

# Quick Tips



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### Collection Agencies

1. *Repay debt that has gone to a collection agency as soon as possible. If you need to borrow money, make sure you borrow it as cheaply as possible*
2. *Compare rates on credit cards or personal loans.*
3. *Never send cash. Always make payments in such a way that you have a receipt – either a cancelled cheque from your bank or a receipt from the agency.*
4. *Negotiate a payment schedule you can live with and stick to it.*
5. *Avoid payday loans, which are marketed as a quick and easy way to get cash until the next payday. They charge additional fees that can make these loans too high to repay.*

**Additional consumer protection advice is available at [www.mgs.gov.on.ca](http://www.mgs.gov.on.ca):**

- Your Consumer Rights
- Buying Merchandise
  - At Home
- Memberships and Services
  - Motor Vehicles
  - Personal Finances
    - Travel
    - Scams
  - Identity Theft
- File a Complaint

For consumer information and advice,  
call **(416) 326-8800**  
or toll-free **1-800-889-9768**

For general ministry information,  
visit **[www.mgs.gov.on.ca](http://www.mgs.gov.on.ca)**, or  
call **(416) 326-8555** or  
toll-free **1-800-268-1142** (in Ontario).  
TTY/Teletypewriter users only: **(416) 325-3408**  
or toll-free **1-800-268-7095**

Please send your comments, feedback and inquiries to: **[infomgs@mgs.gov.on.ca](mailto:infomgs@mgs.gov.on.ca)**.

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## What You Need to Know About Collection Agencies

## Smart consumers are good for business

Ontario is a leader in consumer protection and has set out clear rules for consumers and business. Know your rights – shop smart and protect yourself in the marketplace.

### Collection Agencies

A collection agency is an organization hired by a business to collect money that it is owed. Some businesses use collection agencies when customers' accounts are overdue.

Collection agencies are the most common consumer complaint at the Ministry of Government Services. Most involve collection agencies who make rude and harassing calls. You are protected under the law when you deal with a collection agency, and a few precautions can eliminate common complaints.

#### Quick tips:

- Repay debt that has gone to a collection agency as soon as possible. If you need to borrow money, make sure you borrow it as cheaply as possible.
- Compare rates on credit cards or personal loans.
- Never send cash. Always make payments in such a way that you have a receipt – either a cancelled cheque from your bank or a receipt from the agency.
- Negotiate a payment schedule you can live with and stick to it.
- Avoid payday loans, which are marketed as a quick and easy way to get cash until the next payday. They charge additional fees that can make these loans too high to repay.

#### Your rights:

##### A collection agency:

- Must send you written notice of the following:
  - The name of the creditor
  - The balance owing
  - The name of the agency and its authority to demand payment, and wait until the sixth day after mailing before contacting you.
- Must mail a second copy of the written notice to an address provided by you if you did not receive the first notice
- Cannot contact you if you send a registered letter to the agency saying that you dispute the debt and suggest the matter be taken to court.
- Cannot contact you if you or your lawyer notify the agency by registered mail to communicate only with your lawyer, and you provide the lawyer's name, address and telephone number.
- Cannot contact you on Sunday, except between the hours of 1 p.m. and 5 p.m., and not on a holiday.
- Cannot contact you more than three times in a seven-day period without your consent, once the agency has actually spoken with you.
- Cannot use threatening, profane, intimidating or coercive language, or use undue, excessive or unreasonable pressure.
- Cannot continue to contact you if you have told them that you are not the person they are looking for unless they take reasonable precautions to ensure you are that person.
- Cannot give false or misleading information to any person.

- Must give you notice if it intends to recommend to a creditor that legal action be commenced against you.

**If a collection agency has violated any of the standards listed here, contact the agency and file a complaint.**

#### If you need to consolidate your loans:

- Talk to a professional loans officer at your financial institution.
- Call the Ontario Association of Credit Counselling Services. Non-profit credit counselling services are operated through 26 member organizations at more than 40 locations across Ontario to help people solve their financial problems. To find the office nearest you, call toll-free at **1-888-746-3328**.

### Need Help?

Before you file a formal complaint with the Ministry of Government Services, you need to take the following steps:

- Contact the company and explain your specific complaint.
- Put it in writing and keep proof of delivery of your complaint and any other communication with the company.
- If you are still not satisfied, file a formal complaint by visiting our website at **ontario.ca/consumerprotection**.