

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

## CASE STUDY

## Red Flag Radar

**What + Why:** Not all financing options carry the same level of risk—learning how to spot structural, marketing, and data red flags helps you protect yourself before you sign.

Financing offers can look simple on the surface—low monthly payments, 0% interest, quick approval—but the real risk often lies in how the product is structured, marketed, and managed behind the scenes. In this activity, you will examine each of Kai's options through three risk lenses to uncover potential red flags and better understand how consumer protection works in practice.

**Supporting Materials:**

Laptop Financing Options (Case Study)

Consumer Reviews &amp; Protection Warnings (Case Study)

**Instructions:**

1. Review the **Laptop Financing Options** and **Consumer Reviews & Protection Warnings** case study materials.
2. Use the questions to guide your evaluation of each financing option through the three risk lenses:
  - **Structural Risk:** Consider how the repayment structure works and what happens if something goes wrong.
  - **Marketing Risk:** Consider what is emphasized and what is minimized.
  - **Data & Access Risk:** Consider what personal information or account access is required.

3. As you review consumer feedback, determine whether complaints reflect isolated experiences or repeated patterns tied to the product's design.
4. Record specific evidence in the Risk Profile Chart for each lens and the pattern of complaints, then decide the overall risk level for each of Kai's options.

Be ready to share and explain your analysis during the class debrief.

## Risk Profile Chart

| Option                      | Lens 1:<br>Structural Risk                                      | Lens 2:<br>Marketing Risk | Lens 3:<br>Data / Access Risk | Pattern of<br>Complaints | Overall Risk Level |
|-----------------------------|-----------------------------------------------------------------|---------------------------|-------------------------------|--------------------------|--------------------|
| Store Credit Card           |                                                                 |                           |                               |                          |                    |
| Overall Risk                | <div> <div>Low</div> <div>Moderate</div> <div>High</div> </div> |                           |                               |                          |                    |
| BNPL                        |                                                                 |                           |                               |                          |                    |
| Overall Risk                | <div> <div>Low</div> <div>Moderate</div> <div>High</div> </div> |                           |                               |                          |                    |
| General Student Credit Card |                                                                 |                           |                               |                          |                    |
| Overall Risk:               | <div> <div>Low</div> <div>Moderate</div> <div>High</div> </div> |                           |                               |                          |                    |
| Payday Loan                 |                                                                 |                           |                               |                          |                    |
| Overall Risk:               | <div> <div>Low</div> <div>Moderate</div> <div>High</div> </div> |                           |                               |                          |                    |

## Synthesis Question

What additional information would you want before deciding whether to trust one of these financing options?