

From: [Jenny Sparks](#)
To: [AFCA Review](#)
Subject: AFCA Review Secretariat
Date: Tuesday, 2 March 2021 2:29:57 PM
Attachments: [image001.png](#)
[image002.jpg](#)

Good afternoon

I would like to submit the following information to be considered in the independent review of AFCA services.

Tasmanian Collection Service (TCS) is a mercantile agent and a member of AFCA. Tasmanian Collection Service acts on behalf of small businesses to recover outstanding debt. By nature of the fact we are a debt collection service, we are often dealing with customers who are disgruntled at having a debt lodged for collection.

My concern is around the fee structure for an individual to register a complaint. Whilst we understand it is important for individuals to be provided protection, we feel the current fee model is flawed. As the service is free to the individual, there is nothing preventing an individual from making a vexatious claim and incurring costs to Tasmanian Collection Service and subsequently the small business clients we act for.

If a complaint is registered with AFCA, there is a fee of \$100 payable by TCS.

If a matter is referred to a case manager, there is a charge of \$890. This is charged to TCS and in turn passed on to our client.

A matter we handled recently is a good example of where the AFCA service was misused by an individual who was well aware there was no cost or consequence to him but simply used the AFCA service to avoid paying the debt.

Example

Our client, an accountant sole trader, lodged a debt for \$814 for services rendered to his customer. The customer disputed the debt and lodged a complaint with AFCA. Our normal practice is to advise our client that if AFCA rule in favour of the complainant TCS will pass the \$890 on to our client for payment. Given the cost to investigate the complaint was greater than the cost of the debt, the client instructed TCS to close the file.

This is common given that many small businesses do not want to incur further costs. In this particular example, TCS was then charged \$100 for registration of the complaint. This is a cost that TCS must now bear. TCS is itself a small business. We act on a commission basis only, so in this instance our business must endure a loss of \$100.

We respectfully request that consideration be given to a user pays model. At the very least the complainant should pay a fee that is refunded if the matter is ruled in their favour. This would act as a deterrent to those individuals who are simply using the AFCA service to avoid payment of debts.

Kind regards

Jenny Sparks

Jennifer Sparks

General Manager
Tasmanian Collection Service
29 Argyle Street Hobart 7000
Phone (03) 62135555
Direct (03) 62135513
Fax (03) 62342988
Email: jsparks@tascol.com.au
Web: www.tascol.com.au

Click  to follow us on linked in

TCS plain banner



PLEASE NOTE The information contained in this email communication may be confidential.

If you have received this email in error, please notify the sender by return email, delete this email and destroy any copy.