

Credit and Debit Card Debt/Disputes

Categories : [Consumer Services](#)

If you're struggling to keep up with credit card bills due to losing a job, dealing with an illness, facing an emergency, or coping with unexpected expenses, you have options when dealing with your credit card company. If you act quickly and try to work with your company, the better your chances are for avoiding a debt in collections, damage to your credit report, or a potential lawsuit or bankruptcy.

WAYS TO WORK WITH A CREDIT CARD COMPANY

- When you think you might miss a credit card payment, or you already have, contact your credit card company as soon as possible as many will work with you to find a repayment plan that suits your current situation.
- Credit card companies can, and often do, provide alternative repayment options. They depend on, among other factors, your income, how much you can afford to pay, and the amount you owe. They offer loss mitigation programs, sometimes called forbearance or hardship programs.

Be cautious of Debt Settlement Companies, which are for-profit companies that charge a fee, which are often 20-25% more of the debt they settle. Individuals can work with the credit card company directly, as these groups do not have special relationships with the credit card company. Link here for the Consumer Financial Protection Bureau's website page with more information on [Debt Settlement Companies](#).

For information on Credit Card Debt Collections and what you need to know, link here for the Consumer Financial Protection Bureau's website page, <https://www.consumerfinance.gov/ask-cfpb/category-debt-collection/>

CREDIT CARD DISPUTE INFORMATION

The following information is summarized from the websites of the Federal Trade Commission:
<https://www.ftc.gov/legal-library/browse/statutes/fair-credit-billing-act>.

The Fair Credit Billing Act (FCBA) and the Electronic Fund Transfer Act (EFTA) offer procedures for individuals and businesses to use if their cards are lost or stolen.

WHAT IS THE FAIR CREDIT BILLING ACT?

The Fair Credit Billing Act (FCBA) helps consumers resolve disputes with creditors over errors which appear on bills for their "open end" credit arrangements which include credit cards, revolving charge accounts (such as department store accounts) and overdraft checking.

- The Act does not apply to loans and credit, which are paid according to a fixed schedule until the entire amount is repaid. The Act applies only to "billing errors" on the periodic bills or statements you receive (usually monthly) for your "open end" credit. (<https://www.ftc.gov/legal-library/browse/statutes/fair-credit-billing-act>).

WHAT IS THE ELECTRONIC FUND TRANSFER ACT?

The Electronic Fund Transfer Act provides consumer protection for all transactions using a debit card or electronic means to debit or credit an account. It also limits a consumer's liability for unauthorized electronic fund transfers. (<https://consumer.ftc.gov/articles/disputing-credit-card-charges>).

WHAT ARE THE TYPE OF BILLING ERRORS THAT CAN OCCUR?

The term “billing errors” includes:

- Charges not made by you or anyone authorized by you to use your account;
- Charges which are incorrectly identified or for which the wrong amount or date is shown;
- Charges for goods or services you did not accept or which were not delivered as agreed;
- Errors in the computation of charges or similar errors;
- Failure to properly reflect payments or credits, such as for returned merchandise;
- Not mailing or delivering bills to your current mailing address provided you have notified the creditor of the change of address at least twenty (20) days before the billing period ends;
- Charges for which you request an explanation or written proof of purchase.

WHAT SHOULD I DO IF MY CARD IS LOST OR STOLEN?

- Call or write the company: Sometimes a telephone call is all it takes to correct the problem. Make sure you keep a record of the date, person contacted, and subject matter of each telephone contact you have with the company.
- Calling does not always replace writing. The credit card company must receive your written billing error notice within 60 days of the first alleged billing error. The letter you send must include your name and account number, a statement that you believe the bill contains an error and the dollar amount involved, and the reasons why you think the error exists. It may be a good idea to send your notice letter by certified mail, return receipt requested, so that you have a record of the dates of mailing and receipt.
- The company must acknowledge your notice in writing within 30 days.
- You don't have to pay the bill, including finance and other related charges, and the company cannot try to collect until the dispute is resolved. The company cannot make adverse reports to a credit reporting company.
- If it's still not resolved, write the Federal Trade Commission (FTC, Washington, DC): www.ftc.gov/

Note: If your *credit* card is lost or stolen, contact your financial institution as soon as possible to report the loss or theft and to learn about your liabilities.

Note: Connecticut signed into law in May 2024, new legislation prohibiting health care providers and hospitals in Connecticut from reporting a person's medical debt to credit rating agencies for use in credit reports. It also voids any medical debt that is reported to credit rating agencies.

Read the law here at: [Public Act 24-6](#), *An Act Concerning the Reporting of Medical Debt*. It takes effect July 1, 2024.

TO FIND PROVIDERS IN CONNECTICUT'S COMMUNITY RESOURCES DATABASE:

Search by agency name:

[Federal Trade Commission](#)

SOURCES: State of Connecticut Department of Banking website; Federal Trade Commission; Consumer Financial Protection Bureau

PREPARED BY: 211/nl

CONTENT LAST REVIEWED: September 2025