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What Dealerships Need to Know About Texting, Lead Generation, AI Outreach, and Revocation Rules Under the Telephone Consumer Protection Act

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Auto dealers continue to face substantial exposure under the Telephone Consumer Protection Act (TCPA) as they increasingly rely on digital marketing, customer relationship management (CRM) automation, lead-generation vendors, and AI-enabled customer engagement tools. What was once primarily a robocall statute has evolved into one of the most active sources of consumer class-action litigation affecting the automotive retail industry. With statutory damages ranging from $500 to $1,500 per alleged violation, even routine sales or service campaigns can create significant litigation risk if consent practices are not carefully managed. This article covers different risk areas and offers practical steps dealerships can take now to stay compliant.

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TEXT MESSAGES CONTINUE TO DRIVE LITIGATION RISK

Dealers should remember that text messages are generally treated the same as telemarketing calls under the TCPA. When a dealership sends marketing or promotional text messages using an automated platform, the business will often need to establish that it obtained the consumer's prior express written consent before sending the communication.

This issue frequently arises in connection with:

- internet lead forms;
- OEM-driven campaigns;
- equity mining initiatives;
- CRM reactivation efforts;
- marketing initiatives misclassified as servicing;
- "we want to buy your car" campaigns; and

- service-to-sales marketing transitions.

Dealerships should ensure that consent disclosures are:

- clear and conspicuous;
- separate from general terms and conditions;
- not pre-checked by default; and
- appropriately retained for evidentiary purposes.

Importantly, the dealership bears the burden of proving consent if challenged. As a result, you should have policies and procedures in place to maintain, preserve, and store consent forms.

THIRD-PARTY LEAD PROVIDERS PRESENT ONGOING EXPOSURE

One of the most significant TCPA risk areas for dealerships remains the use of purchased or shared internet leads.

Although the FCC removed its proposed "one-to-one consent" rule[1] after it was struck down by a federal appeals court decision,[2] dealers should not assume that lead-generator consent language is sufficient merely because a vendor represents that consent was obtained.

Instead, dealerships should independently evaluate:

- the lead form language;
- the placement and visibility of disclosures;
- whether consent specifically contemplated dealership outreach;
- whether automated texting or calling was disclosed; and
- how consent records are stored and retrieved.

Dealers should also consider contractual protections with vendors, including:

- indemnification provisions;
- compliance warranties;
- audit rights; and
- record-retention obligations.

CONSUMERS MAY REVOKE CONSENT IN BROAD WAYS

The TCPA's revocation rules continue to expand in ways that create operational challenges for dealerships. Consumers may revoke consent through virtually any reasonable means, including:

- replying "STOP" to a text;
- verbally requesting no further contact;
- emailing dealership personnel;
- communicating through website forms;
- requesting removal during service or sales interactions; or
- withdrawing consent for only certain communications but not others.

This creates risk where dealership departments operate independently or use separate communication platforms. For example, a customer who opts out through the service department may still inadvertently receive sales or finance marketing if suppression systems are not centralized. You should carefully review consent language and opt-out language and ensure each part of the dealership is aligned.

Dealership groups should evaluate whether opt-out requests are:

- immediately captured;
- synchronized across locations and vendors;
- honored enterprise-wide; and
- documented appropriately.

AI-POWERED OUTREACH AND RINGLESS VOICEMAIL TOOLS REQUIRE CAREFUL REVIEW

The automotive industry has rapidly adopted AI-enabled communication tools, including:

- conversational AI agents;
- automated BDC assistants;

- AI voice systems;
- prerecorded outreach campaigns; and
- ringless voicemail technologies.

These tools may trigger heightened TCPA scrutiny, particularly where artificial or prerecorded voice technology is involved.

Dealerships implementing AI-driven customer engagement systems should work closely with counsel and vendors to assess:

- whether the technology uses prerecorded or synthetic voice functionality;
- what level of consent is required;
- how disclosures are presented;
- whether calls are initiated through automated systems; and
- how opt-outs are processed.

The fact that technology is marketed as "compliant" by a vendor does not eliminate dealer liability.

EXISTING CUSTOMER RELATIONSHIPS DO NOT ELIMINATE TCPA OBLIGATIONS

Dealers sometimes assume that a prior purchase or service relationship permits unlimited future outreach. That assumption can create significant exposure. Consent is context-specific and your consent forms may be heavily scrutinized.

For example:

- a consumer may consent to appointment reminders but not marketing texts;
- a service customer may not have agreed to finance promotions; or
- a sales inquiry may not authorize ongoing mass marketing campaigns months later.

Dealerships should carefully review whether communication practices remain within the scope of the consent originally provided.

DOCUMENTATION FREQUENTLY DETERMINES LITIGATION OUTCOMES

In TCPA litigation, the central question is often straightforward: Can the dealership prove consent? Dealerships will need to rely on:

- screenshots of web forms;
- consent language version histories;
- timestamps;
- IP address records;
- CRM audit logs;
- vendor transmission records; and
- opt-out histories.

By contrast, vague vendor assurances or undocumented verbal consent may prove insufficient in litigation and create room for disputes. Dealerships should review whether their current systems permit efficient retrieval of historical consent records if challenged in arbitration or class-action proceedings.

WHAT CAN DEALERS DO?

Given the continued pace of TCPA litigation and regulatory activity, dealerships should consider the following proactive measures to reduce litigation exposure:

- audit all texting and calling practices;
- review lead-provider agreements and consent language;
- eliminate pre-checked consent boxes;
- centralize suppression and opt-out systems;
- train sales, service, and BDC personnel regularly;
- maintain written TCPA and Do-Not-Call policies;
- review AI and automation tools before deployment;

- preserve consent documentation systematically; and
- conduct periodic compliance assessments with counsel.

Notes

1. https://www.fcc.gov/document/fcc-removes-one-one-consent-rule-nullified-court-decision.
2. Insurance Marketing Coalition Ltd v. FCC, 127 F.4th 303 (2025).

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