



FIRST INTERNATIONAL
DEBT COLLECTION



ADVICE FOR CREDITORS

What do I do if the debtor doesn't pay?

STEP 1

Before you hand-over the debt for recovery to a debt collector or solicitor it is advisable to do one last thing - Your final letter of demand.

Your final demand letter needs to accompany your final invoice. The letter must be void of any obvious anger, ie "despite continually ignoring my calls and your offensive language" etc. Do not include any sentiment at all. Your letter may end up in court. Be careful as to what you express and never make any perceived threat (ie, jail is an absolute no no. Be mindful, you are not a solicitor so do not endeavour to use legal terminology that you feel may impress or frighten the debtor. You cannot place a caveat on the debtor's property and you cannot seize assets.

Our advice is: Keep it simple. State the facts. Avoid sentiment. Provide a 7 day deadline. State what may befall (without threat).

Date

Your name

Address

Phone No

Dear Mr Debtor,

Attached please find a copy of our final invoice #125 amounting to \$4,456.23 which has been outstanding since 30 June 2009.

We would appreciate this debt being satisfied by (give an exact date in 7 days time) Friday 27 May 2011 or we intend to outsource our debt recovery:

We trust that this matter can be amicably resolved without the need for recovery action.

Yours faithfully

James Creditor

Encl: Invoice #125

STEP 2

Once the deadline expires it is time to move to the services of either a solicitor or a debt collector.

STEP 3

If the debtor is ignoring even your solicitors' and debt collectors' letters it is time to proceed to the next step and issue a summons.

There are costs involved in lodging a court action. Keep in mind though, that you can request of the court your costs and interest on the debt since the debt was first due.

