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7 **STATE OF WASHINGTON**
KING COUNTY SUPERIOR COURT

8 STATE OF WASHINGTON,

NO.

9 Plaintiff,

COMPLAINT FOR INJUNCTIVE
AND OTHER RELIEF UNDER THE
CONSUMER PROTECTION ACT,
RCW 19.86

10 v.

11 COMCAST CORPORATION,

12 Defendant.
13
14

15 COMES NOW PLAINTIFF, State of Washington, by and through its attorneys Robert W.
16 Ferguson, Attorney General, and Assistant Attorneys General Daniel Davies and Joel Delman,
17 and brings this action against Comcast Corporation (“Comcast”), alleging as follows on
18 information and belief:

19 **I. INTRODUCTION**

20 1.1 Comcast has violated Washington’s Consumer Protection Act, RCW 19.86 (the
21 “CPA”) over 1.8 million times through unfair and deceptive acts and practices relating to its
22 Service Protection Plan, service call fees it charges consumers, and deposits it obtained from
23 consumers.

24 **A. Service Protection Plan CPA Violations**

25 1.2 Comcast markets and sells its Service Protection Plan (“SPP”) to its customers
26 as a product that will allow them to avoid all service call fees should customers ever

1 | experience a service problem that requires an on-site Comcast technician visit. Through June
2 | 2016 it claimed the SPP was “comprehensive,” and “cover[s] all chargeable service calls for
3 | your XFINITY services without additional service fees.” It further claimed that when the
4 | customer signs up for the SPP, customers will:

5 | [E]njoy worry-free maintenance of all inside wiring for your cable TV, high-
6 | speed Internet and phone services. In addition, you’ll enjoy knowing you’re
7 | covered for service calls related to customer-owned equipment connected to
8 | Comcast services and on-site education about your products.

8 | Comcast routinely made these representations through its website and they formed the basis of
9 | sales scripts Comcast representatives used in marketing the SPP to consumers.

10 | 1.3 Comcast grossly misrepresented the SPP to consumers to induce them to
11 | purchase the SPP. Contrary to Comcast’s claims that the SPP provides “comprehensive”
12 | coverage, the SPP covers only a narrow scope of repairs. For example, despite advertising to
13 | consumers that the SPP covers all “inside wiring,” the SPP does not include wiring inside the
14 | walls of a residence—wiring that constitutes most of the inside wiring in the majority of
15 | customers’ homes. Comcast did not tell consumers this before signing them up for the SPP.

16 | 1.4 Likewise, although Comcast claimed the SPP covers all service calls related to
17 | customer-owned equipment, it does not cover any actual repairs relating to customer
18 | equipment. It simply covers the technician visiting the customer’s house and declaring that the
19 | customer’s equipment is broken.

20 | 1.5 Comcast also marketed the SPP as covering service calls relating to Comcast
21 | equipment and wiring outside a customer’s house. However, these issues are already covered
22 | for free by Comcast’s Customer Guarantee promises.

23 | 1.6 Deception formed the core of Comcast’s Service Protection Plan sales pitch.
24 | Approximately 500,000 Washington customers subscribed to the SPP in the past five years and
25 | Washington subscribers paid at least \$73 million to Comcast for the plan during those years.

1 inside wiring, [and] cover[s] all chargeable service calls for your XFINITY services without
2 additional service fees.” It further stated the SPP provides:

- 3 • Unlimited covered service calls with no contracts.
- 4 • Troubleshooting and diagnosis of XFINITY TV, XFINITY Voice, XFINITY
5 Internet and XFINITY Home service problems.
- 6 • Hassle-free replacement and repair of defective customer inside wiring.
- 7 • Hassle-free replacement and repair of cable jumpers, cable connectors, splitters
8 and phone jacks due to normal wear and tear.
- 9 • Service calls due to customer education or customer owned equipment.
10 connected to your XFINITY services.
- 11 • Confidence that if there is a problem with any XFINITY service, Comcast will
12 take care of it without charging a service fee.

