

Legal Discussion

TCPA Lawsuit

Case Name

James et. al. v. JPMorgan Chase Bank

Governing Bodies

Federal Communications Commission (FCC)

Violated Laws

Standards of Consumer Financial Protection Bureau (CFPB)

Telephone Consumer Protection Act (TCPA)

Regulations set forth by the Federal Communications Commission (FCC)

Penalties Paid

- \$3.75 million settlement
- No more than 30% of settlement going to pay attorney's fees

Case Summary

In the TCPA suit, JPMorgan Chase Bank was alleged to have used autodialing equipment to call the wrong people. The bank was attempting to contact customers who used their checking, savings, and other types of bank accounts. However, the phone numbers the bank had on file no longer belonged to the users of the accounts. The plaintiffs alleged that the autodialing of the incorrect phone numbers was a violation of the TCPA.

Telephone Consumer Protection Act 47 U.S.C. § 227 SEC. 227. [47 U.S.C. 227] RESTRICTIONS ON THE USE OF TELEPHONE EQUIPMENT

(b) RESTRICTIONS ON THE USE OF AUTOMATED TELEPHONE EQUIPMENT.—
(1) PROHIBITIONS.—It shall be unlawful for any person within the United States, or any person outside the United States if the recipient is within the United States—

(B) to initiate any telephone call to any residential telephone line using an artificial or prerecorded voice to deliver a message without the prior express consent of the called party, unless the call is initiated for emergency purposes or is exempted by rule or order by the Commission under paragraph (2)(B);

The TCPA law says that autodialing equipment is not allowed to be used for calling except with prior express consent. Because the numbers were either provided incorrectly or were outdated for the given accounts, the bank called the wrong people and did not cease calling even when one of the defendants informed the bank that it had the wrong number on file.

The bank's calling practices were a clear violation of the TCPA because of autodialer usage, and lack of prior express consent from the consumers. The discovery showed that the bank called approximately 675,000 wrong phone numbers with autodialing equipment within the span of two years leading up to the suit.

Judgement

The suit was approved as a class-action settlement, and JPMorgan Chase Bank agreed to a settlement of \$3.75 million for both classes, one of which was for people who had received autodialed calls without giving prior express consent, and the other class for people who had also requested that the bank cease calling. JPMorgan Chase Bank did not admit to any wrongdoing, but reached the settlement as with many other TCPA settlements, likely in order to avoid steeper penalties that could be in the hundreds of millions.

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How Our Products Prevent Lawsuits of this Nature

We have multiple products that the bank could have used to avoid the calling problem. First, at the point of signing up for an account with the bank, JPMorgan Chase Bank could have used our Immediate Validate product to ensure that the provided phone number belongs to the correct person. Immediate Validate involves our agents calling provided phone numbers that the client has just received, and verifying that the phone numbers belong to the correct people. This is done at the point of sale, point of credit, or point of sign up in order to make sure that an incorrect phone number is never dialed.

Our Pinpoint Phone product could have also help avoid lawsuits of this nature. Pinpoint Phone is a verification product in which our agents identify and verify the correct phone number for a consumer. If JPMorgan Chase Bank was notified that a phone number did not belong to the correct person they needed to reach, the bank could flag the account for further verification. Our agents would receive the consumer's information and attempt to find the most likely contact information for the person. Once the information is identified, our agents verify by manual calling that the phone number belongs to the intended person.

If the bank had used either of these products, it could have avoided the TCPA suit and the resulting penalties. Accutrac's products and compliance help many companies avoid lawsuits in the same way.

Company Background

Accutrac is a large-volume verification company that offers right party contact, POE, VPOE, consent, point-of-credit, and validation solutions to companies in the credit, collections, and accounts receivables industry.

Information

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