MANILA BULLETIN
THE NATION'S LEADING NEWSPAPER
Monday, March 5, 2018
6

Poe: Expose 'dirty tactics' of credit card debt collectors

By HANNAH L. TORREGOZA

Senator Grace Poe has called on the Senate Committee on Banks, Financial Institutions and Currencies to investigate reports of alleged "dirty tactics" and other abusive practices being employed by some credit card debt collectors.

Earlier, Poe filed Senate Resolution No. 655 to seek a Senate inquiry into the status of the implementation of the Philippine Credit Card Industry Act of 2016.

She said debt collectors that engage in unfair collection practices must be punished to put an end to their prevalent abusive behavior and protect consumers.

Despite the passage of the law, the senator said her office recently received complaints that collecting agencies "continue to harass borrowers in a threatening and offensive move to collect money" on behalf of issuing banks.

"The lack of clear guidelines and dedicated implementation of existing laws and regulations that would punish debt collectors gives them a wide latitude to harass, bombard borrowers with calls and text messages bordering on criminal acts, and engage in other unfair collection practices," Poe said.

Usually, she said consumers who make use of credit card would soon find themselves debt-saddled and often hounded by debt collectors.

Poe said debtors should pay their outstanding debts but criticized abusive collectors who use a credit card holder's poor financial standing to harass, resort to name-calling and threaten them with delinquent accounts to compel them to pay.

"For many years, credit card debt collectors put pressure and use crooked ploys on the defaulter to collect money," Poe noted.

One of the "most notorious" and "crooked" ways of collecting money she said include threatening the debtor that a case has already been filed in court and that the same was being handled by a supposed law firm, using a village official or men in uniform to force the borrower to pay.

Some of these debt collectors would enter the cardholder's house in the guise of delivering a package but would soon tell the account holder that they will garnish the property in exchange of the outstanding debt.

Other "dirty tactics" also include calling the debtor's employer with the intent to smear the reputation of the defaulter, which, in some cases, lead to firing of the employee.

There are also debt collectors who bombard the debtor with text messages that there is an alleged warrant of arrest due to the unpaid account, and telling the cardholder that there is a hold departure order issued.

Such illegal practices, Poe said, should be stopped to protect consumers from emotional and mental attacks and sleepless nights.

*CREDIT CARD