13 3.6 The online description did not identify or allude to any limitations on the
14 coverage described above. In fact, it did just the opposite. It claimed the list represented
15 examples of items covered by the SPP and “is not all-inclusive.”

16 3.7 Comcast’s website deceptively described the SPP since at least January 2011.

17 3.8 **Sales Scripts.** Through mid-June 2016, Comcast directed its sales
18 representatives to make the following claims when promoting the SPP to consumers:

19 [S]ubscribing to [the SPP] will cover service call charges that require repairs to
20 cable TV, high speed internet or telephone wiring inside your home.

21 ...
22 Comcast is now offering a comprehensive service protection plan, eliminating
23 any concerns about being charged additional fees for service calls related to
24 inside wiring. For a low monthly fee, our Comcast Service Protection Plan
(SPP) will cover all chargeable service calls for all 3 lines of business.

25 ...
26 The plan provides you with the confidence that should you have a problem with
any Comcast service, we will be able to take care of this for you without
additional service fees.

...
Subscribing to the plan will cover service call charges that require repairs to
twisted telephone wiring, Comcast cable television wiring and/or Comcast cable
internet service wiring located inside your home.

1 ...
2 Without the SPP, you will be charged a fee for repairs to the wiring located
3 inside your home.

4 3.9 The sales scripts did not include any reference to limitations on the SPP's
5 coverage. Nor did Comcast's training manuals teach its employees to disclose the limitations
6 to Washington consumers.

7 3.10 **Email and Chat Transcripts.** Comcast representatives made similar promises
8 to consumers in emails and chat sessions:

9 Just one more thing, R, I would also like to let you know that I have added the
10 Service Protection Plan for \$1.99/month. It covers in-home visits for the
11 diagnosis of video/data reception problems and the repair of in-home wiring. If
12 you have the Service Protection Plan, you will automatically avail free of
13 charge any wire-related service calls in the future. . . . For a small monthly fee,
14 SPP provides the security of knowing you're covered for all inside wiring needs
15 and for chargeable technical service.

16 [http://forums.xfinity.com/t5/Billing/RESOLVED-Misled-About-Service-Protection-Plan-
17 Huge-Service-fees/td-p/861517](http://forums.xfinity.com/t5/Billing/RESOLVED-Misled-About-Service-Protection-Plan-Huge-Service-fees/td-p/861517)

18 They also claimed that the SPP covers outside wiring, which already is Comcast's
19 responsibility:

20 The Fee for outside wirings is valid since there is no Service Protection Plan in
21 your account. There is a fee for technician service since it is considered as
22 special request.

23 <http://forums.xfinity.com/t5/Customer-Service/Service-Call-Charges/td-p/1476159>

24 I'm sorry for the frustrations we've caused you. I have applied a 1 time courtesy
25 credit to your account. Without the Service Protection Plan SPP you will incur a
26 service fee when a technician has to make repairs in or outside your residence.
27 *Id.* (transcript provided by a different customer than the above, but on the same
28 webpage).

29 3.11 Comcast directed its representatives to define "inside wiring" as: "wiring that
30 begins at the 'Demarcation Point', which begins 12 inches outside of the customer's residence
31 and extends to the individual phone jacks, the back of the computer, and cable outlets and
32 extensions." Comcast did not tell representatives to disclose to consumers that in-the-wall

1 wiring is excluded from the “inside wiring” definition. The Agreement for Residential
2 Services also does not define “Inside Wiring” as excluding concealed wires.

3 **F. The SPP’s Terms and Conditions**

4 3.12 As with the sales representatives’ statements, Comcast’s Service Protection Plan
5 Terms and Conditions also initially defines “inside wiring” as “wiring within the point just on
6 your side of the terminating equipment or box located at or about twelve (12) inches outside of
7 your unit or residence and extending to the individual phone jacks and cable and internet
8 outlets and extensions in your home.” The Terms and Conditions also states: “The Plan is
9 optional and covers all inside-wiring related service calls, pursuant to the Plan’s terms, for as
10 long as the customer subscribes to the Plan.”

