**DEBT COLLECTION: LETTER TO STOP CONTACT (Financial Counsellors and Community Lawyers)**

**Example Letter\***

Dear Sir/Madam

**Account details [ ]**

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

Do not communicate further with my client in relation to the alleged debt.

As a consequence, section 45(2)(m) of the *Australian Consumer Law and* *Fair Trading Act 2012* (Vic)prohibits you from contacting my client unless the contact is by way of legal action or a genuine threat of legal action that you are entitled to and intend to take.

Should my client experience humiliation or distress due to a course of prohibited debt collection conduct, my client has a right to seek damages of up to $10,000, in addition to any other remedy available, pursuant to section 46 of the *Australian Consumer Law and* *Fair Trading Act 2012* (Vic)*.*

Consumer Affairs Victoria also has the power to seek substantial penalties if a person engages in prohibited debt collection practices.

My client does not acknowledge liability for the alleged debt.

 You can include the following if it is relevant to your client:

My instructions indicate that any legal action against my client would be futile. My client instructs that his/her sole source of income is a social security benefit and that he/she has no assets which may be seized through bankruptcy or enforcement of a judgment. My client's social security income is protected from an instalment order (s. 12, *Judgment Debt Recovery Act 1984* (Vic)) and an attachment of earnings order (e.g. see r. 72.01 *Magistrates' Court General Civil Procedure Rules 2010* (Vic)).

And/or

My client instructs that should you continue to contact him/her, legal proceedings will be issued against you without further notice.

Yours faithfully

\*The consequences of sending this letter may well be that the debt collector issues legal proceedings.