

FS12D Debt collection: letter to stop contact

Use this fact sheet if you:

- are being hassled by a debt collector; or
- you want to know more about your right to stop a debt collector or creditor contacting you

Key messages:

- Generally, a person attempting to collect a debt or repossess goods ('the debt collector') must not contact you about a debt, if you ask in writing that you no longer be contacted.
- However, the debt collector can threaten and issue legal proceedings against you in some circumstances.
- Read this factsheet along with our other factsheets on debt collection which are available on the [Consumer Action website](#) and from our telephone advice service (contact details below).

Can a debt collector continue to contact me if I ask not to be contacted?

It is illegal for a person to contact you to collect a debt or repossess goods if you have already advised them in writing that no further communication should be made about that debt, unless the contact is -

- (i) an action issued through a court or Tribunal; or
- (ii) threatened legal action that the debt collector is entitled to take and intends to take.

Why would I ask a debt collector to stop contacting me?

A debt collector might be asking you to make payments with no real intention of taking legal action against you because:

- you are **solely in receipt of social security payments and have no assets which can be seized** through bankruptcy or legal action;
- the debt is too small to cover the costs of them taking legal action, especially if there are questions about whether you are liable for the debt.

By asking in writing for a debt collector to stop contacting you, you can stop any annoying or distressing contact.

When would I tell a debt collector to stop contacting me?

Generally, you should only consider not paying a debt and telling the debt collector to stop contacting you if you are confident that if legal action is taken:

- you have no income or assets that can be taken and you are certain it is in your best interest to not pay, or

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FS12D Debt collection: letter to stop contact

- you are prepared to defend any legal action and you fully understand any costs of doing so.

Be sure you fully understand the consequences of not paying a debt in your circumstances, including whether your credit report may be affected (if a debt is owed, your credit report will have been affected in any event) , whether interest and costs may accumulate, whether there is any secured property that may be repossessed, whether you have any income or assets at risk.

If you are in doubt about whether it is in your best interest to send a letter asking not to be contacted seek advice from us.

What if I am still contacted by the debt collector ?

If the person collecting the debt continues to contact you, other than to issue or threaten legal proceedings which they are entitled and intend to take, you should make a complaint to Consumer Affairs Victoria, Australian Securities and Investment Commission and Australian Competition and Consumer Commission. You should also consider seeking compensation for any stress or humiliation. See our factsheets on seeking compensation for more information and contact our advice line.

Example Letter

*Your Name
Your Address*

*Name of Debt Collector
Address of Debt Collector*

Date

Dear Sir/Madam

Please do not contact me in relation to [give details of the debt].

As you will be aware, by law you must not contact me about the above alleged debt now that I have advised you in writing that no further communication should be made about the debt, unless the contact is:

(i) an action issued through a court or the Tribunal; or

(ii) the threat of an action that the you are entitled to issue through a court or the Tribunal and which you intend to take.

FS12D Debt collection: letter to stop contact

Any further contact from you, other than for the reasons mentioned, will be unlawful, and I will:

- *seek advice about obtaining compensation from the Victorian Civil and Administrative Tribunal or any relevant External Dispute Resolution Scheme for any loss, humiliation, distress, stress or inconvenience caused;*
- *make a complaint to Consumer Affairs Victoria, Australian Securities and Investment Commission, and the Australian Competition and Consumer Commission.*

By writing this letter I do not acknowledge any liability for the alleged debt.

** You can include the following if they are relevant to you:*

1. *You may only threaten to take legal action against me once. You must only do so in writing and must not contact me by telephone'.*
2. *I am in receipt of a social security benefit which is my sole source of income. As you may be aware, should you issue legal proceedings against me, a court will not make an instalment order against me under section 12 of the Judgment Debt Recovery Act 1984 (Vic). I have no assets which may be seized through bankruptcy or enforcement of a judgment debt.*
3. *As you will be aware, I strenuously deny any liability for the alleged debt because:*
 - *e.g. you have refused to produce document evidencing the debt;*
 - *e.g. the amount you claim is a penalty.*

I have taken reasonable steps to resolve the dispute by agreement or to clarify and narrow the issues in dispute in the event that civil proceedings are commenced.

Yours faithfully

Your name



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Free Advice & Assistance

Consumer Action Law Centre

Legal Advice line

Telephone: (03) 9629 6300, or 1300 881 020 for country callers.

Email: advice@consumeraction.org.au

Mon – Fri 10.00 am – 5.00pm

Free telephone and email advice regarding credit and debt and consumer law matters

Australian Securities & Investment Commission (ASIC)

Complaints about conduct of financial services, including debt collection of consumer credit:

Ph: 1300 300 630

www.asic.gov.au

Australian Competition & Consumer Commission (ACCC)

Complaints about conduct of businesses including debt collection complaints: (Not complaints about credit or financial services).

Ph: 1300 302 502

www.accc.gov.au

Consumer Affairs Victoria

Walk-in service centre: Victorian Consumer & Business Centre

113 Exhibition Street

Melbourne 3000

Ph: 1300 55 81 81

Mon – Fri, 8.30am – 5.00pm

Consumer Affairs can help you resolve a dispute with a trader by informing you of your rights or by conciliating with the trader. They can also help you find your local financial counsellor who can give free advice and assistance with credit and debt problems, negotiating with creditors and budgeting.

www.consumer.vic.gov.au

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