

## UK Introduces US-style Rules for Debt Collectors

By Steven Frieze

As from October 1, 2017, a new "protocol" is coming into force in the UK which requires those making claims against individual debtors to comply with certain rules. Individual debtors mean consumer debtors but also those who are sole traders. Thus the new rules will have some application to commercial debt recovery as well as to consumer debt cases.

The most important changes are those relating to the period of time which the debtor must be given to respond to the initial demand before legal action can be taken. Traditionally in the UK, debt collectors and lawyers dealing with debt collection work would give a debtor 7 days in which to respond, after which time legal action will be taken and if indeed it was taken then if the debtor then made payment it would also be responsible for the legal costs of the proceedings taken.

Now this category of debtor must be given 30 days in which to respond and if the creditor were to take action before the expiration of 30 days (other in exceptional circumstances) it is likely that either the proceedings will be dismissed or the creditor will be refused an order that the debtor meets the legal costs of the proceedings.

It is also going to be a requirement that a lot more information is given to the debtor rather than a simple demand which heretofore has often consisted of no more than one paragraph in a letter. Full details of the contract between the parties must be given and also the debtor must be given a detailed income and expenditure form to complete. The form includes reference to liabilities but interestingly not to assets. The debtor must also be given information as to where he or she can find people or organisations who can assist those who have financial difficulties.

*If any more information is required, Steven Frieze at Ward Hadaway in England would be more than happy to assist. His contact details are [steven.frieze@wardhadaway.com](mailto:steven.frieze@wardhadaway.com), telephone +44 113 205 6776.*