Debt Collectors Can Be Sued for Placing QR Codes on Envelopes - Third Circuit Court of Appeals

August 16, 2019 - The US Third Circuit Court of Appeals has ruled that debt collectors who place QR (quick response) codes with unencrypted account information on the exterior of envelopes are violating the Fair Debt Collection Practices Act (FDCPA). And that violation allows consumers to file suit. The ruling was issued by a three-judge panel on August 12th.

Tweet

(function() {
var s = document.createElement('SCRIPT'), s1 = document.getElementsByTagName('SCRIPT')[0];
s.type = 'text/javascript';
s.src = 'http://widgets.digg.com/buttons.js';
s1.parentNode.insertBefore(s, s1);
})();

(function() {
var po = document.createElement('script'); po.type = 'text/javascript'; po.async = true;
po.src = 'https://apis.google.com/js/plusone.js';
var s = document.getElementsByTagName('script')[0]; s.parentNode.insertBefore(po, s);
})();

The ruling came as the result of a lawsuit filed by a woman in Philadelphia. Donna DiNaples received a letter from MRS BPO; a debt collector. The envelope included a QR code that was stamped on the exterior. When scanned with a smart phone, the code revealed her MRS account information. That information would clearly have violated the FDCPA had it been printed in plain English on the envelope, so DiNaples sued the company.

DiNaples prevailed in a lower court so MRS BPO appealed. The company argued that it would be illegal for anyone to scan an envelope while in the US Mail. The court determined that argument to be irrelevant. The fact that the QR code contained unencrypted information that could be read by any smart phone creates a privacy concern as well as an FDCPA violation.

The ruling, which was unanimous, is the appeal's outcome and will likely end the case. Even if MRS appeals, it is highly likely that the Supreme Court would refuse to take the case.
by Jim Malmberg
Note: When posting a comment, please sign-in first if you want a response. If you are not registered, click here. Registration is easy and free.

Follow ACCESS