

Legal Grounds and Procedures for Consumer Debt Collection in Saudi Arabia: A Comparative Legal Analysis

Abdullah Faraj Al Dossari

Assistant Professor, Private Law Department, College of Law, King Faisal University, Hofuf, Saudi Arabia.

aaldossari@kfu.edu.sa; afaldossari90@gmail.com

Abstract

Clear legal grounds for debt collection processes and procedures will assist in setting boundaries between the involved parties, particularly between the debt collectors and individual consumers. Uncertainty about debt collection policies and procedures, including authorized conduct in debt collection, can constitute an obstacle for consumers, who may experience challenges and be hesitant to cooperate while the legal framework governing the parties' relationship is unclear. This study analysed the legal grounds for the debt collection process and procedures in Saudi Arabia to identify whether individual consumer rights and interests are fairly protected under the debt collection regulations. This research combined comparative legal analyses and a review of the literature to assess the current debt collection framework in Saudi Arabia. In particular, the study comparatively analysed the provisions of the U.S. Fair Debt Collection Practices Act, highlighting what would be considered legal or illegal conduct when communicating with individual consumers for the purpose of collecting debts. The study concluded that the Saudi debt collection regulations would benefit from highlighting specific conduct and behaviours that would be considered illegal when committed by debt collection agents.

Keywords: debt collection, financing entities, debt financing, consumer protection, Saudi Arabia

الإطار القانوني لإجراءات وممارسات تحصيل الديون من المستهلكين الأفراد في المملكة العربية السعودية: دراسة قانونية تحليلية مقارنة

د. عبدالله بن فراج الدوسري

أستاذ مساعد، قسم القانون الخاص، كلية الحقوق، جامعة الملك فيصل، الأحساء، المملكة العربية السعودية.

aaldossari@kfu.edu.sa; afaldossari90@gmail.com

ملخص البحث

يعكس وجود إطار قانوني فاعل بحكم الممارسات المتعلقة بتحصيل الديون أثراً فاعلاً في ضبط العلاقة بين الأطراف، لا سيما تلك التي تحكم العلاقة بين محصلي الديون والمستهلكين الأفراد. قد يؤدي عدم الوضوح بشأن الإطار القانوني الذي يحكم الإجراءات والممارسات الواجب اتباعها من قبل محصلي الديون إلى خلق بيئة أعمال غير مستقرة في ظل عدم وجود الحماية القانونية الكافية التي تحمي المستهلكين الأفراد من أي ممارسات جائرة وغير ملائمة أثناء القيام بمهامهم. تسعى هذه الدراسة إلى تحليل الإطار القانوني الذي يحكم إجراءات وممارسات تحصيل الديون من المستهلكين الأفراد في المملكة العربية السعودية وذلك للوقوف على الحماية القانونية التي وفرتها الأنظمة ذات العلاقة للمستهلكين الأفراد أثناء مواجهتهم لإجراءات تحصيل الديون. تعتمد الدراسة منهجاً شاملاً يجمع ما بين المنهج التحليلي المقارن وكذلك المراجعة الشاملة للدراسات ذات العلاقة بموضوع البحث لتحليل الوضع الراهن في المملكة العربية السعودية، وذلك بالمقارنة مع القوانين التي تحكم إجراءات وممارسات تحصيل الديون في الولايات المتحدة الأمريكية. يخلص البحث إلى أن قواعد وإجراءات تحصيل الديون في المملكة قد تستفيد على نحو أكبر من خلال تحديد عدداً من الممارسات والأفعال التي يمكن أن تعد مخالفة وغير قانونية في حال ارتكابها من قبل محصلي الديون أثناء القيام بمهامهم، بما في ذلك تلك الإجراءات التي تُنظم التواصل مع المستهلكين الأفراد في المملكة العربية السعودية.

كلمات مفتاحية: تحصيل الديون، المؤسسات المالية، التمويل، حماية المستهلكين، المملكة العربية السعودية.

