Equifax Settles FCRA Claims Related to Reporting of Civil Judgments and Tax Liens

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As part of its business, Equifax reports publicly available civil judgment and tax lien information about consumers. However, in multiple class action lawsuits filed across the United States, plaintiff-consumers alleged that while Equifax promptly reported civil judgment and tax lien information, Equifax did not update cancelled or satisfied judgments and liens with similar vigor or regularity. The plaintiff-consumers contend that reporting that did not indicate the cancellation or satisfaction of a judgment or lien was incorrect and misleading. Further, the consumers alleged that Equifax’s reporting violated 15 U.S.C. § 1681e(b), a provision of the Fair Credit Reporting Act (FCRA) that requires a reporting entity to follow reasonable procedures to ensure the accuracy of the information published.

Equifax vigorously denied that it engaged in any conduct prohibited by the FCRA or that a litigation class could be certified due to the differences in how judgments and liens are reported from jurisdiction to jurisdiction. Nevertheless, Equifax and the plaintiff-consumers have reached a mediated resolution to all of the pending litigation. On April 17, 2019, in Thomas, et al. v. Equifax Information Services, LLC, United States District Court for the Eastern District of Virginia, Civil Action File No. 3:18-cv-00684, a class representative filed a motion for preliminary approval of a settlement related to its reporting of civil judgments and tax liens.

The proposed settlement requires the entry of an injunction that prohibits Equifax from reporting any civil judgment or tax lien records for a period of five years, subject to conditions that may permit Equifax from resuming such reporting earlier. Further, the proposed settlement requires Equifax to establish an ADR program pursuant to which impacted consumers can submit claims that will be evaluated by an independent administrator. For claims that are accepted, Equifax will pay the consumer $1,500. There is no cap to the amount of money that Equifax may have to pay under the ADR program. The proposed settlement also requires Equifax to bear the entire cost of the ADR program, pay $1,850,000 for class notice activity, and an amount not to exceed $9,500,000 for attorneys’ fees and a service award for the class representatives.

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