**DEBT COLLECTION: LETTER OF OFFER TO SETTLE (1)**

**(Financial Counsellors and Community Lawyers)**

**Example Letter\***

Dear Sir/Madam

**Without prejudice**

**Account details [ ]**

I refer to your letter dated [date] requesting payment of $[amount] (***'the Alleged Debt'***).

**Background**

[Set out why the offer below is desirable for the credit provider. For example:]

* My client instructs that his sole income is a Centrelink payment that s/he has no assets that may be seized through enforcement. As you may be aware, his/her income is inalienable pursuant to s60 (1) of the *Social* *Security (Administration) Act 1999* (Cth).
* My client instructs that s/he has an income which is below the bankruptcy threshold and no assets that may be seized through enforcement. Should the parties not come to an agreement, s/he will consider all her financial and legal options, including bankruptcy.
* Should you not accept this offer, my client instructs that s/he intends to pursue legal redress. However, to save the time and expense of pursuing this matter further she makes the following offer.

**Offer of resolution**

Without admitting liability for the Alleged Debt, my client offers to make a payment to you in full and final settlement of all claims you may have against him/her under, arising out of or in any way related to the Alleged Debt by way of:

* a lump sum payment of $[Amount] by [specify when]; and/or
* of $[Total Amount] by way of [weekly/fortnightly/monthly] repayments of $[Amount of payment].

To accept the offer, please arrange for an authorised representative to sign and date a copy of this letter where indicated, and return it to me within **14 days** at my abovementioned address.

Please note that by making this offer, my client does not accept liability for the Alleged Debt.

Name of authorised representative: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Yours sincerely

**Notes**

**\*Please check that the debt is not statute barred before sending this letter.**

**Use this letter where bankruptcy or not paying is not in client’s best interests.**