

# Paid in full but debt collectors came calling

By ROB STOCK

GETTING YOUR debt collection procedures right can be a tricky business, but in the age of social media getting them wrong can be embarrassing.

One non-existent debt to TelstraClear recently got a West Auckland private investigator up in arms after the debt collection agency the telco employed used legal threats to try to close down a blog she wrote about the experience.

Now Grace Haden, who heads the Verisure private investigations firm, believes more controls are needed over debt collectors both by law, but also by the often well-known companies that employ them.

Haden had been a TelstraClear customer, but severed her ties with the company, settling her

account in full, but by mistake the telco referred a 'debt' of just under \$250 to a company trading under the name Credit Consultants New Zealand. When it called her up

## TelstraClear said the mistake really wasn't its fault.

demanding payment, Haden told its phone rep that she had paid her account in full, and that the company should check their facts with TelstraClear.

The call was a surprise, said Haden, as TelstraClear had not informed her that it had called in a debt collector - something she believes a responsible company would do - which would have

given her the chance to point out a mistake had been made.

Four days after the call a written demand for \$305.30 arrived, at which point Haden employed her private investigation skills to check up on the company.

The first thing she found was that Credit Consultants Debt Services no longer existed as a company, having been amalgamated into a different firm, and she blogged calling into question a "non-existent" entity's right to collect debts.

The company trading as Credit Consultants Debt Services, which is actually Credit Consultants Group NZ Limited, took exception to Haden's blog, and demanded it be taken down.

When she refused it followed up with a lawyer's letter saying some of Haden's claims, such as that it bullied and threatened her, were

"incorrect" and appeared to be designed to cause it "commercial and reputational damage".

Though Credit Consultants would not comment on Haden's case, it said there was nothing

wrong with using a trading name. TelstraClear admitted referring the debt to a debt collector had been a mistake.

It said Haden had paid it, but said the mistake really wasn't its fault.

"Unfortunately, when Grace paid the amount owing she did not provide us with adequate detail to identify that it was for her account," TelstraClear said in a statement. "While we have a process to try and align funds with



GRACE HADEN

accounts, we were unable to do so in this case because of the lack of detail. The debt therefore remained as unpaid and was referred for collection."

Haden says she made the payment from an account she'd used before to pay TelstraClear.

TelstraClear went on to say debt collection is the last resort and a decision to instruct an agency to collect a debt is not taken lightly.

"It usually occurs when a customer refuses to pay the debt owed or if our attempts to make contact receive no response," the telco said. "Customers are informed in writing and by phone when we have made the decision to hand the debt to an agency."