



FTC Staff Warns Companies that It Is Illegal to Condition Warranty Coverage on the Use of Specified Parts or Services

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The Federal Trade Commission staff has sent warning letters to six major companies that market and sell automobiles, cellular devices, and video gaming systems in the United States.

The letters warn that FTC staff has concerns about the companies' statements that consumers must use specified parts or service providers to keep their warranties intact. Unless warrantors provide the parts or services for free or receive a waiver from the FTC, such statements generally are prohibited by the Magnuson-Moss Warranty Act, a law that governs consumer product warranties. Similarly, such statements may be deceptive under the FTC Act.

Each company used different language, but here are examples of questionable provisions:

- The use of [company name] parts is required to keep your . . . manufacturer's warranties and any extended warranties intact.
- This warranty shall not apply if this product . . . is used with products not sold or licensed by [company name].
- This warranty does not apply if this product . . . has had the warranty seal on the [product] altered, defaced, or removed.

"Provisions that tie warranty coverage to the use of particular products or services harm both consumers who pay more for them as well as the small businesses who offer competing products and services," said Thomas B. Pahl, Acting Director of the FTC's Bureau of Consumer Protection.

FTC staff has requested that each company review its promotional and warranty materials to ensure that such materials do not state or imply that warranty coverage is conditioned on the use of specific parts or services. In addition, FTC staff requests that each company revise its practices to comply with the law. The letters state that FTC staff will review the companies' websites after 30 days and that failure to correct any potential violations may result in law enforcement action.

The Federal Trade Commission works to promote competition, and [protect and educate consumers](#). You can [learn more about consumer topics](#) and file a [consumer complaint online](#) or by calling 1-877-FTC-HELP (382-4357). Like the FTC on

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