

David Schultz Analyzes Ruling on Standing and Reasonable Procedures in Mixed-File FCRA Case

Featured Column in the April 13, 2026, Issue of the *ARM Compliance Digest*

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In the April 13, 2026, issue of the AccountsRecovery.net *ARM Compliance Digest*, Hinshaw partner David Schultz discusses a Virginia district court's decision denying a motion to dismiss in a Fair Credit Reporting Act (FCRA) case involving a mixed credit file. The court ruled that the plaintiff has standing and that reliance on information provided by credit reporting agencies is not a viable defense at this stage of the proceedings.

David highlights three notable takeaways from the ruling, including the relatively uncommon posture of an FCRA claim against a credit report reseller, the court's treatment of the defendant's "reasonable procedures" argument, and the strategy behind filing a motion to dismiss that—while potentially a long shot—served to put both the court and the plaintiff on early notice of the defenses to come.

David writes:

The facts in *Gomez v 700 Credit* were not that unusual. Plaintiff's credit report had errors because it improperly had negative information mixed in from other people. Three things struck me about the opinion. First, it is an FCRA case against a credit report reseller. I don't come across these too often in my practice. The cases are usually against a credit reporting agency, furnisher, or prospective employer.

Second, defendant argued that it cannot be liable because it was a reasonable procedure to rely on Experian's reports. Interesting approach and the argument was not rejected. The court held it could not make that ruling at the R 12 stage. It may work on summary judgment

Third, was why the defendant moved to dismiss when the arguments seemed like a stretch at this early stage. For instance, defendant also argued that plaintiff lacked standing because the injuries were self-inflicted; plaintiff kept applying for credit knowing that the credit report had errors. The court denied the motion because of the liberal R 12 standards. It was a hard motion and defendant perhaps knew that.

However, the motion did not hurt the defense but it put the court and plaintiff on notice early that there are strong defenses and some bad facts for the plaintiff. This can be an effective strategy.

Read the full April 13, 2026, edition

- AccountsRecovery.net *ARM Compliance Digest*: “[Mixed File FCRA Allegations Survive MTD](#)” (April 13, 2026)

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