1. Introduction

One of the main purposes of establishing legal frameworks and regulations governing debt collection is to prevent practices by debt collectors that may be considered unfair or improper or to avoid deceptive or

fraudulent behaviours that can significantly harm indebted consumers.²⁸⁹⁶ An efficient framework for debt collection regulations plays a meaningful role in the domestic consumer credit system.²⁸⁹⁷ Abusive behaviours with regard to debt collection practices can expose consumers to substantial harm, including putting individuals under pressure to repay debts, which may include those they do not owe to a particular party.²⁸⁹⁸ The existence of third-party debt collectors is important for the overall consumer credit market to function, but efficient regulation of debt collection practices should ensure protection for consumers.²⁸⁹⁹ The world's most developed nations, including the United States, the United Kingdom and European Union Member States, have all adopted regulations governing debt collection practices to protect consumers and ensure fair collection procedures.²⁹⁰⁰ The Kingdom of Saudi Arabia (KSA) is the only Gulf Cooperation Council (GCC) country that has promulgated specific legislation governing debt collection in the kingdom.²⁹⁰¹ Examination of the effectiveness of those rules is needed to determine their efficiency for protecting indebted consumers in the kingdom when the debt collection process is conducted by financing entities or debt collection agents representing third parties. This study therefore sought to identify the legal grounds for debt collection procedures in the KSA and answer the following research questions (RQs):

RQ1: Are there clear, specific procedures and a defined process for consumer debt collection in the kingdom?

RQ2: Are individual consumers' rights and interests fairly protected under those rules and regulations?

For achieving the research purposes, this paper is structured as follows: Section two describes the research methodology, Section three highlights the significance of implementing a legal framework to govern debt collection practices, Section four examines the legal grounds for debt collection practices and debt collectors in Saudi Arabia, Section five includes a comparative analysis of the legal grounds for debt collection in the United States, and Section six concludes with the research results and suggestions for possible improvements for debt collection practices and debt collectors in Saudi Arabia.

2. Research Methodology

This study adopted a comprehensive approach to assess and examine the legal grounds and regulations governing debt collection in the KSA. This approach combined comparative legal analyses with a review of the literature to assess the current debt collection framework in Saudi Arabia and compare the Saudi framework and its legal grounds to debt collection practices in the United States. The Fair Debt Collection Practices Act is considered the cornerstone of the debt collection regime in the United States, and because of its potential beneficial impact on the Saudi legal environment, this legislation constitutes an essential part of this study. This study's research method provided valuable, comprehensive insights into how regulations function as an effective tool for protecting consumers and improving debt collection practices in the KSA.

3. The Need for Implementing Legal Grounds and Policies for Debt Collection

A well-established debtor–creditor legal system has a significant influence on a country's economic aspects and market developments because it affects consumer financing, consumer credit and consumers' lifestyles overall.²⁹⁰² An efficient legal system for regulating debt collection practices can significantly reduce any

²⁸⁹⁶ Wenette Jacobs, Philip N. Stoop, René Van Niekerk, Fundamental Consumer Rights Under the Consumer Protection Act 68 Of 2008: A Critical Overview and Analysis, (2010) 13(3), Potchefstroom Electronic Law Journal, 302–406, P. 346.

²⁸⁹⁷ Todd J. Zywicki, 'The Law and Economics of Consumer Debt Collection and Its Regulation' (2016) 28(2/3) Loyola Consumer Law Review 167–237. p. 168.

²⁸⁹⁸ Lisa Stifler, Debt in the Courts: The Scourge of Abusive Debt Collection Litigation and Possible Policy Solutions, (2017) 11 Harvard Law & Policy Review, 91-139, p. 99.

²⁸⁹⁹ Charles Romeo, and Ryan Sandler, The effect of debt collection laws on access to credit (2021) 195, Journal of Public Economics, 1-18, p. 2.

²⁹⁰⁰ C.-G. Stănescu, Regulation of Abusive Debt Collection Practices in the EU Member States: An Empirical Account, (2021), 44, Journal of Consumer Policy, 179–216, p. 185.