11 3.13 Although the Terms and Conditions broadly defines “inside wiring” and claims
12 the SPP covers “all inside-wiring related service calls,” Comcast buries a significant limitation
13 on coverage deep within its last paragraph: “The Plan does not cover the repair of wire
14 concealed within a wall (i.e. wire that is wall fished.)”

15 3.14 Similarly, the Terms and Conditions contains the following limitation: “The
16 Plan does not cover repair to customer premise equipment (i.e. TV, DVD player, surround
17 sound, faxes, scanners, printers, external devices, telephones, etc.); however, customers
18 subscribing to the Plan will not pay for a service visit even if the Comcast technician discovers
19 that the trouble is within the customer’s equipment.”

20 3.15 The SPP also does not cover repairs to Comcast equipment or outside wiring
21 because these repairs are already covered by Comcast’s Customer Guarantee.

22 3.16 In short, due to limitations in the Terms and Conditions, the SPP often ends up
23 failing to cover any repairs at all. The short coaxial cable running from a customer’s outlet to
24 the cable box is typically Comcast Equipment that is covered by the Comcast Guarantee rather
25 than the SPP, as are the HDMI cables provided by Comcast, and in many houses all of the
26

1 remaining wiring is wall fished. And as noted above, the SPP does not cover repairs to
2 customer equipment, Comcast equipment, or outside wiring either.

3 3.17 In its advertisements and sales scripts, Comcast omitted the fact that repairs to
4 customer equipment are not considered part of a “service call.” Likewise, the advertisements
5 failed to disclose that the Comcast Guarantee already covers service calls that “result[] from a
6 Comcast equipment or network problem.”

7 **G. Comcast Does Not Adequately Disclose the SPP’s Terms and Conditions**

8 3.18 Comcast does not require Washington customers to sign any agreement or
9 confirm they have read the SPP Terms and Conditions before they subscribe to the SPP.
10 Instead, Washington customers can subscribe over the phone or through an oral request made
11 to an on-site technician. Comcast does not train or require its representatives to email or mail a
12 copy of the SPP Terms and Conditions to Washington consumers.

13 3.19 Comcast also does not provide sales representatives copies of the SPP’s Terms
14 and Conditions as part of their training, and many of them do not know the SPP’s true scope of
15 coverage. Thus, if a customer asks questions about the SPP’s Terms and Conditions, the
16 representative may be unaware of the significant limitations on the SPP’s scope.

17 **H. Comcast Obtains Millions of Dollars from Washington Consumers Through Its** 18 **Deceptive Service Protection Plan**

19 3.20 Comcast earned substantial profits in Washington by deceptively advertising the
20 SPP. The Plan currently costs customers \$4.99 per month, and approximately 500,000
21 Washington consumers subscribed to the SPP at some point in the past five years. Washington
22 consumers paid Comcast over \$73 million in SPP subscription fees since January 2011. In the
23 narrower time frame of January 2013 through July 2015, Washington consumers paid Comcast
24 \$41.6 million in subscription fees for the SPP. During that time, Washington consumers
25 avoided only approximately \$5 million in service call charges by subscribing to the SPP.
26

1 Thus, Comcast earned approximately **\$36.6 million** in profits from Washington consumers
2 over a two-and-a-half year period by deceptively advertising the SPP.

3 3.21 Comcast claims it discusses the SPP with customers when they sign up for
4 services and before every service call. Comcast performed 742,052 service calls for
5 Washington customers between July 28, 2013 and July 27, 2015.

6 3.22 Between October 2013 and September 2015, Comcast charged 2,007 SPP
7 subscribers for service calls it claimed were covered by the SPP, and numerous additional
8 individuals were forced to pay for their own repairs because of the SPP's lack of coverage.

