

SYNOPSIS OF FEDERAL TRADE COMMISSION DECISIONS  
CONCERNING DEBT COLLECTION PRACTICES

The Federal Trade Commission has determined that the following acts or practices used in the collection of debts are unfair or deceptive and are unlawful under Section 5(a)(1) of the Federal Trade Commission Act.

-- It is an unfair or deceptive trade practice for a creditor to misrepresent his identify to the debtor or use a fictitious or misleading identify when he is seeking to collect a debt directly. 1/

-- It is an unfair or deceptive trade practice for a creditor to threaten to institute legal proceedings against a debtor when there is in fact no intent to actually initiate such proceedings. 2/

-- It is an unfair or deceptive trade practice for a creditor to represent that a debtor's credit rating will be adversely affected, or that his name will be given to a credit reporting agency, when such is not the case. 3/

-- It is an unfair or deceptive trade practice for a creditor to create a false impression that he has governmental or other legal authority to collect a debt. 4/

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1/ Wilson Chemical Co., Inc., et al., Docket 8474 (January 14, 1964); Wm. H. Wise Co., Inc., et al., Docket 6288 (November 1, 1956).

2/ Wilson Chemical Co., Inc., et al., Docket 8474.

3/ Parents' Magazine Enterprises, Inc., et al., Docket 8652 (December 3, 1965).

4/ S. Dean Slough t/a State Credit Control Board, Docket 8661 (November 16, 1966); Ann J. Wacksman t/a Allied Information Service, etc., Docket 7537 (June 30, 1960); Sydney N. Flo[e]rsheim t/a Flo[e]rsheim Sales Company, etc., Docket 8721 (February 5, 1968).

*This is a transcript of the Synopsis of Federal Trade Commission Decisions Concerning Debt Collection Practices. Typos in the original document appear as bracketed text in the transcript. The transcript was created April 7, 2022.*

-- It is an unfair or deceptive trade practice to misrepresent the purpose of an inquiry directed at the debtor or at a third party in order to secure information concerning a debtor such as his whereabouts, assets or employment status. 5/

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5/ Lester Rothschild t/a Gen-O-Pak Company etc., Docket 5853 (March 27, 1952); Dan Trainor t/a National Administrators et al., Docket 4870 (May 8, 1943); Edward Lowenthal t/a International Research, etc., et al., Docket 4832 (April 27, 1944); Albert E. Voaden, Docket 4935 (July 21, 1943); Herbert L. Ross d/b/a National Inheritance Service, et al., Docket 4849 (January 26, 1943).