

# Industry Backgrounder: Debt Repayment in BC

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## Overview

Consumer Protection BC is responsible for regulating and enforcing BC's laws that address the business practices of debt repayment agents. Whether operating in BC or communicating with BC consumers, all 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 in a variety of ways, including regulating communication practices and safeguarding consumer money.

## Debt repayment law in BC

Debt repayment agents are defined as anyone who charges a fee to negotiate with a creditor on behalf of a debtor. Consumer Protection BC administers BC's debt repayment laws, which include licensing and regulating debt repayment agents. The law speaks to the business practices of debt repayment agents and requires agents to follow specific rules about how the debtor's money is handled. For example, if a debt repayment agent collects money from a debtor to pay a creditor, the agent has five days to deposit it into a trust account.

## Debt repayment by the numbers

### Debt repayment agencies and employees

	2022	2023	2024
Consumer inquiries <sup>1</sup>	23	50	27
Licenses issued and renewed	72	79	76
Compliance inspections	0	0	0
Investigations closed	0	1	0

## Business obligations

By law, debt repayment agents in BC:

- Must use written contracts that include specific information, such as:
  - a list of all fees that will be paid to the debt repayment agent
  - the methods to arrange or negotiate the settlement of the debt
  - detailed information about the payments that will be made to the debtor's creditors

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<sup>1</sup> Volumes are based on each unique contact point logged by our tracking system, not on combined interactions with consumers on certain issues. Not all inquiries handled were within our mandate.

- Must not charge up-front fees until a repayment proposal has been agreed to by both the debtor and at least one of the debtor's creditors.
- Must account for and pay any money collected from the debtor to the proper creditor within a certain time frame.
- Cannot give money or credit to a debtor or help a debtor get a loan.

## Consumer rights

By law, BC consumers:

- Have the right to communicate directly with their creditors.
- Do not have to pay fees that are [more than what is allowed by law](#).
- Have the right to information about the status of their debts. For example, if a creditor refuses to accept a negotiation or settlement, the debt repayment agent must share this information with the consumer within 30 days.

## Consumer tips

1. **Be aware of up front fees.** Remember: you can't be charged any money upfront until there is a written agreement with at least one of your creditors.
2. **Understand what a debt repayment agent is.** Anyone who charges a fee to negotiate with a creditor on behalf of a debtor needs to be licensed by Consumer Protection BC and follow certain rules.
3. **Check licensing status.** Visit [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca) to ensure the debt repayment agent you're working with is licensed.

## 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](http://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](#), [Instagram](#), [YouTube](#) and in [our blog](#).