

KNOW YOUR RIGHTS AS A DEBTOR Sunday Times – 16 January 2005

RIGHTLY, people should never renege on their debt, but even if they do, they should not have to put up with harassment and threats from debt collectors. Time was when rogue collectors would go to any lengths to inflict mental anguish on debtors. They might splash red paint on a debtor's door, or hang a pig's head outside.

Unlike countries such as the United States, Singapore does not have laws that govern debt collection practices. Under the US Fair Debt Collection Practices Act, a collector cannot, for example, call a debtor between 9pm and 8am. Collectors here are not licensed either by the Ministry of Finance or the Monetary Authority of Singapore.

To reassure clients, some collectors offer to sign agreements not to use criminal force or violence on debtors, and indemnify clients against any illegal act that collectors may commit in the heat of the moment.

Consumer advocate and lawyer Stephen Loke says a definite no-no are threats to harm debtors. 'They cross the line if, for example, they tell the debtor: 'You better watch out. You will be in danger!'' Worse still, if they threaten: 'I will go after your family members or friends.' Such threats should be reported to the police.

Collectors should also not create a nuisance, says lawyer **Vijai Parwani**. 'If the collector bangs on the door of your home late at night and yells at you, that's being a nuisance,' he says. Call the police. In one case in 2001, a policeman happened to be a neighbour of a female debtor in Ang Mo Kio. Lau Tian Heng, a debt collector for an illegal moneylender, was arrested after he banged on her door one afternoon, shouted at her, and picked up a flower pot and smashed it. Lau was jailed three months and fined \$15,000.

What if, of all things, you are wrongly accused of being a debtor? 'If in the presence of other people, I say aloud that you owe me money when you actually don't, then that's defamation,' says **Mr Parwani of Parwani and Company**. 'But if it's true that you owe money, I can shout out the fact and you can't do anything about it.'

Mr Desmond Loo, managing director of debt collector Lousintan, says: 'Not many debtors know their rights. We know and we don't want to assume they don't know. 'We don't practise strong-arm tactics such as yelling at people to say they owe money.'