

Credit default listing and debt collection

This Fact Sheet outlines key considerations when dealing with energy and water credit default listing and debt collection.

Read this Fact Sheet if you would like to know:

- how to deal with credit default listing and debt collection issues
- what behaviours are expected of debt collectors
- how we can help if you have a complaint about your supplier's or a debt collector's behaviours over an unpaid energy or water account.



ENERGY & WATER
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Failing to pay your energy or water bill

If you don't pay your energy or water bill by the due date your supplier is entitled to take action, including having a credit reporting agency list you as a credit defaulter or engaging an external debt collector.

However, there are strict rules around how and when these actions can be taken and steps you can take if you believe an error has been made.

Credit default listing

We can mediate between you and your supplier, investigate your case and help resolve disputes by providing a free, independent, accessible, fair and informal service.

A default listing is a record of failure to pay a debt that is placed on a customer's credit report. Your supplier or a debt collector can take this action for an outstanding energy or water bill.

A payment default remains on the file for five years, while more serious credit infringements such as fraud or intentional non-payment last for seven years. Even if the overdue amount is paid, the listing remains for that period; it is simply marked as paid.

A credit default listing can be sought for a debt of \$150 or more that has been outstanding for 60 days.

Under the national *Privacy (Credit Reporting) Code 2014*, the supplier must first:

- write to the customer advising them of the outstanding amount and requesting payment
- send a second letter, no less than 30 days after the first, advising that if the debt remains unpaid the customer may be default listed.

If the supplier decides to proceed, the default must be applied to the credit file between 14 days and three months after the second letter.

Your supplier will write to your last known address. If you have not provided new contact details, you may not receive the notifications. It is not the supplier's responsibility to check whether you are still at the last known address.

What if an error has been made?

If you think your supplier, their agents or the credit reporting agency has made a mistake, contact them to raise your concerns. If you are not happy with their response, get in touch with us.

Credit repair agents

Credit repair agents offer help remove a default listing and can charge high fees even if they do not succeed. It is advisable to seek advice from us in the first instance.

Can I see my credit report?

You can ask for a free copy of your report once a year and at other times if you have been refused credit in the previous 90 days or your request relates to a decision to correct information in your report.

You can obtain online reports by contacting one of the following:

- Equifax: equifax.com.au
- Dunn & Bradstreet: dnb.com.au
- Experian: experian.com.au

Debt collectors

Energy or water suppliers can employ external debt collectors or even “sell” a debt to them, usually after an account has been closed (i.e. the customer has moved out).

Debt collectors are regulated by law and also must abide by guidelines set down by the Australian Competition and Consumer Commission (ACCC) and the Australian Securities and Investment Commission (ASIC).

Under the guidelines, debt collectors:

- may only contact you between 7.30am and 9pm on weekdays and 9am to 9pm on weekends
- cannot contact you more than three times in a week.

Also, by law debt collectors must not:

- shout or verbally abuse you or use or threaten physical force
- make false statements about the amount you owe
- make false statements about what will happen if the debt is not paid.