

Dealing with debt collectors

If you fall behind on your loan, credit card or bills, a debt collector might contact you. Know your rights, what to do and how to get help.

What debt collectors can and can't do

Debt collectors can contact you to:

- ask for payment
- offer to settle or make a payment plan
- ask why you haven't met an agreed payment plan
- review a payment plan after an agreed period
- tell you what will happen if you don't pay
- repossess goods you owe money on, if they've been through the correct process

By law, they must not:

- trespass on your property
- use overbearing tactics or abusive language
- harass or contact you at unreasonable times or more than is needed
- mislead or deceive you
- take unfair advantage of you due to illness, disability, age, illiteracy, or lack of understanding of the law
- discuss your debt with someone else without your permission

If a debt collector:

- threatens you with violence — call the police
- harasses you — ask them in writing to stop it

If the behaviour doesn't stop, call the Australian Financial Complaints Authority on **1800 931 678** to complain.

How to deal with a debt collector

Be honest and cooperative:

- be honest about your financial situation, including other debts
- reply in good time to calls or letters
- agree to a payment plan if you can afford it
- tell them if your contact details change

Keep good records:

- date and time of contact
- name of debt collector and company they work for
- how they contacted you (in person, by phone, letter, email, text, chat)
- who said what

If you're struggling to pay the debt

Work out what you can afford to pay.

Contact the debt collector, say you're in 'financial hardship' and want to work out a payment plan. They may:

- let you pay back smaller amounts over a longer time
- close the debt if you pay part of the debt in a lump sum
- waive the debt, if you're on a low income, have no major assets, and your situation is unlikely to change

Ask them to put the plan in writing.

If they reject your request, put it in writing. If they still won't agree, you can complain. Call ASIC's Infoline on **1300 300 630**.

If you want to dispute the debt

Contact the debt collector and say you dispute (disagree with) a debt, if:

- it isn't yours
- you don't owe all, or part of it
- it's more than 6 years (3 years in NT) since your last payment, and there's no court judgment against you
- you have grounds not to pay (for example, a breach of your rights)

If it isn't yours, or you disagree about the amount owing, ask for a statement of:

- the amount and date of the debt
- how it was calculated
- payments made and amounts owing (for example, principal, interest, fees and charges)

If they threaten you with legal action, ask for a delay to give you time to get legal advice.



Get help if you need it

For free and confidential help, call the National Debt Helpline on **1800 007 007**. The helpline is open Monday to Friday, 9:30am to 4:30pm.