

# Collection Agencies

## Don't Call Me.....

### **I can't make my loan payments and was told that my account has been given to a collection agency. What action can a collection agency take against me?**

Collection agencies act on behalf of creditors – the people who are trying to collect money from you (i.e. banks, credit card companies, etc.). You are known as the debtor – the person who owes money to the creditor.

All collection agencies must:

- Be licenced;
- Use the name that appears on their licence for all correspondence; and obey certain rules about how and when they interact with debtors.

Collection Agencies cannot:

- Contact you more than three times in seven days on behalf of the same creditor, except by mail;
- Make a personal visit or telephone you outside of the hours of 7 am and 10 pm;
- Contact you, anyone in your household, or your employer, friends, relatives or acquaintances in a manner that could be considered harassment;
- Give false or misleading information about you, including references about you to others, including suggesting the involvement of the police, law firms, or prison, your credit history, court proceedings against you, or possible liens or garnishment of your wages;
- Contact your employer except to confirm your employment in preparation for legal action;
- Charge fees beyond what you owe to the creditor;
- Send correspondence that does not show the collection agency/creditor's name;

- Fail to leave a contact number if using an automated call system;
- Give any information about the debt to anyone except you or your chosen representative without your express consent;
- Cancel or alter a debt repayment agreement if you are meeting the terms of the agreement; or Misrepresent what the creditor's rights and powers are, what you are responsible for or the true nature of the terms of any agreement to repay.

### **I think the collection agency is harassing me by calling me constantly but my friend says that's just what they do. Am I being harassed?**

Harassment can consist of behaviours such as:

- threats;
- profane language;
- unreasonable pressure; or
- excessive emails or telephone calls.

### **What can I do if I think a collection agency is breaking one of these rules or I feel that I am being harassed. ?**

The rules for collection agencies are contained in a provincial government Act called the *Fair Trading Act*. This Act is administered by a government department called Service Alberta. If you think that a collection agency is breaking the rules you can submit a complaint to Service Alberta using an online form. Someone with Service Alberta will investigate on your behalf. What action can Service Alberta take on my behalf?

Service Alberta can investigate and if it finds that your complaint is valid and the collection agency has broken the law, then it can issue a “Director’s Order”. This order will demand that the agency stop its behaviour and will set out specific requirements for what the agency must do, or stop doing. It may also set terms and conditions the agency must comply with and establish a time frame for compliance. After the collection agency that has breached the requirements of the *Fair Trading Act* stops engaging in the unfair behaviour, it may be required to enter into an “undertaking.” The undertaking is meant to prevent future breaches of the law and may include:

- agreeing to stop engaging in a practice or to change a practice described in the undertaking;
- providing compensation to anyone who has suffered a loss;
- publicizing the undertaking or the action being taken; and
- paying for the cost of the investigation and any costs associated with the undertaking.

### Additional information

1. *Fair Trading Act*

[www.canlii.org/en/ab/laws/stat/rsa-2000-c-f-2/latest/rsa-2000-c-f-2.html](http://www.canlii.org/en/ab/laws/stat/rsa-2000-c-f-2/latest/rsa-2000-c-f-2.html)

2. Service Alberta

[www.servicealberta.gov.ab.ca/2096.cfm](http://www.servicealberta.gov.ab.ca/2096.cfm)

3. Online Complaints Form

[www.servicealberta.gov.ab.ca/1006.cfm](http://www.servicealberta.gov.ab.ca/1006.cfm)