**Taking action against a credit repair company: template letter of complaint**

**Sample Letter**

Date

Address

Dear Sir/Madam

**Complaint**

**Background**

*Provide an overview of your understanding of the agreement with the business. You can include things like :*

* *The name of person you spoke to, how you contacted them and the date and time (if known);*
* *What prompted you to contact them (eg you saw an advertisement on TV or online);*
* *What information you provided them about your circumstances and why you were calling, and what you wanted the service to do for you (e.g. help you get a loan);*
* *What statements were made about what the business could do for you - including statements about the likelihood of removing credit listings or getting access to better credit interest rates;*
* *The application process you followed (if any), and any documentation or contracts you were provided; describe any booklets and forms you were given to fill in;*
* *How much the services being provided cost, and when you were advised of this;*
* *If you have paid money, provide details of the transaction amount, date, and what services you were told would be provided to you; and*
* *If your credit report was provided to you, and what information was on it.*

**Complaint**

Explain why you are making a complaint. Provide detailed information about the effect of the services provided to you, including any differences between what the credit repair agency told you it would do and what it actually did. This might include, for example:

* If you lodged a dispute or request/s to remove a listing with businesses who were listed on your credit file, the outcome of those disputes – including any grounds on which they rejected your request.
* Describe the outcome of using the services – for example whether using the service made a difference to your credit worthiness, noting if you were subsequently declined for a credit application (provide basic detail)
	+ If listings on your credit file were not removed because they were correct and there were no grounds for removal
	+ Whether the business gave you forms to lodge disputes with an ombudsman scheme or a business, rather than doing it for you.
* Identify breaches of the law to support your claim. Consider the following text:

[TEXT BOX - If you have any difficulty putting your complaint in writing, don’t give up! Contact Consumer Action Law Centre for help.]

In your conduct, the following sections of the *Australian Consumer Law* (**ACL**) were breached: (Consider adding whichever applies):

1. Section 18, engaging in misleading or deceptive conduct by representing it could remove or assist with the removal from credit enquiries on my credit file
2. Section 21, engaging unconscionable conduct
3. Section 60 as you did not provide credit repair services with due care and skill
4. Section 61(2) as the quality of credit repair services did not reasonably achieve the result expressly requested/implied
5. Section 62, as it breached of the consumer guarantee relating to services being provided within a reasonable time
6. the alleged contract contains unfair contract terms within the meaning of s 23 and 24 of the ACL that have caused me loss.

If you were looking for unfair terms[[1]](#footnote-1) in the contract or agreement from a credit repair agency, these might be:

* a term where the provider says it makes no representation or promise of rectifying or changing the client's records of creditworthiness with any agency or reporting body, or
* does not allow me to seek a refund under any circumstances; or
* a term which purports to exclude, restrict or modify the application of any of the consumer guarantees (section 64 of the ACL).
* State any ways you’ve tried to seek redress - for example if you’ve directly asked the credit repair agency for a refund.

**Breach of obligations as a credit licensee to act efficiently, honestly and fairly**

If you hold a credit license with a debt management authorisation, you may have breached your general obligations in section 47(1) of the *National Consumer Credit Protection Act 2009* to provide services efficiently, honestly and fairly by [*include any that apply in your circumstances and explain why*]:

* using high-pressure selling tactics.
* promoting your services in a way that created unrealistic expectations about the benefits or costs associated with your services.
* failing to ensure that, before I agreed to your services, I understood:
	+ of all costs associated with your services, and what I could expect to pay in total
	+ the availability of free alternatives, such as the National Debt Helpline and ombudsman schemes where I could make the complaint about my credit report for free;
	+ my right to make a complaint to AFCA about your services.
* failing to provide good outcomes for your customers:
	+ by not tailoring the credit repair services to my individual circumstances
	+ because your services did not provide any tangible benefits to me [e.g. *credit report didn’t improve or the default listing did get removed but it didn’t help me get the refinance I told you I wanted*]
	+ your services were not timely and efficient [*explain the impact of the delays or the work you had to do yourself*]

**Loss**

I have paid you $amount.

You have alleged that a further $x amount is owing for credit repair services (**the alleged debt**). [*include if credit repair company alleges that an outstanding amount is owing*].

**Next steps**

In order to resolve this dispute, I request that you do the following within 45 days:

1. Provide me with a refund of $Amount sought; and
2. Provide me written confirm that the credit repair contract is terminated and that I do not owe any amount under the credit repair contract.

If this matter is not resolved within 45 days, I will make a complaint to the Australian Financial Complaints Authority without further notice.

**Warning: This advice is for information only and should not be relied upon as legal advice. This information applies only in Victoria, Australia and was updated on 5 July 2021.**

1. This ACCC fact sheet on Unfair Contract Terms may also be helpful in drafting your complaint: <https://www.accc.gov.au/consumers/contracts-agreements/unfair-contract-terms> [↑](#footnote-ref-1)