

Emails in Debt Collection: Improving Protection and Selection

Debt collection regulation is a hot topic following the Consumer Financial Protection Bureau's proposed new rule. The rule allows the use of emails for debt collection, a proposal that was met with objections by several members of the House and Senate.

Email is Broadly Used in the US

Email is a common tool for personal and business use. Consumers use the internet, mobile devices, and their emails for communication, shopping, and financial transactions.

75.23%
Internet penetration in the US in 2017

77%
Mobile device penetration in 2018

At **TrueAccord**, 97% of accounts placed for collections have at least one working email address

85% of consumer visits are made from mobile devices and tablets



Limiting Email Use Hurts Consumers

Requiring special consent requirements for email, above and beyond calls and letters, hurts consumers by driving unintended consequences.

In **New York State**, where emailing by debt collectors requires special consent, **TrueAccord's** email response rates are 7.1% of those in other states. Consumers are deprived of the option to have easily available digital communications, and choose to disengage.

That has led to a **61% jump in debt collection lawsuits** in 2017 compared to 2016.

Email is Preferred by Consumers for Debt Collection

Consumers prefer communicating via email and mobile devices when handling their debt. Using digital channels allows consumers to engage at times when they are available, without having to talk to collectors on the phone, and using an experience they are used to from other areas of their lives.

The case for email is quantitatively clear. In **TrueAccord's** system, email engagement is high.

65% of consumers open at least one email, and 35% click at least one link.

+84% of resolved debts are handled without ever talking to a human.

+25% of consumer visits are made outside of business hours, when under the FDCPA, collectors would not be allowed to contact consumers.

Email is a Step Forward in Consumer Protection

Replacing phone calls as debt collection communication **improves consumer protection** by making all communication written communication.

Email providers offer easy to access search and archiving options, automatically creating a **paper trail of communication** between the consumer and the collector, contrary to calls they never record.

Email offers significantly **better protection** from unwanted communication compared to phone calls and letters. Emails are required to have an "unsubscribe" option, and consumers can also mark messages as spam. When enough consumers mark an email as spam, the sender will be blacklisted.

Collectors who use emails to harass experience less than 5% success rates of reaching consumer inboxes ("**inboxing rate**"), essentially barring them from using email. Such mechanisms do not exist for phone calls or letters.

Bottom Line: Email Should be Easily Used for Debt Collection

Email is widely used, easily accessed, and provides a written account of collection communication. **Consumers widely prefer email communications** for their non intrusive and flexible nature, telling us so in countless reviews.

Email is more **easily controlled** by consumers and more tightly managed by providers, with built in mechanisms to discourage and blacklist harassors.

Limiting email demonstrably causes unintended consequences since collectors cannot effectively reach consumers.

Putting email at a disadvantage compared to phone calls will hurt your constituents, as it should be the default primary channel for debt collection. **Please help them get out of debt!**

A sampling of TrueAccord's Google reviews

★★★★★ an hour ago
"I wanted to resolve this and your email came at the perfect time. [...] **I liked this much more than phone calls.** Payment sent and problem resolved!"

★★★★★ earlier today
"By far **the most respectful and humanizing company** I have ever seen. What a great company to work with!!"

★★★★★ yesterday
"Great to work with. [...] Their way of contact is email. So.... **I didn't have to hear my phone ring a 1000 times a day every day**"