9 **I. Comcast's Service Call Fees**

10 3.23 Comcast charges customers a fee when a technician visits the customer's
11 premises to resolve a service issue that originates from the customer's equipment, inside
12 wiring, or improper customer use. Comcast currently charges Washington customers between
13 \$36.50 and \$70.00 for service call visits.

14 3.24 Comcast directs its customer support representatives to inform customers there
15 may be a charge if a technician visits for a service call. However, Comcast's customer support
16 representatives failed to disclose the service call fees to numerous Washington consumers.

17 3.25 Comcast also claims it discloses the service call fees on its rate cards. The rate
18 cards, however, do not fully disclose the service call rates. They refer only to a fee for "In-
19 Home Service (XFINITY TV)," under its TV Installation section of the rate cards. Comcast does
20 not mention a fee for internet or telephone service calls.

21 3.26 Comcast does not charge customers for all service calls. Instead, it promises
22 customers: "[W]e won't charge you for a service visit that results from a Comcast equipment
23 or network problem." Comcast advertises this Customer Guarantee online and in welcome
24 packets it provides to consumers when they first sign up for services.

25 3.27 "Comcast equipment" that should be covered by the Customer Guarantee
26 includes a variety of items, including "any equipment provided by Comcast such as gateways,

1 routers, cable modems, voice-capable modems, wireless gateway/routers, CableCARDS,
2 converters, digital adapters, remote controls, and any other equipment provided or leased to
3 you by us or our agents, excluding equipment purchased by you from Comcast and Customer
4 Equipment.”

5 **J. Comcast Service Call “Fix” Codes**

6 3.28 Comcast determines whether a service call is chargeable or covered by the
7 Customer Guarantee based on “fix” codes applied by the technician who visits the customer’s
8 house. Technicians can select from approximately 200 fix codes, approximately 80 of which
9 are chargeable.

10 3.29 A technician can select up to six fix codes for each service call. Comcast
11 charges the customer for a service call if one of the fix codes applied is chargeable. For
12 instance, if a technician selects five non-chargeable fix codes and one chargeable code,
13 Comcast charges the customer for the service call. Thus, if a technician fixes a broken
14 Comcast cable box but also provides “customer education” during the service call, the
15 customer will be charged for the service call if the technician applies the customer education
16 code because customer education fix codes are chargeable. This occurred 2,078 times between
17 June 2014 and June 2016.

18 3.30 Technicians receive little training on proper application of fix codes. Comcast
19 supervisors tell them to apply the most relevant fix codes available so that Comcast has a log
20 of the problem in case a follow-up call is necessary. However, Comcast does not formally
21 train the technicians on what each fix code means. The technicians are expected to understand
22 them based on their general knowledge of the repair and customer education services they
23 provide.

24 3.31 Technicians do not always apply the correct fix codes, and neither the
25 technicians’ supervisors nor anyone else review the fix codes applied by technicians for
26 accuracy. This can result in Comcast charging customers for non-chargeable service calls.

1 **K. Comcast Does Not Honor Its Customer Guarantee Because It Improperly**
2 **Designates Certain Fix Codes as Chargeable**

3 3.32 Comcast deceives its 1.17 million-plus consumers when it promises them in its
4 Customer Guarantee that they will not be charged for issues with Comcast equipment or the
5 Comcast network. In truth, many of Comcast's chargeable fix codes improperly apply to
6 repairs that should fall within the Comcast Customer Guarantee's scope. Examples include the
7 following:

8 a. Until approximately June 19, 2015, Comcast technicians could apply a
9 chargeable fix code titled "T43 CUST-CCG-REF BY CUST," which applied "when customer
10 refuses customer guarantee." This code recognized that the service call was covered by the
11 Customer Guarantee but charged the consumer anyway. Technicians did not receive any
12 training on proper application of this fix code, and no customer would intentionally refuse the
13 Customer Guarantee.

