



Community Advocacy & Legal Centre

COLLECTION AGENCIES TIP SHEET

(UPDATED: SEPTEMBER 2010)

Pg 1 OF 3

What is a Collection Agency?

It is a business hired by a creditor to collect a debt. A collection agency is often trying to collect on a debt that has not been proven in court

What should I do if a collection agency calls me?

If you agree the money is owed, pay if possible. Once the debt has been paid to the agency, you won't have to deal with them anymore.

If you cannot repay the debt right away, explain your situation to the agency. Try to work out an alternative method of payment. If you can reach an agreement, follow up with the agency in writing.

When you repay a debt to a collection agency, never pay in cash. Always pay by a method that will give you a receipt. Also, never give personal information, such as a bank account number, to a collection agency.

Take your debts seriously. Being prompt with payments and avoiding bounced cheques can result in collection agencies being more co-operative and will ease the process of paying back a debt. Keep in mind that unpaid debts can result in court action which can allow creditors to seize your assets or garnish your wages.

What do I do if I dispute the amount the collection agency says I owe?

Bring this to the attention of the collection agency, as well as the original creditor.

What rights do I have when dealing with a collection agency?

The [Collection Agencies Act](#) prohibits collection agencies from doing certain things.

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(UPDATED: AUGUST 2010) PG 2 OF 3

A collection agency may not:

- Contact you until 6 days have passed from sending you written notice of the following:
 - The name of the creditor
 - The balance owing
 - The name of the agency and its authority to demand payment
- Continue to contact you if you did not receive the notice unless a second copy of the written notice is sent to an address provided by you, and then contact may only be made 6 days after sending notice.
- Contact you if you send a registered letter to the agency saying that you dispute the debt and suggest the matter be taken to court.
- Contact you if you and/or your lawyer notify the agency by registered mail to communicate only with your lawyer, and you provide the lawyer's name, address and telephone number.
- Contact you on Sunday, or a holiday, except between the hours of 1 p.m. and 5 p.m.
- Contact you other than by ordinary mail more than 3 times in a 7-day period without your consent, once the agency has actually spoken with you.
- Use threatening, profane, intimidating or coercive language, or use undue, excessive or unreasonable pressure.
- Continue to contact you if you have told them that you are not the person they are looking for unless they take reasonable precautions to ensure you are that person.
- Give false or misleading information to any person.
- Recommend to a creditor that a legal action be commenced against you without first sending you notice.
- Contact your employer except on one occasion to obtain your employment information, unless your employer has guaranteed the debt, the call is in respect of a court order or wage assignment or if you have provided written authorization to contact your employer.

www.communitylegalcentre.ca

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(UPDATED: AUGUST 2010) PG 3 OF 3

- Contact your spouse, a member of your family or household, or a relative, neighbors or acquaintance except to obtain your address and telephone number unless the person contacted has guaranteed the debt or you have given permission for the person to be contacted.

If your income is welfare, ODSP or government pensions, you may wish to let the collection agent know. Most of these sources of income are protected from garnishment.

How do I complain?

If you have a complaint regarding a collection agency, especially if it is regarding any of the matters listed above, you can pursue these options:

- Make a complaint to the collection agency in writing. Keep a copy of your letter for future reference.
- Make a complaint to the Ministry of Consumer Services, Consumer Protection Branch:

Consumer Protection Branch
5775 Yonge St. Suite 1500
Toronto, ON M7A 2E5

Toll-free: 1-800-889-9768

Call in Toronto: 416-326-8800
TTY: 416-229-6086 or 1-877-666-6545
Fax: 416-326-8665

E-mail: consumer@ontario.ca

Website: http://www.sse.gov.on.ca/mcs/en/Pages/Consumer_Protection_Branch.aspx

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