

COMPARISON OF DEBT COLLECTOR & DEBT BUYER

	DEBT COLLECTOR	DEBT BUYER
Overview	Acts as collection agent on behalf of creditor	Has purchased debt from original creditor and becomes the creditor
Type of Debts (guide only)	<ul style="list-style-type: none"> • credit cards • personal loans • secured consumer loans eg. car loans • home loans • utilities / telco • insurance • rates • government fines 	<ul style="list-style-type: none"> • credit cards • personal loans • utilities / telco
Age of Debts (guide only)	Usually up to 180 days in arrears	Usually post 180 days in arrears
Major Organisations (guide only)	<ul style="list-style-type: none"> • Collection House • Dunn & Bradstreet • Baycorp • Australian Receivables Ltd • Recoveries Corp • Probe Group • Austral Mercantile 	<ul style="list-style-type: none"> • Lion Finance • Credit Corp • Baycorp • Pioneer Credit • ACM Group
Regulation		
Licensing	State-based licenses may apply	State-based licenses may apply
Australian Credit License	Not mandatory	Mandatory
Regulation	<ul style="list-style-type: none"> • ASIC/ACCC Debt Collection Guidelines • National Credit Code • Privacy Act • National Privacy Principles 	<ul style="list-style-type: none"> • ASIC/ACCC Debt Collection Guidelines • National Credit Code • Privacy Act • National Privacy Principles
Communication		
Notification to Consumer	Debt Collector may or may not send intro letter to consumer	Debt Buyer must send a 'Notice of Assignment' to consumer
General letters	Will be on Debt Collector's letterhead but should say 'we are acting on behalf of ANZ' etc.	Will be on Debt Buyer's letterhead
Phone calls – caller may identify as:	<ul style="list-style-type: none"> • Patrick from Collection House • Patrick from Collection House on behalf of St George • Patrick on behalf of St George 	<ul style="list-style-type: none"> • Patrick from Lion Finance
Credit files		
Credit defaults	<ul style="list-style-type: none"> • Usually not listed yet • Can be listed about 60 days after creditor issues a Notice of Intention to List a Default • Updates to 'paid' or 'settled' made by creditor 	<ul style="list-style-type: none"> • Usually listed by creditor prior to selling debt to Debt Buyer • Shortly after sale, default will be amended to show Debt Buyer as creditor • Updates to 'paid' or 'settled' made by Debt Buyer

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Hardship		
Hardship Policy	Hardship Policy of creditor	Debt Buyer's own Hardship Policy
Who to submit hardship application to:	Debt Collector (Debt Collector may refer application to creditor. Some financial counsellors may send application to both Debt Collector and creditor)	Debt Buyer
Internal Dispute Resolution (ie. Complaints function)		
	Mandatory (under state legislation)	Mandatory (under NCCP Act)
External Dispute Resolution (ie. Ombudsman)		
For consumer/small business credit: Financial Ombudsman Service (FOS) or Credit Ombudsman Service (COSL)	Membership not mandatory (but some Debt Collectors have joined FOS or COSL on a voluntary basis)	Membership of either FOS or COSL mandatory
For telco debts: Telecommunications Industry Ombudsman (TIO)	Not a member	Not a member
For energy and water debts: Relevant state utilities ombudsman	Not a member	Not a member
Where and how to lodge EDR matters		
For consumer/small business credit: - FOS or COSL	<ul style="list-style-type: none"> • If Debt Collector has FOS or COSL membership, dispute can be lodged against Debt Collector • If Debt Collector doesn't have FOS or COSL membership, dispute can be lodged against creditor 	<ul style="list-style-type: none"> • Dispute can be lodged against Debt Buyer
For telco debts: - TIO	<ul style="list-style-type: none"> • Can be lodged with TIO (against Telco) 	<ul style="list-style-type: none"> • Can be lodged with TIO • Dispute usually handled by Telco (against Telco)
For energy and water debts: - ACT: ACT Omb - NSW: EWON - NT: NT Omb - Qld: EWOQ - SA: EWOSA - Tas: Omb Tas - Vic: EWOV - WA: Energy – EOWA; Water - Dept of Water	<ul style="list-style-type: none"> • Can be lodged with Ombudsman (against energy or water provider) 	<ul style="list-style-type: none"> • Can be lodged with Ombudsman (against energy or water provider) • Dispute usually handled by energy or water provider