

Collection Agency Rules



When a consumer owes money to a company and is not paying or is unable to make the minimum payment, sometimes the company will turn the debt over to a collection agency. A collection agency is a business that arranges for the payment of outstanding account balances and money owed to a company. The agency and the individuals who work as collectors must be licensed with FCNB and must follow the rules outlined below.

Collection agencies cannot:

- Threaten or start legal or court action to collect a debt without first notifying you and receiving the creditor's approval.
- Collect more money than you owe the business or person who hired them.
- Call you in a way that costs you money (such as collect calls or in some cases, calls to mobile phones).
- Call or collect from you at your place of employment.
- Discuss your debt with anyone else unless they have your permission (they may request you provide written permission).
- Threaten or intimidate you or use abusive language.
- Communicate with you without identifying themselves, the name of the collection agency, the name of the company they are collecting for and the amount owed.
- Call so often or in such a way that you or your family feels harassed.
- Call before 7am or after 9pm Monday through Saturday.
- Call before 1pm or after 5pm on Sunday.



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- Call you on a holiday.
- Garnish your wages.
- Contact your employer, friends, family or neighbours unless they have guaranteed or co-signed the loan the collection agency are trying to collect (except if they are looking for your address or confirmation of your employment).

Tips for dealing with a collection agency:

- **Avoid confusion by not contacting the original creditor.** Deal only with the collection agency to make payment arrangements. Only contact the original creditor if there is a mistake in your account. In that case contact both the original creditor and the collection agency.
- **When possible, pay the money you owe.** Once the full amount is paid back you won't have to deal with the agency anymore. The agency can only collect what you owe, and can't charge you any fees for collecting the debt.
- **When it is legitimately impossible for you to pay the full amount right away, suggest a different payment arrangement** such as a lump sum at a later date or a series of monthly payments.
- **Only make payments in a way that you have a receipt** such as a cancelled cheque from your own bank or a receipt from the agency.
- **Always be sure to have enough money in your account** to cover any cheques you write to pay back your debt and never miss payments.



You may ask collectors to only contact you in writing or through a lawyer.

To do so you must make the request in writing. In your letter it is important to clearly request that communication be in writing only, include identifying information like your name, phone number or account number, and provide an address where the creditor can send any correspondence. Send the request by fax (with a confirmation report) or registered mail so you have proof of when it was sent and that it was received.