²⁹⁰¹ D. Burton, Consumer Debt Prevention and Discharge in the Arabian Gulf, (2021) 44, Journal of Consumer Policy, 21–42, p. 30.

²⁹⁰² Lauren Goldberg, Dealing in Debt: The High-Stakes World of Debt Collection After Fdcpa, (2006), 79(3), Southern California Law Review, 711-752, p. 717.

potential conflicts between financing entities, debt collectors and consumers.²⁹⁰³ The legal grounds for debt collection help to identify its basis and the legal relationships between parties, in particular the relationship between the debtor and the debt collector while the latter is collecting claimed debts from individual consumers.²⁹⁰⁴ Clear legal standards can minimize the challenges that a debt collector faces in communicating with an individual consumer, serving any notifications and collecting payments.²⁹⁰⁵ Adequate consumer protection starts with the implementation of fair procedures and processes for debt collection and equitable relations between the involved parties.²⁹⁰⁶ On the other hand, uncertainty regarding the legal grounds for debt collection practices and debt payments may present an obstacle to the appropriate functioning of the credit market.²⁹⁰⁷ This is because financing entities and creditors rely on legal procedures governing debt collection to ensure that debt obligations are honoured and that payments are received from consumers to honour their debts.²⁹⁰⁸ Furthermore, when protection standards are uncertain and unclear, including those related to authorized debt collection procedures, consumers may experience challenges and be reluctant to operate in such an ambiguous legal environment.²⁹⁰⁹ Therefore, establishing the legal grounds for debtors, debt collectors and debt collection practices is important because it will ensure the rights and protections of the parties involved at any stage of the debt collection process.

4. Legal Grounds for Consumer Debt Collection Practices in Saudi Arabia

In 2018, for the first time, the Saudi Central Bank (SAMA) promulgated the Debt Collection Regulations and Procedures for Individual Customers.²⁹¹⁰ The purpose of issuing those regulations was to set out clear rules for debt collection and communication with consumers in specific procedures with the aim of protecting the rights of all involved parties.²⁹¹¹ Regarding its scope of application, the regulations apply to all financing entities and banks operating in the KSA that are supervised by the Saudi Central Bank.²⁹¹² In 2025, the Saudi Central Bank issued amendments to the original regulations.²⁹¹³ The following section includes an in-depth explanation of the debt collection regulations in Saudi Arabia, which cover communication with consumers, handling complaints and consumer objections, as well as compliance requirements and legal liability for violating the debt collection regulations.

²⁹⁰³ Nick Huls, A Next Step in Debt Enforcement: the Merger of Debt Help and Debt Collection, (2012), 35(4), Journal of Consumer Policy, 497–508, p. 506.

²⁹⁰⁴ Yogabakti Adipradana Setiawan, Anis Mashdurohaturun, and Abdul Halim Baraktullah, Legal Reconstruction of Debt Collection by Debt Collector Services to Default Debtor Based on Justice Values, (2023), 28(3), International Journal of Business, Economics and Law, 197–206, p. 205.

²⁹⁰⁵ Elwin Griffith, Identifying Some Trouble Spots in the Fair Debt Collection Practices Act: A Framework for Improvement, (2005), 83(3), Nebraska Law Review, 762–829, p. 788.

²⁹⁰⁶ Jeremia Rizky Sianipara, Endang Prasetyawati, Legal Protection for Debtors When There Is a Transfer of Debt by Creditors Without the Debtor's Consent, (2024), 2(2), International Journal of Social Sciences and Humanities, 44–48, p. 47.

²⁹⁰⁷ Aude Fiorini, Facilitating Cross-Border Debt Recovery—the European Payment Order and Small Claims Regulations, (2008), 57(2), International and Comparative Law Quarterly, 449–465, p. 450.

