

27 March 2002

ACCC Institutes Against Waterman Collections Pty Ltd for Alleged Misleading and Deceptive Conduct

The Australian Competition and Consumer Commission has instituted proceedings against Waterman Collections Pty Ltd in the Federal Court, Adelaide, alleging misleading and deceptive conduct in relation to its recovery of debts on behalf of NRMA Insurance Group Limited, now known as Insurance Australia Group Limited.

The ACCC alleges that between February 2000 and June 2001, Waterman, a debt collection agency, sent letters to over 850 persons involved in accidents with NRMA drivers asserting that \$3,171 was overdue and threatening to carry out "further action without notice" if this amount was not paid within seven days. It is alleged that the \$3,171 figure did not represent the actual liability of the abovementioned persons but rather was a figure included by Waterman when it had no information about repair costs. A small number of the persons who received these letters paid \$3,171 in the belief that this was the amount that they actually owed.

As a consequence, the ACCC alleges that Waterman has engaged in misleading and deceptive conduct in contravention of the Trade Practices Act 1974.

The ACCC is seeking court orders including:

- declarations that Waterman's conduct breached the relevant provision of the Act;
- injunctions restraining Waterman from engaging in the same conduct in the future;
- an order requiring Waterman to review and update its trade practices compliance program; and
- costs.

A directions hearing for this matter is listed for 18 April, 2002 in the Federal Court, Adelaide.

MR 64/02 27 March 2002