



**CONSUMER
PROTECTION BC**



Inspection Guide

Debt collection agents and bailiffs

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A special note related to the COVID-19 pandemic

Due to the pandemic, Consumer Protection BC stopped doing in-person inspections of our licensed businesses in March 2020.

Since then, we have learned more about the impact of COVID-19 in the marketplace and on you, as one of our licensed businesses. We have now resumed in-person inspections.

With a few exceptions, our standard inspections policies and rules apply as outlined in this inspection guide. This also means that unless there are mitigating circumstances specific to your business practices, no advance notice of inspection will be made.

We take safety seriously.

Your safety and the safety of our staff matter to us.

Here are some of the changes we've made:

- Inspectors will continue to wear N-95 masks for the foreseeable future.
- Inspectors will have their own supply of PPE and will sanitize their hands and other surfaces.
- Inspectors may ask for licensee-employees to wear masks when communicating with or in the same room as the Inspector. Failing this, the licensee/employees may be asked to remain 2 meters distant from the Inspector at all times.
- Inspectors will allow for their credentials to be examined (from a distance). Inspectors will provide business cards at the time of inspection.
- Where possible, inspectors may ask that they be allowed to isolate themselves in a private area of the business while they perform the administrative functions of the inspection.
- Inspectors will select items to be inspected. This amends the former practice of allowing the licensee's employees assist with that process.

Inspectors may ask you about the status of the location being inspected. These questions will include:

- Have any employees at the location been diagnosed with Covid-19 within the last 2 weeks?
- Is anyone at the licensed location suffering from illness or Covid-19 symptoms?

If you have questions about our protocols and processes, the best option is to speak to the Inspector that engages with you during an inspection.

Thank you,

The Consumer Protection BC Inspections & Case Management Team

Introduction

Consumer Protection BC is responsible for the administration and enforcement of the *Business Practices and Consumer Protection Act* (BPCPA), the *Ticket Sales Act* (TSA), the *Cremation Interment and Funeral Services Act* (CIFSA), and the Debt Collection and Repayment Regulation (DCRR). The BPCPA and DCRR govern the conduct of persons who engage in debt collection, the business of debt collection, the business and occupation of bailiffs, and the licensing requirements related to each in British Columbia.

This guide has been prepared to better inform and educate you on the compliance inspection process. As one of our licensed businesses, it is your responsibility to conduct yourself and operate your business in compliance with the laws and conditions on your license. We recommend you take the time needed to read this guide fully and to make sure that your managers and staff are familiar with the information contained herein.

This guide serves as a reference, so you know what to expect and how to prepare for an inspection conducted by a Consumer Protection BC Inspector.

This is a general overview of the inspection process. This guide is not intended to provide legal advice and it is not an exhaustive review of the legislative provisions affecting you or the operation of your licensed business. We recommend that you get copies of the legislation and review it in detail. You can order from Crown Publications at www.crownpub.bc.ca.

For more general information, visit our corporate website at www.consumerprotectionbc.ca. To learn more about your licensing requirements and legal obligations, [visit the Get & Keep your Licence](#) section of our website. To find out how best to contact us, please [visit the Contact Us](#) page of our website.

Background: our responsibilities

The role of Consumer Protection BC

Consumer Protection BC licenses and inspects regulated businesses, responds to consumer inquiries, investigates alleged violations of consumer protection laws, classifies all general release and adult films, and provides information and referrals to consumers.

As part of our responsibility to ensure compliance with the law and conditions on a licence, we regularly perform risk-based inspections as well as inspections in response to consumer complaints. When an inspector identifies issues of non-compliance, the inspector may open a complaint file. When the eventual outcome of a complaint file results in voluntary compliance with the law or some form of enforcement action being taken by the Director, the outcome is published to our website. We share this information to enable consumers to make informed decisions.

The role of the licensee

You are legally responsible for compliance with the laws and licensing conditions as it relates to the operation of your business. You are also responsible for ensuring your employees and agents are acting in compliance with the laws and licensing conditions applicable to your business.

You must fully cooperate with an inspector. Providing false or misleading information to an inspector or obstructing or hindering an inspection are serious contraventions of the laws we administer. A person who obstructs, hinders, or makes misleading statements to an inspector is subject to prosecution under *the Offence Act*.

Inspection process

Scheduling and notification

Inspectors attend businesses located throughout the Province, sometimes arriving unannounced. The BPCPA and DCRR allows for an inspector to enter a business at any reasonable time to determine compliance with the law, conditions on a licence, the suitability of a licensee or an applicant for a licence.

Authority to inspect

It is your responsibility to cooperate fully during an inspection. In most instances, an inspector will provide their official identification on arrival, or a request can be made for them to produce it. You must not do anything to obstruct, hinder, or interfere with an inspector's entry and inspection of a business.