²⁹⁰⁸ Elias Storms, and Gert Verschraegen, Time regimes in debt collection and mediation, (2019), 28(4), Time & Society, 1382–1408, p. 1386

²⁹⁰⁹ Cătălin Gabriel Stănescu, A Critical Assessment of the Need for Harmonization of the Legal Framework Concerning Abusive Informal Debt Collection Practices in the European Union: Is Harmonization Possible and How Can it Best Be Attained?, (2021) 44 Journal of Consumer Policy, 531–557, p.549

²⁹¹⁰ Saudi Central Bank (SAMA), Debt Collection Regulations and Procedures for Individual Customers, (2018), available at: file:///Users/abdullahaldossari/Downloads/SAMA_EN_1696_VER1.pdf (Last visited February 2, 2026).

²⁹¹¹ Ibid, p. 3.

²⁹¹² Ibid.

²⁹¹³ Saudi Central Bank (SAMA), Debt Collection Regulations and Procedures for Individual Customers, (2025), [In Arabic] available at: file:///Users/abdullahaldossari/Downloads/SAMA_EN_10400_VER1%20(1).pdf (Last visited February 3, 2026).

4.1. Communications with Individual Consumers

Studies have found that the more money a debt collector is able to collect, the greater the incentive to use inappropriate and offensive practices when communicating with consumers to collect debts.²⁹¹⁴ Research has also demonstrated that consumers, regardless of their gender, face abusive and accusatory language equally when being contacted by debt collectors' agents.²⁹¹⁵ Therefore, one of the cornerstones of the KSA's Debt Collection Regulations and Procedures for Individual Customers promulgated by the Saudi Central Bank in 2018 and amended in 2025 is the rules for determining the extent of the practices that are allowed to be conducted by debt collectors when communicating with consumers.²⁹¹⁶ The regulations require debt collectors to protect consumers' financial and personal information and ensure the privacy of that information.²⁹¹⁷ The regulations do not allow direct communication with anyone other than the consumer or their guarantor. Regarding phone calls, these cannot exceed 10 calls per month for each financing product and should be made during official working days and hours.²⁹¹⁸ The regulations also require that consumers or guarantors be informed at the start of each phone call that they are being recorded, that all communications with consumers or their guarantors be documented and that the records be retained for at least 10 years from the date of contact with the consumers.²⁹¹⁹ Furthermore, the regulations prohibit any form of contact with consumers that uses envelopes or similar content with words on the outside indicating that they contain debt collection information as the purpose of such communication and forbid any visits to the consumer or their guarantor under any circumstances, whether at their residence or workplace.²⁹²⁰ The regulations also require debt collectors to provide consumers with all the necessary information, including the name of the financing entity for whom the debt is being collected, the name of the agency responsible for the collection and the name of the employee or agent if they contact the consumer on the phone.²⁹²¹ It can be concluded that the Saudi Central Bank regulations clearly determine the general boundaries for debt collectors to communicate with consumers. However, the issue with the terms of broad regulations in determining debt collection illegal behaviours is that it is unclear whether a regulation applies to a particular action as illegal, and such uncertainty can complicate the issue of ensuring compliance with the promulgated regulations.²⁹²²

4.2. Handling Complaints and Consumer Objections

A significant aspect for protecting consumers in the debt collection process is the existence of an effective mechanism for receiving and handing consumer complaints and objections.²⁹²³ The Debt Collection Regulations and Procedures for Individual Customers contain a specific section for handling consumers' complaints and objections about the debt collection process.²⁹²⁴ The regulations clearly state that whenever a consumer has an objection or complaint about the amount of debt claimed and to be collected, the financing entities shall document such an objection or a complaint electronically in the client's file and register it in accordance with the Central Bank's instructions.²⁹²⁵ The regulations also require that financing entities

²⁹¹⁴ Allison Cole, The Failure of Proposed Regulation F: How the Consumer Financial Protection Bureau Leaves Consumers Vulnerable to Abusive Debt Collection Practices, (2022), XV (2) University of St. Thomas Journal of Law and Public Policy, 756–784, P. 759

²⁹¹⁵ Creola Johnson, Creditors' Use of Consumer Debt Criminalization Practices and Their Financial Abuse of Women, (2016), 34(1), Columbia Journal of Gender and Law, 5–74, P. 43

²⁹¹⁶ Debt Collection Regulations and Procedures for Individual Customers of 2025, Art. 4.

