

Q: I am being contacted about a debt that does not belong to me. What should I do?

A: If you have been contacted by a debt collection company regarding a debt that does not belong to you, we suggest to contact them and let them know that they have the wrong address/number/person. When the debt collection company was instructed to collect a debt, they may have received incorrect or out-of-date information from their client.

This can be done as following:

Returning the letters received to the debt collection company, with the envelope marked “not known at this address”.

Contacting the debt collection company by phone. Please note that the company may require some additional information to help them verify that they have contacted the wrong person and to enable them to take the necessary steps to ensure that you do not receive further contact. This information will be requested to verify whether they have the correct person or not.

Alternatively, this may be the result of a mistake, where a company has carried out tracing activity to locate the debtor but the information that they have obtained has led them to believe your contact details are those of the debtor.

If there is information that has led them to believe that you are the debtor, we encourage you to contact the company so that it can be corrected.

The third possibility is that this is the result of fraudulent activity, where an account has been opened fraudulently using your details. If you believe this to be the case, alert the debt collection company so that they can advise their client to do fraud investigation procedures – it will be the client that needs to investigate this, because they were involved in the opening of the account, not the debt collection company. You may also report the fraud to the police.

Q: Can my creditor sell my debt to a debt collection company?

A: In accordance with the law, a debt can be sold to a debt collection company. In order to confirm the sale, the purchasing debt collection company must send the debtor a written notice, a letter explaining what has been purchased.

Although it may not seem like it, debt sale can be a positive thing if you are struggling to meet payments as purchasers have the flexibility and resources to come up with a payment plan to suit you and your own financial circumstances. In some instances, they may also freeze



interest and charges on the account to help you in the repayment (however, this may not always be the case).

Q: My debt has been sold, does this affect my rights?

A: No, you have exactly the same rights against the purchaser as your original creditor.

Q: I have read online that if I ignore a debt collection company they have no way of making me pay the debt that I owe – is this true?

A: It is a common misconception that if you choose to ignore a debt collection company's letter or phone call, they will stop trying to contact you or that your outstanding debt will be written off.

This is not the case and communicating directly with the debt collection company is the quickest and easiest way to come to a resolution that suits you and your personal circumstances.

Q: Can a debt collection company recover a debt through legal action?

A: A debt collection company can inform a person with an outstanding debt of the consequences of non-payment, which may include legal action.

Legal action is a legitimate method of recovering an outstanding balance however, many companies would prefer to reach amicable arrangements for repayment.

Q: I have repaid my debt to the original creditor, but I am now being contacted by a debt collection company. What should I do?

A: If you were contacted by a debt collection company about a debt that has already been paid to the original creditor, making contact with the company to explain this would be the best approach. If you have evidence to support/confirm this (e.g. bank statement, letter from creditor confirming account settled), this would also be helpful to resolve the matter quickly.

It may also be useful to contact the original creditor and ask them to inform the debt collection company about the payment. The debt collection company will be acting on the instruction of the original creditor, so the original creditor needs to notify them as soon as possible if the debt has been paid.