Verizon salesman had made a mistake and promised more services than he should have at that price.

Jon Davies, the Verizon Telecom spokesman, said his company would credit the Streeds $363 -- the difference between $77.99 and what they ended up having to pay.

"We made a mistake, and we apologize for that," said Davies, adding that the company plans to retrain employees at the store the Streeds visited. "We'll have to work out going forward what's our best offer in terms of services and what the customer can afford."

But wait, The Desk asked, what about Streed's contract? Won't Verizon just stick to that?

"I'm not in the legal department," Davies replied. "I'll have to check."

At least two local contract attorneys say Verizon should honor it.

Keith Cunningham-Parmeter, an assistant law professor at Willamette University, thought it likely Streed's contract would hold up in court. Covering the issue in his first-year contract law class this term, Cunningham-Parmeter said that, in legal terms, if a reasonable consumer believes a representative has the authority to bind his company to a contract, he in fact can.

"Courts typically want to abide by the intent of the parties," Cunningham-Parmeter said. "It sounds as if here, the consumer made his intent abundantly clear: He wanted one price, no more, no less. I don't know how a consumer could be clearer."

It is well within any consumer's rights to alter contracts before they sign, say, by crossing out a proposed $200 cancellation fee and changing it to $100, he said. But just because you can doesn't mean you should.

Cunningham-Parmeter also notes that it's tough to make a large company abide by a contract that strays from the routine.

"You'll have a binding contract," he said, "but you'll have to pay hell to enforce it."

Small-claims court is an option. However, many larger companies require in their contracts that conflicts be resolved through arbitration first or in a court in its home state. A cheaper, potentially more effective bet is to file consumer complaints along with the contested contract to a regulating agency. In Streed's case that would be the PUC and the Oregon attorney general.

The former Newberg High School teacher, who once taught consumer law, filed a complaint with the attorney general last week and said he'd be game to go further.

Attorney Richard Canaday, a partner with Miller Nash in Portland who specializes in corporate law, questions whether the salesman had the authority to sign a contract on Verizon's behalf. Still, he said, a company's ad serves as an invitation for a consumer to make an offer that the company can accept or reject.

Streed made, and Verizon accepted, his $77.99 offer, Canaday said.

"It seems something is materially wrong here," he said. "With taxes and charges I could see it growing from $77 to maybe $88, but not $159 and not rising each month."

In fact, Streed has continued to see Verizon's pitch, though now slightly higher, on each of his bills:

"TV, Internet and unlimited calling at an insanely low price ... $79.99 a month for one year."

Last week, Streed received notice from Verizon that it would cut off the phone line he and his wife have had for more than 50 years if he doesn't pay his past-due amount.

Streed is still angry but was more Zen about the news since he feels he's already missed so much this summer. His first four great-grandchildren were born over the past few months and -- without Internet service -- he's missed many e-mailed pictures.

"People lived with horses and buggies before," Streed said. "I'll guess we'll just do it again."

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Have your own consumer complaint? E-mail Laura Gunderson at **The Desk** or call 503-221 8378

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Couple not alone in Verizon frustrations

Dennis and Elaine Streed caused quite a stir last week with their story of the Verizon bill that kept growing and growing -- far past the $77.99 a month the Newberg couple had worked out in a contract they wrote and had a Verizon salesman sign.

More than 40,000 readers checked out the story on The Desk's blog and Fark.com, another site that picked up the report, logging nearly 200 comments on the Streeds' frustrations with Verizon.

Yet for all the buzz, nothing had changed with the Streeds' situation by the middle of last week. Instead, the couple received a bill Monday for more than $500 in services from DirecTV, which had been a part of the bundled deal the couple had agreed to with Verizon.

Although a Verizon spokesman had promised The Desk that the couple would receive a refund, the Streeds hadn't heard from Verizon by Wednesday morning. So The Desk called Verizon back, to ask whether its legal department intended to honor the contract Dennis Streed wrote up.

Soon after, a Verizon rep called the Streeds.

"She said, 'Wow, you sure got our attention,'" Dennis Streed said of the conversation. "Then, she said, 'Just promise me one thing: You won't talk to any newspapers until we get this straightened out.'"

Yeah, right. Anyway, the representative went on to say that Verizon would honor the $77.99 contract and refund the more than $300 the Streeds paid beyond their agreed-upon terms.

