

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 2 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, like agreeing 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:

- <https://www.equifax.ca/personal/education/credit-report/articles/-/learn/how-to-get-a-free-credit-report/>
- <https://www.transunion.ca/product/consumer-disclosure>

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:

- <https://www.equifax.ca/personal/dispute-credit-report/>
- <https://www.transunion.ca/assistance/credit-report-disputes>

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, Old Age Security, Canada Pension Plan.

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 it 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-Saturday from 7am-9pm, and on Sunday from 1pm-5pm
- 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 Public and Business Service Delivery.

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:

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

Resolve is a **non-profit credit counselling service** providing assistance throughout Hastings, Prince Edward and Lennox & Addington Counties. Contact them at 1-800-379-5556 or <https://resolvecounselling.org/contact-us/>.

Where can I get more information?

- Ontario Ministry of Public & Business Service Delivery: www.ontario.ca/page/stop-collection-agency-calls
- Steps to Justice: <https://stepstojustice.ca/legal-topic/debt-and-consumer-rights/>