14 b. Until Approximately June 19, 2015, Comcast technicians could apply
15 chargeable resolution codes titled "U52 Charge TC" and "U53 Charge TC-Adv-SCVS."
16 Technicians applied these fix codes specifically "to add service charges to a normally not
17 charged fix code." The U53 fix code also added the Service Protection Plan to the customer's
18 account. These fix codes' descriptions openly acknowledged that they applied when a service
19 was not normally chargeable. Comcast applied Resolution Code U52 almost 1,000 times
20 between December 2013 and December 2015.

21 c. Comcast charges for the repair or replacement of cat5 jumpers, coax
22 jumpers, HDMI cables, and component cables (four different codes cover these repairs). In the
23 overwhelming majority of households, these items are Comcast equipment that should be
24 covered under the Customer Guarantee. Comcast claims it does not charge customers for
25 repairs to these items unless the customer purchased and/or installed them. But its fix codes
26 contradict this claim. In Washington, Comcast applied chargeable fix codes to non-SPP

1 subscriber's accounts 4,204 times for service visits relating to these repairs between December
2 2013 and December 2015.

3 d. Comcast charges customers when a technician applies a fix code titled
4 "T86 CC-Other." This is a blanket resolution code that applies to any cable card issue not
5 covered by four other standard cable card resolution codes (two chargeable codes for customer
6 cable cards and two non-chargeable codes for Comcast cable cards). Although some
7 customers own their cable cards, many lease them from Comcast, making them Comcast
8 equipment. Comcast's resolution code does not distinguish between the two, so application of
9 Fix Code T86 can result in service call charges for Comcast equipment issues.

10 e. Until approximately January 2015, Comcast charged customers when it
11 installed a drop amplifier. Drop amplifiers boost the cable signal's strength within a house.
12 Comcast initially sends the same strength signal to all houses, but the signal can deteriorate
13 before it reaches a house if the "tap," which is the cable running from the telephone pole to the
14 house, is degraded. Comcast's signal strength, and the "tap" is Comcast's responsibility and
15 repairs to it should not be charged to the customer. Comcast technicians, however, frequently
16 install a drop amplifier to fix the tap problem rather than climb the telephone pole and fix the
17 tap itself. Notably, technicians received extra time credit for installing drop amplifiers,
18 incentivizing them to install them when no real signal problem existed. In Washington,
19 Comcast applied the chargeable drop amplifier resolution code 7,687 times to non-SPP
20 subscribers between December 2013 and December 2015.

21 f. Comcast charges customers when a technician replaces Comcast
22 equipment that the technician believes is not broken. Sometimes the customer demands that
23 unbroken equipment be replaced. However, a Comcast telephone representative—not the
24 customer—often insists that the functioning equipment is broken and must be replaced.
25 Comcast does not distinguish between circumstances in which a customer requests
26 replacement of functioning equipment and circumstances in which a Comcast representative

1 requests the replacement. In Washington, Comcast applied the “swap equipment” resolution
2 code 2,087 times to non-SPP subscribers between December 2013 and December 2015.

3 **L. Comcast’s Credit Screening Policy**

4 3.33 For all services other than Limited Basic Cable and Internet Essentials, all new
5 Comcast customers must either pay a deposit prior to receiving services, or undergo a credit
6 screening to determine if a deposit is necessary. In some circumstances, existing Comcast
7 customers must pay a deposit or have a credit check run when adding new services or
8 upgrading their services.

9 3.34 Washington customers pay a \$50.00 to \$150.00 deposit to avoid a credit check,
10 with the amount depending on how many services the customer received from Comcast.
11 Comcast credits customer deposits toward the customer’s monthly account balance after six
12 months as long as the customer has a clean payment history for the prior six months.

13 3.35 As part of the credit screening process, Comcast asks a commercial credit
14 company like Equifax to perform a credit check on the consumer and provide Comcast with a
15 credit risk assessment analysis. The credit check results in a “hard hit” on the consumer’s
16 credit profile that can negatively affect the consumer’s credit score when future credit inquiries
17 are performed.