The BPCPA give the inspector the authority to:

- Inquire into any business, affairs or conduct of a person
- Inspect, audit or examine any record, goods or other things or the provision of services in the premises
- Inspect a vehicle or vessel that is being used for business purposes
- Require a person who has possession or control of any records, goods, or other things in the premises, vehicle or vessel to produce the records, goods or things

- Make a record, including a record on film, audio tape, video tape or otherwise, of the premises, vehicle or vessel or any other things in the premises, vehicle or vessel
- Remove any record from the premise, vehicle or vessel for purpose of making copies
- Remove and retain any record, good or other thing that may be required as evidence from the premises, vehicle or vessel.

Conclusion of inspection

Once the inspection is complete, the inspector will review the results with you or the manager on duty at the time of the inspection. The inspector may discuss any non-compliance identified during the inspection at this time. A Certification of Inspection will be prepared by the inspector and a digital copy will be emailed to you at the email address identified in your My Account set up with Consumer Protection BC.

In order to receive the digital copy of the Certificate of Inspection, you must have your My Account set up. If your email is not entered into the My Account, you will not receive the Certificate of Inspection and other pertinent documents related to the inspection. To setup your My Account, please go to www.consumerprotectionbc.ca and select “MyAccount Login” or contact operations@consumerprotectionbc.ca for assistance.

Post Inspection Report and follow up

After returning to the office, the inspector will document the inspection, update your file and, if required, inform other departments within Consumer Protection BC of the inspection results.

The inspector will update the Inspection Checklist¹ and email you a report with the results of the inspection to the email address you provided in My Account. The report will identify any alleged violations that you must correct and/or any alleged violations for which the inspector recommends that enforcement action be taken by the Director. Any further instruction(s) will be noted in the inspector’s notes in the report.

For more information on the enforcement process, please see the section below entitled “Enforcement.”

We may conduct a follow up inspection to ensure that non-compliance found at the previous inspection is corrected.

Enforcement

If an inspector detects violations that they believe should proceed to enforcement hearing, they will notify you of these alleged contraventions in the report issued after the inspection. The inspector will also prepare a Report to the Director (RD) document for the Director of Inspections & Case Management. A copy of the RD will also be sent to you. The RD will identify the allegation(s) proceeding to enforcement hearing and the evidence the inspector is relying on to support the allegation(s). You will be given an opportunity to respond to the allegations made in the RD. A decision-maker will then

¹ See Appendix – Inspection Checklist

decide whether the allegation took place, and whether statutory action such as an administrative penalty, licensing action or other remedial order is appropriate. Note: the decision to impose an administrative penalty is at the discretion of the Director or the delegated decision maker.

Before deciding to impose an Administrative Monetary Penalty (“AMP”) and calculating the amount of the AMP, the decision-maker will consider the factors set out in section 164(2) of the BPCPA. To calculate the amount of the AMP the decision-maker will normally apply the policy of Consumer Protection BC, “Calculating Administrative Monetary Penalties Policy and Procedures.”, including its AMP Penalty Matrix. This policy is available on the website of Consumer Protection BC at www.consumerprotectionbc.ca. You can access the policy electronically by clicking the following link: [Admin Penalty Policy and Procedure](#).

If you are dissatisfied with the decision, you may apply for a reconsideration of the decision.

Further information on the policies and procedures relating to the calculation of administrative monetary penalties and the reconsideration process can be found by visiting the About us (Our policies) section of our website at www.consumerprotectionbc.ca.

What will be inspected

Remember that while inspectors attend businesses to test for compliance with the laws we administer and any conditions we have imposed on a licence, they are also there to educate and answer questions. Please feel free to approach them about any business issues or problems related to the laws we administer.

Typically, you can expect that an inspector will do some of the following:

- Review the legislation and the conditions on a licence for any issues that are identified;
- Inspect the physical layout of the business;
- Inspect legal, financial and other business records;
- Observe and record your business practices, identify deficiencies or problem areas that may lead to non-compliance;
- Identify any contraventions;
- Answer your questions and help you understand your obligations


To find out what an inspector will examine during the inspection, please read a sample inspection checklist (Appendix-Inspection Checklist). Note: the items on the checklist are not an exhaustive list of the items an inspector may examine.

Documents and records

You must produce all business records and documents requested by the inspector. Since business records are not always kept on the premises, an inspector may schedule an inspection in advance so you can make sure the records are at the business for the inspection. Sometimes, the inspector may require that you provide additional records at a later date. Refusing to provide records or providing false or misleading information is a serious contravention of the law.

Appendix – Inspection Checklist

The following are the types of things that the inspector is checking during an inspection of your business. This is not a comprehensive list and not all items on this list are inspected during each inspection.

