

Dealing with debts: your rights and responsibilities

This information is from page 8 and 9 of the ASIC/ACCC brochure

Dealing with debt collectors

A 'debt collector' is a person who collects debts in the course of a business. This could be:

- a creditor collecting a debt themselves (this includes 'assignees' – people or businesses who have been sold or 'assigned' a debt by the original creditor), or
- someone acting on behalf of the creditor (e.g. an independent collection agency).

If a debt collector contacts you, be cooperative. In turn, you should expect to be treated in a professional manner. Excessive or unreasonable contact by a debt collector may be unlawful.

When, where and why can you be contacted about a debt?

A debt collector should only contact you when it is *necessary* to do so and when the contact is made for a reasonable purpose. A *reasonable purpose* includes:

- making a demand for payment,
- making arrangements for repayment,
- finding out why an agreed repayment plan has not been met,
- reviewing a repayment plan after an agreed period of time,
- inspecting or recovering mortgaged goods (if they have a right to do so).

As a guide, if contact is necessary, it should be limited (unless you request or agree otherwise) to:

- a maximum of 3 phone calls or letters per week (or 10 per month),
- phone or personal contact only between the hours of 7:30 am–9:00 pm on weekdays and 9:00 am–9:00 pm on weekends,
- no contact on national public holidays.

Generally, visits to your home (or another agreed location) should only occur if there is no other way the debt collector can make effective contact with you, or if you ask for (or agree to) a visit. If repayment arrangements can be worked out over the phone or by letter, then face-to-face contact should not be necessary.

As a guide, any personal visits should be limited to once per fortnight and take place between 9:00 am and 9:00 pm (unless you ask for a different time).

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