²⁹¹⁷ Ibid, Art. 4(1).

²⁹¹⁸ Ibid, Art. 4(2) and Art. 4(3).

²⁹¹⁹ Ibid, Art. 4(4)

²⁹²⁰ Ibid, Art. 4(7) and Art. 4(8).

²⁹²¹ Ibid, Art. 5(2).

²⁹²² William C. Whitford, A Critique of the Consumer Credit Collection System, (1979), Wisconsin Law Review, 1047–1143, p. 1114

²⁹²³ Katherine Porter, The Complaint Conundrum: Thoughts on the CFPB's Complaint Mechanism (2012) 7(1) Brooklyn Journal of Corporate, Financial & Commercial Law, 57–86, p. 81.

²⁹²⁴ Debt Collection Regulations and Procedures for Individual Customers of 2025, Art. 6.

²⁹²⁵ Ibid, Art. 6(1) and Art. 6(2).

provide consumers or their guarantors with the expected timeframe for resolving the consumer's complaint or objection, which, in all cases, must not exceed the timeframes specified by the Saudi Central Bank for processing complaints and objections.²⁹²⁶ The regulations also prohibit any form of communication with consumers with regard to collecting the debt being objected about or any related outstanding payments of the debt until the complaint or objection is resolved.²⁹²⁷ Furthermore, the financing entities are required to demonstrate and present the results of the resolution of the complaint or objection to the consumer along with the relevant supporting documentation.²⁹²⁸ Finally, if a consumer is not satisfied with the outcome of their complaint or objection and wishes to escalate it, the financing entities shall provide the consumer with the applicable procedure for further processing of the complaints or objections by the appropriate department.²⁹²⁹ Therefore, it can be concluded that the Saudi Central Bank has assured through the promulgation of the regulations an effective mechanism for enabling dissatisfied consumers to register their complaints or objections if they are contacted by financing entities regarding debt collection.

4.3. Compliance and Liability for Violations

The regulations expressly assert that financing entities and debt collectors must comply with the provisions of the Debt Collection Regulations and Procedures for Individual Customers and shall be held responsible for any violations committed by financing entities' employees or any third parties in charge of collecting debts.²⁹³⁰ The regulations also make clear that their provisions shall represent the minimum standards and requirements that financing entities and third-party debt collectors must comply with in any form of debt collection from consumers.²⁹³¹ Furthermore, the regulations state that financing entities must establish and develop internal procedures for debt collection, which shall align with the financing entity's scale of operations and not conflict with the provisions of any promulgated rules or regulations in this regard.²⁹³² Such internal procedures have proven to significantly improve the efficiency of debt collection processes and reduce the potential of excessive contact with consumers in unpromising situations.²⁹³³ Moreover, financing entities are also required by the regulations to establish an internal audit and compliance department, which shall conduct annual reviews and audits of the internal department responsible for managing debt collection to ensure compliance with relevant rules and regulations.²⁹³⁴ In addition, financing entities shall be responsible for assessing consumers' credit and financial status over the financing period and ensuring their ability to meet their obligations, as well as considering any changes in their financial status, which shall all be treated in accordance with the Saudi Central Bank's instructions in this regard.²⁹³⁵ Therefore, the regulations not only require compliance with the Saudi Central Bank's general rules and instructions regarding debt collection processes and pursuers but also ensure financing entities' establishment of an internal compliance department to review the performance and operations of their debt collections.

5. Legal Grounds for Consumer Debt Collection Practices in the U.S.

The U.S. promulgated the federal Fair Debt Collection Practices Act (FDCPA) originally in 1977 to protect individual consumers from abusive inappropriate behaviours during debt collection by third parties.²⁹³⁶ The act was subject to amendment in 2010, and it initially applies to any person who uses any kind of

²⁹²⁶ Ibid, Art. 6(3).

