



What is a collection agency?

A collection agency is a business hired to collect money that someone believes you owe them.

Why would a collection agency be contacting me?

A creditor has hired the collection agency to collect money they think you owe.

A person who owes money is called a debtor. A person or business who the money is owed to is called the creditor. The collection agency works for the creditor.

What should I do when I contacted by a collection agency?

It depends on whether you agree or disagree with the debt the agency is calling about, and how old your debt is.

If your debt is more than two years old:

If it has been more than 2 years since you last paid the debt or last admitted to owing the debt, **do not take any steps that may indicate you owe this debt.** Once 2 years have passed, the collection agency may not be able to sue you for the debt. If they do, you may be able to defend because the **limitation period** has expired. A limitation period is the time within which the collection agency may take legal action to collect the debt. If you take action, such as agreeing that you owe the debt, you may restart the limitation period.

If you disagree with the debt:

Send a registered letter to the agency that says you disagree with the debt, the reasons why you disagree and that you want the matter to go to court. The agency must stop contacting you after this.

Then, **get your credit report** from both Equifax and TransUnion. These are the companies that gather and store your credit information and credit score. You can get your credit reports for free by sending in a request form with photocopies of 2 pieces of government issued identification (e.g., driver's license, health card, passport). The request forms can be found at:

- www.equifax.com/ecm/canada/EFXCreditReportRequestForm.pdf
- <https://www.transunion.ca/product/consumer-disclosure>



Community Advocacy & Legal Centre

COLLECTION AGENCIES TIP SHEET

(UPDATED: FEB 2018)

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If the debt appears on either or both of your credit reports, you can dispute the debt by sending in a dispute form with photocopies of 2 pieces of government issued identification (e.g., driver's license, health card, passport). The forms can be found at:

- www.consumer.equifax.ca/dispute-ca/canada-cr-update-form/en_ca
- <https://www.transunion.ca/assistance/credit-report-disputes>

How and when can the collection agency contact me?

- they must send you a letter about the debt they are collecting, and wait 6 days after sending the letter to contact you
- after their first contact with you, they may only contact you 3 more times in a 7 day period
- "contact" means the agencies actually speak with you, email you, or leave you a voice mail
- letters sent by regular mail do not count as "contact"
- if you do not answer the phone and the agencies do not leave a message, it does not count as "contact" – so they can keep calling
- they may only contact you by phone Monday to Saturday from 7 am to 9 pm, and on Sunday from 1 pm to 5 pm
- they may not contact you on public holidays
- agencies are not allowed to use threatening or profane language

Can the collection agency contact my family, friends and employer?

In general agencies can only contact people you know to get your phone number and address. They can only contact your employer once to get your employment information. But they can contact anyone, for any purpose, any number of times if you give them permission.

What if I think a collection agency has broken the rules?

Complain to the collection agency in writing. Keep a copy of the complaint. You may also make a complaint to the Ministry of Government and Consumer Services. A sample complaint letter and the complaint form can be found at: <https://www.ontario.ca/consumers/filing-consumer-complaint>

You can send the complaint by mail, email or fax to:

Phone: 1-800-889-9768 or 416-326-8800 • TTY: 1-877-666-6545 or 416-229-6086

Ministry of Government and Consumer Services – Consumer Services, Analytics and Partnerships Branch
77 Wellesley Street West, PO Box 450
Toronto, ON M7A 2J6

Email: consumer@ontario.ca • Fax: 416-326-8665

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Toll Free: 1 877 966 8686
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TTY: (613) 966 8714

Your community legal clinic



You should include documents and evidence to support your complaint. For example, you can include letters, emails and faxes that you sent or received from the collection agency; a record of the date, time and details of the phone calls or messages you received; letters from your employer, co-workers, family or friends confirming that the collector contacted them.

Can I be sued?

An unpaid debt can end up in court. If your creditor (the person to whom you owe money) wins at court, the court will issue an order. An order from the court allows your creditor to take action to seize your assets or garnish your wages. Some source of income cannot be garnished to repay a debt – Ontario Works, Ontario Disability Support Program, OAS, CPP.

Where can I get help with debt or credit problems?

Contact your local not-for-profit credit counselling agency for help with your debt or credit problems. Credit counsellors are different than debt settlement services. Debt settlement companies will charge you a fee to help you negotiate a plan to repay your debts.

The Ministry of Consumer Services is warning consumers to be careful when considering a contract for debt settlement services. You should watch out for debt settlement companies that:

- say they can reduce your debt by 50% or more
- charge large, upfront fees
- claim that if you work with them there will be no negative effect on your credit report
- claim that their program is approved by the government
- say they can get collection agencies to stop calling you

K3C Credit Counselling is a **non-profit credit counselling service** providing assistance throughout Hastings, Prince Edward and Lennox & Addington Counties.

- **Belleville** - 235 Bridge Street East, Belleville; call 1-800-379-5556
- **Napanee** - 16 - 113 Richmond Boulevard, Napanee; call 613-549-7850
- See www.k3ccreditcounselling.org for more information.

Where can I get more information?

More information can be found at:

- Ontario Ministry of Consumer Services: <https://www.sse.gov.on.ca/mcs/en/Pages/default.aspx>
- Your Legal Rights: <http://yourlegalrights.on.ca/legal-topic/consumer-law>
- Your Legal Rights: <http://yourlegalrights.on.ca/legal-topic/consumer-law/collection-agencies>