

# MEDIA RELEASE

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## DEBT COLLECTOR ACMS SUED FOR HARASSMENT AND COERCION

Consumer Action Law Centre (Consumer Action) has issued a legal action on behalf of a client seeking compensation, punitive damages and an order restraining debt collector Accounts Control Management Services (ACMS) from continuing to make direct contact with the consumer, a woman on a full-time carer's pension.

Consumer Action co-CEO, Carolyn Bond, said that the Centre continued to receive complaints about the conduct of ACMS, but this was the first time Consumer Action had taken a legal action to prevent harassment of a consumer in breach of the Victorian *Fair Trading Act*.

"Many of these debts started as credit card debts with the National Australia Bank and the Commonwealth Bank, which they have on-sold to ACMS," said Ms Bond.

"In this case our client, who is of a non-English speaking background, initially fell into arrears with her National Australia Bank Mastercard when she lost her job and had to begin taking care of her ill mother in 2006."

Ms Bond said that the bank sold the debt to ACMS in late 2006, and the legal claim alleges that ACMS began making a number of threatening calls to the consumer.

"We allege that many of the calls were misleading or deceptive, including a claim that if our client left Australia she would not be able to return whilst the debt remained unpaid."

"The claim also states that ACMS obtained our clients details and other information about her family by contacting her friend and pretending that our client had applied for a home loan and claiming it required information to verify her home loan application."

"Our client also claims that ACMS continued to telephone her, despite a request that ACMS contact her in writing and a request by her financial counsellor that contact be made through him."

"Our client says she was frightened by some of ACMS' conduct and felt embarrassed that ACMS would contact her friend to elicit personal information about her."

Financial institutions are entitled to attempt to collect debts owed to them. However, the laws relating to privacy, harassment and misleading and deceptive conduct apply to debt collectors as well as to other businesses.

The legal action, filed in the Victorian Civil and Administrative Tribunal, is seeking damages, including punitive damages, from ACMS for engaging in misleading and deceptive conduct and harassment and coercion under the Victorian *Fair Trading Act*, and an order restraining ACMS from making any further direct contact with the consumer.

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