18 3.36 From January 2013 through January 2016, Comcast obtained a deposit from
19 over 6,000 Washington customers with credit scores that were sufficient to avoid Comcast’s
20 deposit requirement. These Customers either paid a deposit to avoid having Comcast run a
21 credit check and had a credit check run on them contrary to Comcast’s promises, or were
22 improperly required to pay a deposit despite having a sufficient credit score to avoid the
23 deposit requirement.

24 3.37 In addition, Comcast ran credit checks on at least 91 Washington consumers
25 over a day after they paid a deposit to avoid the running of a credit check.
26

1 4.2.1.6 Instances when a customer—according to an untrained
2 technician—refuses the customer guarantee, even though no customer would willingly pay
3 Comcast money for repairs that should be free.

4 4.2.1.7 Instances when a service call relates to both a Comcast
5 equipment or network issue, and a customer education, equipment, or inside wiring issue.

6 Comcast failed to clearly disclose any of these limitations to the consumer. Comcast's
7 Customer Guarantee is deceptive, and it gives the consumer the net impression that they will
8 not be charged for anything relating to a Comcast equipment or network problem in violation
9 of the CPA.

10 4.2.2 Comcast unfairly and/or deceptively represented the scope of the SPP's
11 coverage to hundreds of thousands of consumers by:

12 4.2.2.1 Claiming it covers repairs to all inside wiring, when it does not
13 cover repairs to any concealed wires;

14 4.2.2.2 Claiming it covers service calls relating to customer equipment
15 without clearly and conspicuously disclosing it does not cover repairs to customer equipment;
16 and

17 4.2.2.3 Claiming the SPP covers repairs to Comcast equipment and
18 network problems, when these problems are already covered by the Comcast Guarantee.

19 Comcast's online and oral advertisements to the consumer regarding the SPP were
20 deceptive because they contained both blatantly false statements and because they gave the
21 consumer the net impression that the SPP covers all repairs a customer may require for the
22 cable, phone, or internet services, when it frequently does not cover any repairs a consumer
23 requires at all.

24 4.2.3 Comcast obtained a deposit from over 6,000 Washington customers with
25 high credit scores, revealing that they unfairly and deceptively ran credit checks on customers
26 who paid a deposit to avoid a credit check, and/or unfairly and deceptively collected deposits

1 from customers who were not required to pay a deposit. In addition, Comcast ran credit checks
2 on at least 91 Washington consumers over a day after they paid a deposit to avoid the running
3 of a credit check.

4 4.3 Comcast's actions affect the public interest because it repeatedly engaged in the
5 conduct described above. Comcast improperly obtained deposits from and/or ran credit checks
6 on over 6,000 Washington consumers. Comcast made claims regarding the scope of the SPP
7 to over 700,000 Washington consumers. Comcast deceptively represented the scope of its
8 Customer Guarantee to over 1.17 million Washington consumers. In total, Comcast has
9 violated the CPA over 1.8 million times.

10 4.4 The conduct described in paragraphs 1.1 through 4.3 constitutes unfair and
11 deceptive acts or practices in trade or commerce and unfair methods of competition in violation
12 of RCW 19.86.020 and is contrary to the public interest.

13 **V. PRAYER FOR RELIEF**

14 WHEREFORE, Plaintiff, STATE OF WASHINGTON, prays that this Court grant the
15 following relief:

16 5.1 That the Court adjudge and decree that Defendant has engaged in the conduct
17 complained of herein.

18 5.2 That the Court adjudge and decree that the conduct complained of in the
19 Complaint constitutes unfair or deceptive acts or practices and unfair methods of competition
20 in violation of the Consumer Protection Act, Chapter 19.86 RCW.

21 5.3 That the Court issue a permanent injunction enjoining and restraining Defendant
22 and its representatives, successors, assigns, officers, agents, servants, employees, and all other
23 persons acting or claiming to act for, on behalf of, or in active concert or participation with
24 Defendant from continuing or engaging in the unlawful conduct complained of herein.

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