²⁹²⁷ Ibid, Art. 6(4).

²⁹²⁸ Ibid, Art. 6(5).

²⁹²⁹ Ibid, Art. 6(6).

²⁹³⁰ Debt Collection Regulations and Procedures for Individual Customers of 2025, Chapter (5)(1).

²⁹³¹ Ibid, Chapter (5)(2).

²⁹³² Ibid.

²⁹³³ Rafał Jankowski, and Andrzej Paliński, Debt Collection Model for Mass Receivables Based on Decision Rules—A Path to Efficiency and Sustainability, (2024), 16(14), Sustainability, 1–25, p. 20.

²⁹³⁴ Ibid, Chapter (5)(3).

²⁹³⁵ Ibid, Chapter (5)(4).

²⁹³⁶ U.S. Fair Debt Collection Practices Act, (Public Law 95-109—SEPT 20) (1977), § 800, available at: <https://www.congress.gov/95/statute/STATUTE-91/STATUTE-91-Pg874.pdf> (last visited February 3, 2026).

instrumentation of national commerce or uses mails in any business to primarily collect debts from consumer debtors or who frequently collects or attempts to collect any debts owed or due or affirmed to be owed or due another, whether directly or indirectly.²⁹³⁷ The federal act primarily seeks to eradicate any form of abusive behaviours by debt collectors during debt collection and to prevent such practices to protect consumers. Furthermore, the U.S. Consumer Financial Protection Bureau has the authority to promulgate rules and launch an enforcement action to prevent unfair and abusive practices by debt collectors in the U.S.²⁹³⁸ The following section provides an in-depth discussion of the U.S. FDCPA, highlighting its important aspects regarding debt collection practices.

5.1. Communication with Individual Consumers

One of the most important issues regulated by the federal law is debt collectors' communications with consumers. The FDCPA comprehensively regulates the communications between debt collectors and consumers, including the time, place, and manner for debt collectors to comply with when communicating with consumers.²⁹³⁹ There are certain cases in which the debt collector may not communicate with a consumer in connection with debt collection, such as when there is no previous consent from the debt consumer or when the debt collector has no previous permission from the competent court to communicate with the consumer in those situations.²⁹⁴⁰ Furthermore, the debt collector may not communicate with an individual consumer at improper times or locations commonly known as inconvenient to the consumer.²⁹⁴¹ In addition, a debt collector may not directly contact an individual consumer when the individual has named an attorney to represent them in connection with collecting the claimed debt. They may also not communicate with the consumer at their place of employment if the debt collector knows that such communication is prohibited by the consumer's employer.²⁹⁴² It is clear that the FDCPA has strictly regulated the communication between debt collectors and the consumers.²⁹⁴³ Another issue regulated under the act is regarding follow-up letters sent by the debt collector to a consumer after the initial notice has being sent to the consumer. The act clearly states that a debt collector, when communicating with a particular consumer, is required to emphasise to the consumer that they are a debt collector communicating for the purpose of collecting debt and that any information collected during the communication shall be used for this purpose only.²⁹⁴⁴ Any claims that an individual consumer already knew that it was a debt collector and was informed about the communication's purpose from previous communication would be denied by the court, and the court asserts that the failure of a debt collector to properly identify themselves in each communication with the consumer is an FDCPA violation.²⁹⁴⁵ Therefore, any time that a debt collector communicating with consumers, is required to identify himself to a consumer who is being contacted no matter whether the individual consumer that a debt collector communicating with already knew him because of previous communications.²⁹⁴⁶ Hence, the FDCPA clearly states the grounds for communicating with consumers regarding claims of debt collections and prohibits any forms of communications with consumers that do comply with the determined manners.

5.2. False or Misleading Representations

²⁹³⁷ U.S. Fair Debt Collection Practices Act, (Public Law 111-203, title X, 124 Stat. 2092) (2010) § 803, available: <https://www.ftc.gov/system/files/documents/plain-language/fair-debt-collection-practices-act.pdf> (last visited February 3, 2026).

