

The Impact of Call-blocking and Labeling Technologies on the Accounts Receivable Industry

As consumer “robocall” complaints continue to escalate, regulators have turned their focus to technological solutions to stop illegal calls from reaching consumers. After being given the green light by the Federal Communications Commission, carriers and other providers have begun offering consumers various call-blocking tools. However, legitimate businesses, including debt collectors, are discovering their calls are showing up on consumer phones as “suspected scam” or are even being blocked outright.

The misclassification of legitimate business calls as a scam and the blocking of such calls is a serious issue that threatens the fundamental ability of debt collectors to communicate with consumers to share important account information. This has prompted complaints about legitimate call attempts against the industry and causes reputational harm when calls are labeled with confusing and potentially slanderous labels.

In a recent survey, ACA members were asked to indicate whether their calls were being blocked or potentially mislabeled. The majority of respondents indicated that they were experiencing call-blocking (78%) or having their calls mislabeled (74%) (see Figures 1 and 2). Additionally, 62% of respondents reported that they were seeing a decrease in right-party contacts (Figure 3).

Figure 1. Percent of Respondents indicating that their Calls are being Blocked.

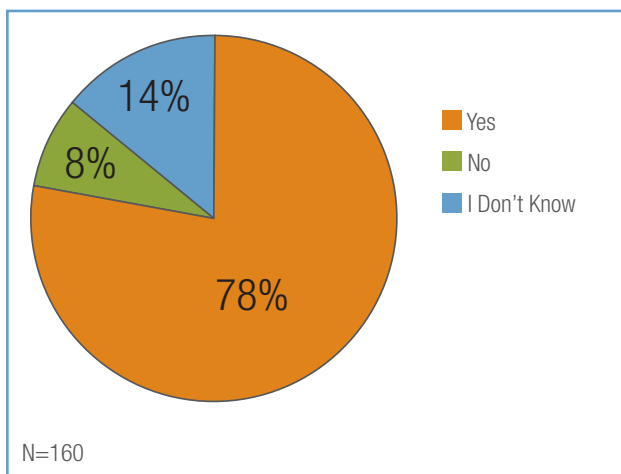


Figure 2. Percent of Respondents indicating that their Calls are being Mistakenly Labeled as “Scam”, “Fraud”, or Other Improper Label.

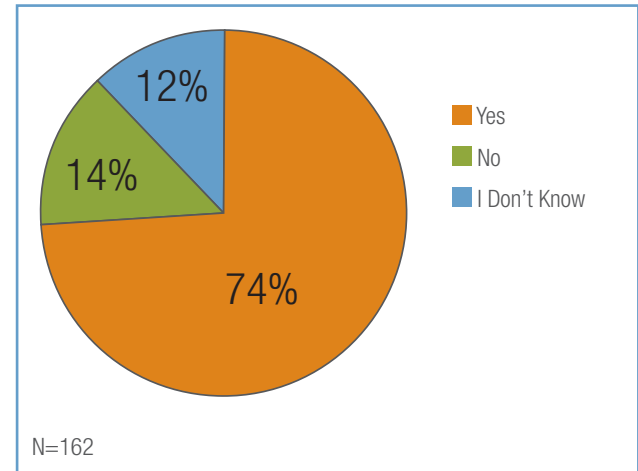
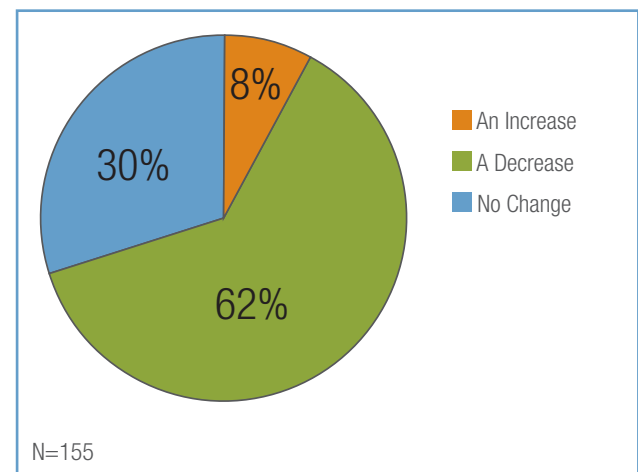


Figure 3. Percent of Respondents Indicating a Change in Right-Party Contacts in the Last Year.



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ACA International asked our members how these technologies were impacting their business and consumers. Here is what they had to say:

How are ACA members discovering that their calls are being blocked or Labeled?

- » The consumers are telling us that our calls are labeled as Spam or Scam which creates mistrust of our legitimate reason for calling.
- » Our consumers advised of it. When speaking with a consumer they ask “why does your number show as ‘spam’”?
- » A consumer called us to advise us that our missed call was labeled as possible scam.
- » Consumers advised us that they saw it on their phone and suspected that we were a scam. They would refuse to verify their information so we could discuss their account.
- » Consumer informed that it showed up on their phone as “Possible Scam.”

How does this issue impact ACA members’ relationships with consumers?

- » This has a huge impact because the majority of phone numbers are with cell phone providers that are blocking our calls. Consumers don’t have the ability to resolve their account until it is too late to avoid debts being reported to their credit report.
- » The consumers we’re attempting to reach do not want to answer because their phone says we’re a scam. Many consumers now have call blocker apps that we’ve erroneously been added to because they think our company is a scam. What if we report something to someone’s credit and it prevents them from purchasing a home, car, security clearance, etc? That’s not fair to the consumers.
- » The consumers, as well as our agency, have been impacted. Some have shared they wished they had taken the call but honestly thought it was spam. As a result, the account went unresolved which did not help the consumer.
- » Consumers are less likely to answer their phone, they think that our business is not legitimate, and has caused complaints to regulators and our clients. Consumers are then not resolving their accounts which continue to potentially impact them negatively.

- » Consumers are less receptive to our collectors when they get them on the phone and less likely to verify their information. We already have to sound shady when we ask debtors to verify their SSN or DOB. If the caller ID says it is a scam then the person on the line is asking about your SSN no person in their right mind would verify.

How does this issue impact the ability of ACA members to conduct business?

- » Our call/contact ratio has declined 40% against the call/contact ratio in prior years and has decreased our client’s recovery of unresolved accounts.
- » We are unable to contact consumers that legitimately want to talk to us and find solutions to their accounts.
- » Few contacts will result in lower recoveries and more disputes. It will also result in consumers not knowing about their debt until after we’ve reported it to the CRAs and by then, whatever impact we may have had to their credit is done.
- » Major impact and consumers are less likely to answer the call. It also impacts our credibility as a business with a legitimate business matter.
- » Telephone calls are an essential process for collection agencies. It’s what we do. The impact is life or death of the company.

What does ACA want lawmakers to do about this?

Consider developing protocols and/or a regulatory framework directed at call blocking and labeling companies to require them to differentiate between legal informational calls and illegal robocallers.