**California court dismisses action for lack of subject-matter jurisdiction pursuant to *Spokeo***

On August 11, 2017, a judge from the Central District of California dismissed a complaint for lack of subject-matter jurisdiction in a Federal Debt Collection Practices Act, 15 USC 1692 *et seq.* (FDCPA) case. The case is *Blue v. Diversified Adjustment Service* (5:17-cv-366), U.S.D.C., Central District of California). Yes, it is from a few months back but any case that discusses dismissal of an FDCPA claim for lack of standing is worth discussing.

You can find a copy of the order here.

**Background**

Defendant Diversified Adjustment Service (DAS) sent Plaintiff Shon Blue a collection letter containing a number of payment options including via mail, online, phone or in-person. If deciding to pay online, the consumer needed to affirmatively opt-in, but DAS charged a convenience fee to process the payment. The Plaintiff logged onto the online pay portal, but did not pay the debt or the convenience fee. Plaintiff then filed suit against DAS alleging that because DAS directed consumers to the website and then charged a convenience fee that was not part of the initial debt, it violated the FDCPA and Rosenthal Fair Debt Collection Practices Act (RFDCPA).

Defendant moved for summary judgment.

*Summary Judgment motions are appropriate if "the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a).*

**The Court's Decision**

The court ruled in favor of Defendant and dismissed the action for lack of subject matter jurisdiction.

The court relied heavily on *Spokeo v. Robins,* 136 S. Ct. 1540 (2016) in its decision. The court stated that per *Spokeo*, in order to have Article III standing, several criteria must be met, including that the Plaintiff must have "suffered an injury-in-fact." A mere procedural violation does not give the court adequate jurisdiction. The court determined that Plaintiff did not suffer an actual injury as he did not pay the convenience fee or the debt, and his claims were “conjectural or hypothetical.”

**insideARM Perspective**

The impact of the *Spokeo* decision on FDCPA actions has been, at best, mixed. This decision, however, offers a ray of sunshine. While this case was not a letter case, the decision suggests that FDCPA actions based on an agency process, such as access to an online portal, may require a consumer to prove they were harmed by that process to allege an FDCPA violation.