 Licence #: _____ Date of inspection: _____				
Question	DEBT COLLECTION/ BAILIFF INSPECTION REPORT	Y	N	N/A
BUSINES MODEL				
1	Is the primary business activity that of a bailiff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	List addresses of locations bailiff stores seized items:			
3	Is the primary business activity that of collection agent?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Does the licensee perform both bailiff and collection agent activity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	What forms of payment does the licensee accept from debtors? List all:			
6	Does the licensee have a merchant account where they can accept deposit of debtor funds by debit/credit card? If yes, list bank accounts where these funds are received:			
7	Does the licensee accept debtor funds by email money transfer or other EFT process? If yes, list bank accounts where these funds are received:			
8	What is the location and address / institution for all general operating bank accounts of the licensee?			
LICENCE & LICENSEE REQUIREMENTS				
9	Number of employees engaged in designated activity of bailiff or collection agent:			
10	BPCPA 143 Are all employees of the business engaged in designated activity properly licensed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	DCRR 8(1) Is there a licence for each location where the licensee conducts business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	DCRR 8(2) Has the licensee notified the Director of a change of address of business location?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Question	DEBT COLLECTION/ BAILIFF INSPECTION REPORT	Y	N	N/A
TRUST ACCOUNT and OTHER ADMINISTRATION				
13	DCRR 9(1)(a) Is the licensee's trust account maintained at savings institution in BC?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	List trust bank account number, financial institution and address/branch:			
15	DCRR 9(1)(b) Is all money collected from debtors or other sources for distribution to creditors deposited into the trust bank account within 5 days?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16	DCRR 9(1.1) Does the licensee limit deposits to the trust to only funds intended for distribution to creditors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17	DCRR 9(1)(c) Does the licensee maintain proper records of the trust account satisfactory to Director?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	BPCPA 146(2)(c) If there are conditions placed on the licensee's trust bank account, are the conditions being adhered to by the licensee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	BPCPA 146(c) [Licensing conditions] Are there any special conditions placed on the operation of the trust bank account? [LIST] If so, are the being adhered to by the licensee?			
20	DCRR 9(1)(d) Are the records and trust bank account in the places specified on application or as approved by the Director since that time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21	DCRR 9(2)(a)(b) and (c) Are the disbursements from the trust account only made to satisfy contractual obligations, errors or payments as described in BPCPA 126(2) and (3)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22	BPCPA 126(1)(a)(i) and (ii) Has the collection agent or bailiff accounted for and paid money collected to creditors within the required time-frames?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23	If there are any "aged" funds requiring distribution under BPCPA 126(2)(c) or (d), the amount of those funds held by the licensee:			
OTHER REQUIREMENTS				
24	DCRR 10(1) & (2) Has the licensee submitted financial statements to the Director in the manner and in the time-frame required since the last fiscal year end of the licensee's business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25	Does the current collections activity of the licensee indicate that the financial statements last filed with the Director are accurate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26	DCRR 11(2)(a) Has the licensee reported any change of address for licensed employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27	DCRR 11(2)(b) Has the licensee immediately reported the name and current address of every new employee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Question	DEBT COLLECTION/ BAILIFF INSPECTION REPORT	Y	N	N/A
28	DCRR 11(2)(c) and 11(3) Has the licensee immediately reported the name of every employee that ceased to be employed and the reason for the cessation of employment to the Director?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29	DCRR 11(2)(d)(i) If the licensee a corporation, has any change in senior officers been reported to the Director?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30	DCRR 11(2)(d)(ii) If the licensee is a corporation, has a material change in the beneficial ownership of shares been reported to the Director?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31	DCRR 11(4)(a) Is the Consumer Protection BC licence issued to the business displayed in a conspicuous place at the business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32	DCRR 11(4)(c) Does the bailiff licensee maintain proper records of the property they have repossessed, seized or distrained, or disposed of?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33	DCRR 11(5) Does the licensee have written consent from debtors for seized property it moved more than 100 km from where it was seized and prior to the expiration of the redemption period?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SECURITY				
34	DCRR 12(1)(b) Is the amount of security held by Director correct and current?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BPCP ACT PART 7 – DEBT COLLECTION PRACTICES				
35	BPCPA 114(1) Licensee not using threatening, profane, intimidating or coercive language when communicating with debtors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36	BPCPA 115(1)(a) No attempted collecting of debts until written notification to debtor about name of original creditor and if currently different, to whom debt is currently owed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37	BPCPA 115(1)(b) Does the initial letter of notification include the amount of the debt when first due and payable and if now different, the breakdown of amounts included in the total?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38	BPCPA 115(1)(c) Does the written notification include the identity and authority of collector to collect debt?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39	BPCPA 115(2) Has the collector made no attempt to initiate verbal communication until 5 days after written notice was sent, unless there is reason to believe the address of debtor is not correct?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40	BPCPA 115(3) Is there evidence that the collector has sent written notices if debtors advise notification from BPCPA 115(1) was not received?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMUNICATION WITH DEBTORS				
41	BPCPA 116(1) Is there evidence that the collector has not attempted to communicate with debtors at places of employment unless permitted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Question	DEBT COLLECTION/ BAILIFF INSPECTION REPORT	Y	N	N/A
42	BPCPA 116(2) Has the collector made no more than one attempt to communicate with debtor at their place of employment when trying to confirm the debtors address, email address or phone number?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43	DCRR 11(4)(b) & (5)(a)&(b) Is the licensee only using written forms and contracts that have been approved by the Director?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44	Did inspector send licensee Certificate of Inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For more information about your obligations as a licensed business, our processes and our organization, please visit www.consumerprotectionbc.ca.