



Republic of the Philippines

Department of Education

REGIONAL OFFICE IX, ZAMBOANGA PENINSULA



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Office of the Regional Director

ADVISORY

ONLINE LENDING COMPANIES UNFAIR DEBT COLLECTION PRACTICES AND CYBER HARASSMENT

Due to the alarming increase of the number of reports RE: Unfair collection practices and cyber harassment committed by Online Lending Companies (OLCs), this Office cautioned DepED teaching and non-teaching personnel **not to transact** with these institutions but instead encouraged to DepED accredited lending or legitimate companies only to avoid harassments and other unfair debt collection practices.

The following are enumerations of the acts that would qualify as unfair debt collection practices, cyber harassment, and the corresponding violations that victims may file before the appropriate government agencies (https://www.doj.gov.ph/news_article.html?newsid=698), to wit;

In particular, the acts complained of include the following, among others:

- (a) Accessing the debtors' phone book/contacts' list for purposes of sending them messages in the event of untimely and/or non-payment;
- (b) Posting the debtors' personal and sensitive personal information online for purposes of shaming them;
- (c) Threatening debtors with death and physical injuries if they fail to settle their account balances; and
- (d) Using profane language through text message directly sent to the debtors and to the debtors' references for purposes of shaming them.

The abovementioned acts are violations of the following laws, and rules and regulations:





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- (a) Republic Act (R.A.) No. 10175, or the *Cybercrime Prevention Act of 2012*, particularly, the offenses of Illegal Access^[1] and Cyber Libel^[2];
- (b) R.A. No. 10173, or the *Data Privacy Act of 2012*, punishing the Unauthorized Processing of Personal Information and Sensitive Personal Information,^[3] Processing of Personal Information and Sensitive Personal Information for Unauthorized Purposes,^[4] and Malicious Disclosure;^[5]
- (c) the Revised Penal Code provisions on grave^[6] or light^[7] threats, grave^[8] or light^[9] coercions, or unjust vexation^[10], all in relation to Section 6 of R.A. No. 10175; and
- (d) Securities and Exchange Commission (SEC) Memorandum Circular No. 18, series of 2019, entitled, *Prohibition on Unfair Debt Collection Practices of Financing Companies and Lending Companies*.

Further, in view of the unfair debt collection practices and cyber harassments committed by the OLCs, victims may institute the necessary action/s against the OLCs and proceed accordingly to the respective Offices of which their action may belong to, to wit:

- (1) before the National Privacy Commission (NPC), for violations of R.A. No. 10173, or the *Data Privacy Act of 2012*;
- (2) before the Office of the Prosecutor, the National Bureau of Investigation–Cybercrime Division (NBI-CCD), or the Philippine National Police—Anti-Cybercrime Group (PNP-ACG), for violations of R.A. No. 10175 and the Revised Penal Code; and
- (3) before the SEC, if the act/s is/are committed by a lending or financing company.

To combat or prevent the further commission of unfair debt collection practices and cyber harassments, the DOJ-OOC also encourages the public to report erring OLCs to the NBI-CCD, PNP-ACG, NPC, and the SEC.

^[1] Section 4(a)(1), R.A. No. 10175.





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- [2] Section 4(c)(4), R.A. No. 10175.
- [3] Section 25, R.A. No. 10173.
- [4] Section 28, R.A. No. 10173.
- [5] Section 31, R.A. No. 10173.
- [6] Article 282, Revised Penal Code.
- [7] Article 283, Revised Penal Code.
- [8] Article 286, Revised Penal Code.
- [9] Article 287, Revised Penal Code.
- [10] Article 287, paragraph 2, Revised Penal Code.


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