

BACKGROUNDER: DEBT COLLECTION IN BC

OVERVIEW

Consumer Protection BC is responsible for regulating and enforcing BC's laws that address the business practices of debt collectors, bailiffs and debt repayment agents. Whether operating in BC or communicating with BC consumers, all debt collectors, bailiffs and debt repayment agents are required to be licensed with Consumer Protection BC and meet the requirements of the [Business Practices and Consumer Protection Act](#) and the [Debt Collection and Repayment Regulation](#). These laws are in place to protect consumers a variety of ways, including regulating communication practices and safeguarding consumer money.

THE DEBT COLLECTION LAW IN BC

BC's debt collection laws, administered by Consumer Protection BC, speak to the responsibilities of debt collectors as well as to consumer rights. These laws are in place to ensure debt collectors treat consumers in a fair manner, following set communication rules and procedures. For example, debt collectors are prohibited from harassing debtors and must follow specific collection practices (such as calling only at permitted hours). It is important to know that these laws apply to debt collectors who are in BC as well as to debt collectors who are contacting BC consumers about debts owed.

2016 - 2018: DEBT COLLECTION BY THE NUMBERS

Licensed places, activities and occupations¹:

- 2016: 4,324 BC-licensed debt collection agencies, collectors, repayment agents or bailiffs
- 2017: 3,752 BC-licensed debt collection agencies, collectors, repayment agents or bailiffs
- 2018: 3,870 BC-licensed debt collection agencies, collectors, repayment agents or bailiffs

Consumer inquiries:

- 2016: 1,388 inquiries about the debt sector, representing 13% of all calls and emails (10,882). Topics of interest include collector behaviour (17% of debt sector-related inquiries), general inquiries (16%) and debt in dispute (12%).
- 2017: 1,480 inquiries about the debt sector, representing 13% of all calls and emails (11,068). Topics of interest include collector behavior (19% of debt sector-related inquiries), debt in dispute (16%) and not the debtor (14%).
- 2018: 1,385 inquiries about the debt sector, representing 12% of all calls and emails (11,177). Topics of interest include debt in dispute (21% of debt sector-related inquiries), frequency of calls (15%) and collector behavior (13%).

¹ The number of licences shifted in 2017 to reflect a point-in-time count of licenses with active licences as of December 31, as opposed to prior year numbers that reflected the volume of licences issued and renewed during the year.

Investigations:

- 2016: For the 17 debt-related files that concluded with an outcome, voluntary compliance was achieved 59% of the time (10 instances); topics of investigation included licence requirements, communication with a debtor and false or misleading representations; disclosure requirements; and enforcement action was taken 41% of the time (7 instances).
- 2017: For the 17 debt-related files that concluded with an outcome, voluntary compliance was achieved 53% of the time (9 instances); topics of investigation included collecting from person not liable for debt, communication at place of employment, and communication in writing only; and enforcement action was taken 47% of the time (8 instances).
- 2018: For the 24 debt-related files that concluded with an outcome, voluntary compliance was achieved 29% of the time (7 instances); topics of investigation included requirement for licensing, harassment, prohibited phone collections, property seizure; and enforcement action was taken 71% of the time (17 instances).

BUSINESS OBLIGATIONS OVERVIEW

By law, debt collectors operating in BC or communicating with BC debtors:

- Must not call on a statutory holiday or place a collect call to a debtor.
- Must not continue to contact a consumer if the debt has been properly disputed.
- Must not ask for money be sent in a way that costs the debtor money (i.e. registered mail).
- Must not continue to contact a debtor by telephone if the debtor has properly requested communication in writing only.
- Must not give the debtor a document made to look like an official court document when it is not.
- Are only allowed to contact a consumer's employer for the sole purpose of confirming the consumer's employment status, title and business address in preparation for a legal proceeding to take place (or if the consumer has given permission).
- Are permitted to take legal action against a debtor.
- Can use email to communicate with debtors.

CONSUMER RIGHTS OVERVIEW

By law, BC consumers:

- Have the right to request communication in writing only, putting a stop to telephone calls from debt collectors.
- Have the right not to be contacted about a debt that is not theirs.
- Have the right to dispute a debt they feel they do not owe.

CONSUMER TIPS

1. **Understand your responsibilities.** If you get a call from a debt collector, we suggest you answer the phone and talk to the person on the other end as ignoring the calls will not make the problem go away. When you speak to the debt collector, remember you have the right to

receive details about the debt. It is important to remember that debt collectors are allowed to contact you about the debts you owe (once the debt is due and payable, not before).

- 2. Put a stop to the calls.** Getting repeated calls about a debt can be stressful. By law, you can request that a collection agency only contact you in writing only. For more information, [visit our Consumer Help page](#) and access the Request for Communication in Writing Only form. (Please note that this does not change the status of your debt.)
- 3. Know where to go for help.** Consumer Protection BC licenses and regulates debt collectors within the province. If you have questions or want to file a complaint, please visit www.consumerprotectionbc.ca or call 1.888.564.9963.

ENFORCEMENT ACTIONS

To maintain the integrity of our investigative processes, we do not share detailed information about open files. Visit the [Enforcement Actions section of our website](#) to explore our recent licensing and enforcement actions.

FOR MORE INFORMATION

Explore www.consumerprotectionbc.ca for more information for both consumers and regulated businesses. Additional statistical information is also available in our [annual reports](#). We also share information and consumer tips on [Facebook](#), [Twitter](#) and in [our corporate blog](#).

Have a consumer question or complaint? Contact our information services team, toll free, at 1.888.564.9963 or info@consumerprotectionbc.ca.