By early Thursday afternoon, the Streeds had their phone, TV and Internet up and going again. The couple originally couldn't access e-mailed pictures of their four great-grandchildren born while their service was cut off, so a second technician was sent to hook them up.

"While we strive for perfection, we may occasionally falter," says Les Kumagai, a Verizon spokesman who took on the task of addressing the Streeds' issue and promises he'll also track the Streeds' bill to ensure that in coming months it remains $77.99.

Read the story

To view the previous story about the Streed's contract woes with Verizon, click **here**.

Kumagai also says he'll look into other customers' cases who reported similar problems to The Desk after reading about the Streeds.

Although it may have taken Verizon awhile to address the situation, The Desk's readers wasted no time in speaking out. Here are some snippets from a few of them:

"I signed up with Verizon for the FIOS three-way bundle (TV, Internet, phone) five months ago. I verbally confirmed with the salesperson, more than once, that my TOTAL bill including EVERYTHING would not exceed $137.95. I was issued a confirmation number and was told the call was being recorded. My first bill for 6/13/09 was $421.94; 7/13/09 was $114.49; 8/13/09 was $201.49; and 9/13/09 was $171.14. Clearly these monthly amounts are nowhere near the $137.95 promised to me.

"When I endured the painful, lengthy process of calling Verizon (select from voluminous options

through the electronic lady, get transferred, wait, get transferred, wait, get cut off, start over), I was told that unfortunately the salesperson did not note in my account all that was promised to me, so they were unable to help me and would not be able to provide me with these credits."
--Rebecca Gardner

"We, too, were excited about an advertised special. The postcard said $99.99 for 'screaming fast' Internet, HD cable TV and phone service. I never received a bill that was that low (we're currently paying about $150 per month for the services) and they kept our phone on one bill while starting a new account for the TV and Internet. After receiving numerous bills for hundreds of dollars (the largest was over $800) and spending more than four hours on the phone (cumulative) with various customer service agents promising refunds, I just gave up. Life is too short -- and Verizon hopes that we will all come to that realization sooner than later and just leave them alone. I can't wait for my contract to be up so that I can move on. Hats off to the Streeds. ... Way to give it the old college try, at least!"
--Kristina Gantt

"In July of 2008, we decided to try Verizon's FIOS Triple Bundle (phone, Internet and TV). We ordered from their advertising mailer we had received which guaranteed all three for $109.99 a month. We had it installed July 8. During installation we began to have problems. We were promised two standard set-top boxes and a Home Media DVR box on which we could record programs and then watch them on any of the three boxes. The installer did not have a Home Media DVR when he arrived. ... He told us we could have two recordable DVRs until such time as a Home Media DVR became available. It wouldn't cost us extra. We agreed and he completed the installation.

"Neither DVR functioned properly. We had been told we could pause TV programs for up to two hours. Inexplicably, the pause would un-pause at random times. We could never successfully record anything for more than 10 minutes. I called Verizon several times about the Home Media DVR and finally in late August I was told I had signed off on two recordable DVRs and my bill was now going to be correspondingly higher.

"The next day we received a bill from Verizon for our first month's service. The amount we were charged was $433.18!!!"
--Ken Fritz

"**I signed up in April for Verizon's** phone and television service and the bills were supposed to be around $79. The first bill that came was nearly $200 and since then, they've been between $100 and $125. They keep charging us for Internet, but we didn't order Internet. I called them and told them that we didn't want it, but they keep charging us for it."
--Mae Cook

"I signed up for a package for $99 per month that includes cable, Internet and telephone service. When I signed up, I estimated that the services plus monthly charges for two 'boxes' ($11) and additional taxes should bring me to a monthly charges of no more than $130.00.

"Well, I have yet to see a bill anywhere near that amount. After my first 'prorated bill' I decided to monitor what a regular monthly bill would look like. I found that there were included additional charges for add-ons that I did not request. I explained to the customer service rep what I expected

my bill to look like (as detailed above). The rep agreed to take off the charges and refund my account.

"This month, I again scrutinized my bill and found that charges for 'Internet extras' for security, etc., have been added to my bill this month and last month's bill. Again I called and again the rep agreed to take off those charges and refund my account.

"The explanation I received was that Verizon constantly updates their network services, sends e-mail messages to their customers, offers the services free for one month but the customer needs to get back to Verizon to cancel the special services.

"Isn't this doing business backwards? Why does a customer need to cancel a service they neither requested nor want and, in my case, never used?"
--Jennett Hewlett