

Communication to Vendor Violates FDCPA Third-party Communication Prohibition

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On April 21, 2021, the Eleventh Circuit Court of Appeals [held](#) that: i) a violation of the Fair Debt Collection Practice Act's (FDCPA) prohibition against communicating with a third-party in connection with the collection of a debt gives rise to a concrete injury to establish Article III standing and ii) a debt collector's transmittal of a consumer's personal information to its vendor is a communication in connection with the collection of a debt for purpose of the same FDCPA prohibition.

Subject to limited exceptions, the FDCPA prohibits a debt collector from communicating with a third party in connection with the collection of a debt. Some of the permitted exceptions include when the debt collector shares information with a consumer reporting agency, the attorney of the debtor or creditor, or the creditor. Particularly relevant to the Eleventh Circuit's analysis, there is no exception for when a debt collector shares information with its vendor to generate dunning letters. The court acknowledged that the debtor did not suffer a tangible harm or risk or real harm when his information was shared with the debt collector's vendor, but found that the alleged statutory violation could be an invasion of privacy protected by the FDCPA. When considering the merits of the case, the parties agreed that the transmittal was a "communication." The sole issue was whether the communication was one "in connection with the collection of a debt." The Eleventh Circuit adopted an expansive interpretation of this phrase. The court characterized a transfer of the debtor's personal information to a vendor to be "concerned with", "in reference to", or otherwise in relationship to the debt collector's effort to collect the debt.

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