²⁹³⁸ Carlie Malone and Paige Marta Skiba, Regulation and Recent Trends in High-Interest Credit Markets, (2020), 16, Annual Review of Law and Social Science, 311–326, p. 316.

²⁹³⁹ Ryan Karerat, Close Enough to Stand?: Reconsidering the Fair Debt Collection Practices Act's Relationship with the Right to Privacy, (2023), 91(6), Fordham Law Review, 2353–2389, p. 2357

²⁹⁴⁰ U.S. Fair Debt Collection Practices Act (2010), § 805.

²⁹⁴¹ Ibid.

²⁹⁴² Ibid.

²⁹⁴³ Samatha A. Daniels, Approaching Debt Collector- Judge Communications under the Fair Debt Collection Practices Act, (2013) 2013(1), University of Chicago Legal Forum, 673–709, p. 689.

²⁹⁴⁴ U.S. Fair Debt Collection Practices Act, (2010), § 805.

²⁹⁴⁵ Forkum v. Co-Operative Adjustment Bureau, Inc., 44 F. Supp. 3d 959, 962 (N.D. Cal. 2014).

²⁹⁴⁶ Ibid.

The FDCPA clearly prohibits the use of misleading or false representation by a debt collector when communicating with consumers.²⁹⁴⁷ In particular, the act considers several behaviours illegal, which are generally any act by a debt collector that involves a false, deceptive, or misleading representation, including the false representation of their character, the amount of debt claimed, or the legal status of debt being claimed for collection.²⁹⁴⁸ One of the leading reasons behind the promulgation of the FDCPA act was that the U.S. government discovered many debt collector agents employing inappropriate behaviours and tactics when communicating with individual consumers, including using irritating or repeated phone calls, threatening consumer imprisonment, and threatening violence, to collect debts.²⁹⁴⁹ Thus, the act clearly prohibits any false representation by anyone communicating with a consumer deceptively claiming that they are an attorney or deceptively threatening arrest, imprisonment, and property seizure due to nonpayment of the claimed debt.²⁹⁵⁰ Furthermore, the act criminalises any action that represents and constitute a threat to the debt consumer of taking any action that in fact considered as illegal, as well as any false representation by debt collectors or anyone claiming that an individual consumer committed a crime or other illegal behaviour for the purpose of disgracing them.²⁹⁵¹ Any form of communication by debt collectors with consumers, whether directly or indirectly, shall include a full disclosure by debt collectors.²⁹⁵² The act requires a full disclosure of the debt collector's information when communicating with debt consumers in any form, and it is illegal for the debt collector use or represent the name of an organisation other than the actual name of the debt collector's organisation which they represent.²⁹⁵³

5.3. Harassment and Abusive Behaviours

A primary purpose of the FDCPA's promulgation is to protect individual debt consumers from harassment or abusive behaviours by debt collectors.²⁹⁵⁴ Certain conduct is prohibited under the FDCPA when communicating with consumers. The FDCPA strictly prohibits any debt collector from displaying conduct considered harassment or abusive behaviours to any individual in connection with debt collection, including the use or threat of violence for the purpose of debt collection.²⁹⁵⁵ Furthermore, the act clearly states the publication of names or information of debt consumers who refuse to pay the claimed debt and the use of repeated phone calls with the intent of annoying or harassing any individual consumer in connection with collecting the claimed debt are illegal.²⁹⁵⁶ The FDCPA expressly states that civil liability and damages shall be awarded to consumers who face such abusive behaviours or harassment.²⁹⁵⁷ However, a legal action must be brought by the affected party within one year from the date of which the illegal action occurred by the debt collector.²⁹⁵⁸ In the case where the competent court finds the debt collector guilty of committing illegal practices, and the plaintiff's legal action is successful, the court will enforce the liability on the violator, in addition to the costs of the action and any attorney fees, which will be covered, as determined by the court in favour of the harmed debt consumer.²⁹⁵⁹ The U.S. Supreme Court has affirmed that in the *Rotkiske v. Klemm* case, the one-year statute of limitations for bringing the lawsuit as determined by the FDCPA shall start

²⁹⁴⁷ Carl Schoenherr, Is the Application of a Materiality Standard Misleading? (2015) 14(2) Connecticut Public Interest Law Journal, 269–299, p. 273.

