



CIMENT

LAW FIRM, PLLC

— TEXAS CONSUMER PROTECTION —

Consumers Beware! 7 Illegal Debt Collection Practices (And How You Can Fight Back)

Debt collectors have a bad reputation, and for good reason—even with the implementation of laws that protect consumers from unethical collection practices, many companies continue to utilize threatening, illegal tactics that scare consumers into paying up before they even know if a debt is valid. Empower yourself—learn about the illegal tactics debt collectors use and how you can protect yourself from them.

1. Lie About Their Role

Some debt collection companies purposely use names that make debtors believe they are being pursued by a law firm or government agency. Collectors cannot misrepresent themselves or their authority—if they claim to be attorneys or government officials and they're not, they are likely in violation of the law.

2. Misrepresent the Amount You Owe

Companies often try to hike up the amount you owe to increase their profit margin. Depending on the contract you signed when you took on the initial debt, they may be able to add administrative or collection fees. However, a company cannot lie about how much you owe or charge more than legally-permitted fees.

3. Fail to Validate the Debt

Per the Fair Debt Collection Practices Act, companies are required to send you a debt validation letter within five days of contacting you. The letter must include:

- How much you owe
- The name of the creditor
- A statement that the debt is valid unless you contest it within 30 days
- Information on how to dispute the debt or request more information
- How you can request more information about the original creditor

Many consumers do not know that they have a legal right to a debt validation letter, which is what companies bank on—they expect debtors to be scared into paying right away without any verification that the debt is truly theirs.

4. Contact You Too Often or at Inconvenient Times

One of the main goals of the Fair Debt Collection Practices Act is to limit how often and when collection agencies can reach out to debtors. Collection agencies are not allowed to call you constantly or at inconvenient times (typically considered before 8am or after 9pm unless a time outside this window is requested by the consumer). The law does not specifically say how many calls are “too many,” so it’s up to you to keep appropriate records if you feel that a collection agency is acting unethically.

5. Threaten Legal Action That They Can’t (or Won’t) Actually Take

One common tactic used by collection agencies to threaten debtors with lawsuits or arrest. To start, you cannot be arrested for a debt you owe to a collector. If they take you to court and you’re ordered to pay, you must abide by that court order. However, if a collector claims that you’ll be arrested simply for not paying right away, that is a lie.

Additionally, collection agencies might threaten to file a lawsuit against you if you do not pay. Legally, they can do this IF they have the authority and intention to sue you. If they use it as a scare tactic when they have no intention of filing a lawsuit, that is illegal.

6. Tell Third Parties About Your Debt

Many debt collectors leverage shame to force consumers to pay up. Shady collection agencies might call neighbors, friends, or family members to try to reach you and collect on your debt, knowing that many consumers will pay to avoid having their financial situation revealed to loved ones. There's an important distinction to make here—collectors can call third parties to try to locate you.

However, they cannot reveal that they are debt collectors or that they are trying to secure a payment from you. They may also call you at work, but they are not allowed to tell coworkers that they are debt collectors. If they discuss your debt with anyone other than you and your attorney, they could be in violation of the law.

7. Harass You

The Fair Debt Collection Practices Act and other consumer protection laws strive to keep collectors from harassing debtors. This is perhaps one of the most egregious violations of the FDCPA and state laws; an alarming amount of collectors still threaten debtors, call them names, and use profane language when addressing them. The law prevents collectors from calling repeatedly, making threats of violence, publishing your personal information, and using abusive language.

What You Can Do

The Consumer Financial Protection Bureau and other watchdog agencies receive many complaints about debt collectors, proving that many collection agencies still run afoul of the law. If a debt collector has used any of these deceptive and illegal collection tactics against you, you have options.

1. Document Everything

Documentation is key, whether you choose to file a complaint at the federal level, file a complaint at the state level, or bring a lawsuit against the collection agency. In a notebook or a text document on your computer, keep a log of when each collection call comes in, which representative you talk to, what time they call, and any other important details.

2. Contact the CFPB

The Consumer Financial Protection Bureau enforces laws that protect consumers' rights in this field. If you file an official complaint with them, they may investigate your claim and penalize the collection agency.

3. Reach Out to Your Attorney General

Most states have laws in place that provide additional protection from illegal collection attempts. When a collection agency violates state law, your state's Attorney General can take appropriate legal action and hold the debt collector accountable.

4. File a Civil Suit

Under the Fair Debt Collection Practices Act, you may sue a collection agency if they violate your rights. The FDCPA allows you to request up to \$1,000, plus your actual damages and legal fees, in your lawsuit.

5. Retain an Attorney

Hiring an attorney may be the quickest way to seek compensation and hold a rogue debt collector accountable for their actions. A consumers' rights attorney can help you file the appropriate paperwork to lodge a complaint against the collection agency and assist you in exploring your debt resolution options.

At Ciment Law Firm, PLLC, we are dedicated to defending consumers from illegal and unethical collection practices. Our team is ready to talk to you about your options and help you hold abusive collection agencies

accountable for their actions. Take the next step now and contact us to schedule your free consultation.