

NEWS

Know Who You're Calling or the TCPA Will Come Knocking

By Rollin Girulat

Anybody in the consumer contact business – particularly debt collection – is acutely aware of the Telephone Consumer Protection Act (TCPA) violation land mines in place. Dialing cell phones on a predictive dialer without the consumer's express permission can result in fines of \$1,500 per dial, with threats of class-action lawsuits.

Additionally, the new TCPA Omnibus Declaratory Ruling and Order issued in July introduced a new "one and done" determination stating that if you dial a cell phone you've previously had express permission to dial and the number has been reassigned, you get one chance to dial without facing a TCPA violation. A second dial attempt to the reassigned number exposes your company to violations.

Watchdogs and Capitalists on the Hunt

Consumers are not the only group trying to catch violations. The Federal Trade Commission, in its desire to eliminate illegal robocalls to cell phones, created a contest for detecting them. In addition, other companies have taken this technology, added to it the ability grab reassigned phones and then set up "honeypots" to trap unsuspecting legitimate collection efforts.

A case filed in U.S. District Court in August of this year for Telephone Science Corporation (TSC) versus Asset Recovery Solutions (ARS) LLC alleges TSC obtained several cell phones previously assigned to ARS collection clients. TSC then trapped ARS as they unknowingly dialed these numbers, reassigned to TSC.

Ported phones also have become a challenge. The North American Numbering Plan defines the intended line type for a number, narrowing it down to the area code, the exchange and the first digit of the last four digits to determine line type.

For example, the number 714-561-3xxx is defined as a landline. This generally will work for identifying cell phones, but not always. The challenge is that approximately 6 million consumers

have switched (or ported) their landlines to cell phones. To help, the phone companies formed the Number Portability Administration Center to report their ported numbers daily. Currently, a company can subscribe to this service and download a daily, fully updated file of ported phones. The current administrator of this service is Neustar™, but earlier this year the Federal Communications Commission recommended the contract be switched to Ericsson.

So what's a company to do?

It Starts With Validation

The only safe way to be sure a number still belongs to your targeted consumer is to engage the telephone companies to validate the number. The Signaling System 7 protocol, used by U.S. carriers, provides call setup details, including the name associated with a phone, the line type, the line status and some other indicators but not consumer address data. Some companies are tapping into this data and either using a combination of tracking call volume and merging it with compiled data from a number of sources or querying the local exchange carrier's databases directly to see the current status and owner of the phone.

Navigating Changes in Cell Phone Trends

A recent study by the Pew Research Center reveals that 90% of all adults in the United States have a cell phone, peaking at 98% for adults 18 to 49. One can only conclude we are well on our way to living in a world of 50% or more wireless-only households. So clearly, if you want to reach your consumers by phone, you'll have to tackle cell phone regulations and handling.

Sadly, there is no 411 service for cell phones. So where can you obtain a number? The best option is to ask the customer for his or her phone number at application time and then capture updates. Of course, this doesn't always work, especially for accounts that roll into collections. To obtain a new best contact number, companies often turn to two main sources: compiled data and self-reported data.

Compiled data aggregators buy data online from companies that gather phone numbers as a byproduct of other services, such as filling out surveys, buying ringtones, etc. While this can be an excellent source for initial phone status, knowing when a number no longer is accurate is not possible. It's very likely that when people fill out a survey or enter a sweepstakes they've provided a cell phone number. It's doubtful that any of these people ever go back to the company and update their contact information if it changes.

The other choice is to look for recurring reporting of self-reported numbers. The trend Experian is seeing is that 50% of the new numbers captured each month are now cell phones, which means that each time a consumer input credit inquiry comes in or a new tradeline is opened, the phone number can be captured and provide a reasonably (but not 100%) accurate source of new numbers. These numbers can be provided if the requester has permissible purpose under Gramm-Leach-Bliley rules. As an aside, reporting of new numbers frequently coincides with the reporting of new addresses, which may or may not have been reported to the USPS.

Will It Get Easier?

While requesting a validation of a known or newly supplied phone is critical, the ability to automatically know when a phone you are dialing is no longer safe to call is probably just as important to you. The next evolutionary step will be to monitor a client's dialing inventory and automatically push out updates. There are some sources out now that will push updates from the phone companies. Other sources are readying changes that include both phone company updates on phones as well as new phone assignments.

Regardless, with the mobile space continuing to explode, and regulators and watchdogs armed to protect the consumer, companies must continue to invest in solutions to ensure they know who they are calling and on what type of device.

Rollin Girulat is Senior Collections Product Marketing Manager at Experian.