²⁹⁴⁸ U.S. Fair Debt Collection Practices Act, (2010), § 807(2).

²⁹⁴⁹ Matthew R. Bremner, The Fair Debt Collection Practices Act: The Need for Reform in the Age of Financial Chaos, (2011), 76(4), Brooklyn Law Review, 1553–1597, p. 1557.

²⁹⁵⁰ U.S. Fair Debt Collection Practices Act, (2010), § 807(3) and § 807(4).

²⁹⁵¹ U.S. Fair Debt Collection Practices Act, (2010), § 807(5) and § 807(6)

²⁹⁵² William P. Hoffman, Recapturing the Congressional Intent Behind the Fair Debt Collection Practices Act, (2010) 29(2) Saint Louis University Public Law Review, 549–579, p. 563.

²⁹⁵³ U.S. Fair Debt Collection Practices Act, (2010), § 807(11) and § 807(14)

²⁹⁵⁴ Richard A. Nessler, Abusive Debt Collection: Should a Private Right of Action Exist? (1990), 64(3), St. John's Law Review, 587–605, p. 605.

²⁹⁵⁵ U.S. Fair Debt Collection Practices Act, (2010), §806(5).

²⁹⁵⁶ U.S. Fair Debt Collection Practices Act, (2010), §806(3).

²⁹⁵⁷ U.S. Fair Debt Collection Practices Act, (2010), §813

²⁹⁵⁸ U.S. Fair Debt Collection Practices Act, (2010), §813(d).

²⁹⁵⁹ U.S. Fair Debt Collection Practices Act, (2010), §813(a)(3).

immediately from the date on which the violation was committed by the debt collector. In this case, the court clearly rejected the plaintiff's claim that the date of limitation for bringing the lawsuit before the court shall start only when the consumer discovers the occurrence of such violation.²⁹⁶⁰ Therefore, in addition to the determination of what would be considered harassment and abusive behaviours, the act further provides a clear private right of action for consumers who believe that the debt collector committed a violation of the act to claim any incurred damages and attorney fees when the action brought before the court is successful.

6. Conclusion

The Kingdom of Saudi Arabia is one of the few countries in the region that has established legal grounds and regulations governing the debt collection process and procedures for individual consumer collection, whether such collection is conducted by the financing entities or third parties. The Debt Collection Regulations and Procedures for Individual Customers, which were promulgated by the Saudi Central Bank originally in 2018 and amended in 2025, contain certain provisions that govern debt collections from consumers, including communicating with consumers, handling complaints and objections, imposing certain requirements regarding compliance, and monitoring debt collection procedures. However, the regulations contain broad terms and do not go into detail on what acts are considered illegal or a violation when committed by debt collectors. Broad terms in determining illegal behaviours regarding debt collection can sometimes make it difficult to decide whether the regulation applies to a particular action as illegal, and such uncertainty can complicate the issue of ensuring compliance with the promulgated regulations and threaten the overall protection for debt consumers. Unlike the Saudi debt collection regulations, the U.S. FDCPA was more specific in determining illegal conduct, setting the ground for communicating with individual consumers, criminalising misleading representations by financing entities or third parties, and precisely determining conduct that is considered harassment or abusive behaviour. In addition, the U.S. further provides a clear private right of action, and consumers who believe that the debt collector committed a violation of the act can bring a lawsuit claiming incurred damages. Therefore, the Saudi regulations for debt collections can benefit from setting the ground for communicating with consumers and clearly defining illegal conduct by debt collectors while performing their jobs, as well as providing for an explicit private right of action, thereby allowing any harmed consumers to bring a lawsuit whenever debt collectors commit violations of the act.

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