

Dealing with debts: your rights and responsibilities

This information is from page 3 and 4 of the ASIC/ACCC brochure

Key tips

1. Manage your finances and plan your budget, so that debts don't build up and take you by surprise.
2. A free and independent financial counselling service may be able to help you if you are having trouble paying your debts or managing your budget.
3. If you cannot meet your financial commitments, contact the creditor (the business or person you owe money to) without delay to discuss a repayment plan.
4. When negotiating a repayment plan, be realistic about what you can pay – taking into account your other financial commitments. Be honest with the creditor or debt collector about your situation.
5. Keep copies of any letters you send or receive (and notes of any conversations you have).
6. Make sure you actually owe the debt. Ask for proof (e.g. documents, account statements) if you think a debt is not yours or if you disagree with the amount demanded. Get independent advice if you are still not sure whether you have to pay some or all of a debt.
7. If you are contacted about a debt that is several years old, do not confirm the debt or make a payment until you get independent advice.
8. If you are threatened with legal action, get advice about your options as soon as possible.
9. If you are contacted about a debt, be cooperative, and expect to be treated professionally. Make a formal complaint if a creditor or debt collector misleads you, threatens you or is abusive.

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