

Report: Unpublished FTC Data about Debt Collection Complaints Shed Light on Reported Law Violations by Collectors

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National Consumer Law Center Report Analyzes Nearly 700,000 Consumer Complaints from 2017 for 50 States, District of Columbia, and Puerto Rico

Download the full report and access debt collection fact sheets (national, state, and District of Columbia) a map of the number of complaints per capita in each state, and information about the companies that received the most complaints: bit.ly/a-dc-ftc

BOSTON – Every year, the Federal Trade Commission (FTC) collects consumer complaints through its Consumer Sentinel Network (CSN). However, the annual CSN Data Book analyzing this data publishes relatively little data about its top complaint category – debt collection. The National Consumer Law Center filed a Freedom of Information Act request to access unpublished information about these debt collection complaints. This data, together with other public information, is discussed in this report analyzing the 620,800 debt collector complaints in 2017 from consumers throughout the United States.

“The FTC is currently compiling data on consumer complaints from 2018 and we call on them to use this opportunity to release more data, such as information about the number and types of debt collection complaints, the names of companies who are receiving those complaints, and an analysis of the metropolitan areas and regions where debt collection complaints are most common,” **said April Kuehnhoff, National Consumer Law Center attorney and co-author of *Consumer Complaints about Debt Collection: Analysis of Unpublished Data from the FTC***.

“FTC data helps regulators understand what types of problems consumers are experiencing with debt collectors, identify actors who may be violating the law, and also identify the states and regions where consumers report more abusive debt collection practices,” **added Kuehnhoff**. “And, with the Consumer Financial Protection Bureau’s proposed rules regarding debt collection expected this spring, the FTC’s complaint data offers another opportunity to learn about consumer experiences with debt collection and help inform regulation to rein in bad actors.”

Key Findings

- Nationwide, consumers make hundreds of thousands of complaints about debt collection practices every year.
- Since 2015, debt collection complaints have been the most common type of consumer complaint reported in the CSN Data Book. From 2008 to 2014, it was the second most common type of complaint.
- Seven out of the ten states with the highest per capita number of debt collection complaints in 2017 are in the South (Florida, Georgia, Texas, Alabama, South Carolina, Tennessee, and

Louisiana)), one is in the mid-Atlantic (District of Columbia), one is in the Midwest (Michigan), and one is in the West (Nevada).

- Eight out of the ten states with the highest per capita number of debt collection complaints in 2017 had a higher percentage of residents with debts in collection reported on their credit reports than the 33 percent share for the nation as a whole.
- In 2017, top categories of reported law violations included “Calls After Getting ‘Stop Calling’ Notice” (227,917 complaints), “Calls Repeatedly” (210,238 complaints), “Makes False Representation about Debt” (192,704 complaints), “Fails to Identify as Debt Collector” (84,364), “Tells Someone Else About Consumer’s Debt” (39,760 complaints), and “Falsely Threatens Illegal or Unintended Act” (31,519 complaints).
- Nationally, the three companies receiving the most debt collection complaints were Enhanced Recovery Associates, Portfolio Recovery Associates, and Credit One Bank – each receiving more than 10,000 consumer complaints in 2017.

Key Recommendations

The FTC should do more to make the debt collection complaint data that it collects annually in the CSN widely available to the public by:

- Publishing all debt collection complaints; and
- Reporting more information about debt collection complaints.

The FTC should also take steps to improve collection of CSN debt collection complaint data by:

- Standardizing data collection;
- Facilitating complaints via apps;
- Facilitating complaints by consumers with limited English proficiency; and
- Conducting outreach in communities that are underreporting.

The FTC and other federal and state regulators should use the CSN debt collection complaint data to guide continued enforcement and strengthen consumer protections against abusive debt collection.