

ALABAMA SECURITIES COMMISSION

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Alabama Securities Commission Issues Warning About DOXO Payment Platform

Montgomery, Alabama (October 1, 2024) - The Alabama Securities Commission (ASC) is urging residents to exercise extreme caution when using the third-party bill payment platform DOXO. The ASC has received complaints from consumers reporting that their service providers did not receive payments made through DOXO, resulting in shut-offs and lapses in service. The ASC has issued an inquiry letter to DOXO requesting information on why the company is not registered as a money transmitter as required by the Alabama Monetary Transmission Act.

The Federal Trade Commission (FTC) has issued a complaint against DOXO highlighting numerous concerns regarding their business practices. The complaint alleges that DOXO regularly delays payments to the official biller or does not send payment at all. The complaint states, "Consumers have been charged late fees and fines. They have missed child support payments, had their water, gas, internet, and electricity turned off, and their car insurance lapse."

According to the FTC filing, DOXO's "deception has caused consumers to pay millions of dollars in junk fees, [which] in the bulk of cases could have been avoided if they paid their biller directly." Additionally, consumers have enrolled in recurring payment subscriptions without explicit consent. The FTC complaint alleges that the DOXO board was aware of this issue but declined to fix its processes to maintain enrollment numbers.

The FTC's complaint states that DOXO has spent millions of dollars to have their advertisements appear prominently on search engine results when users seek bill payment options. The complaint also asserts that these ads are intended to suggest that DOXO has a direct affiliation with local companies, featuring their logos and names. According to the FTC, no such affiliation exists and DOXO is not authorized to utilize the brand's logos. The complaint states, "Many consumers discover that DOXO is not an official payment channel only when their payment never arrives at their biller. Less than 2% of the billers in DOXO's purported payment 'network' have authorized DOXO to receive payments on their behalf."

DOXO has filed a motion to dismiss the FTC complaint and the litigation is ongoing.

Consumers should carefully read all bills they receive for instructions on how to make a payment. Navigate directly to the organization's website to make a payment. It's essential not to rely solely on search engines, as they can lead to unauthorized third-party platforms.

For further guidance and information, visit the ASC website or contact your local service provider.

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For further information contact 1-800-222-1253 and ask for Public Affairs.

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