

# LAW REFORM COMMISSION OF BRITISH COLUMBIA

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## Background

### LRC 4—Report on Debt Collection and Collection Agents

Date: March 1971

British Columbia was one of the first provinces to enact legislation regulating debt collection. This legislation first appeared in 1930, and it was entitled the *Collection Agents' Licensing Act*. The act was amended several times before it was repealed and replaced in 1967 by the *Collection Agents Act*. Despite this history of legislation, by the date of this report there was a fairly extensive record of public dissatisfaction with debt collection practices. Some of this dissatisfaction stemmed from the expansion of consumer credit in the 1960s and 1970s, which was not adequately addressed in the legislation. Another source of discontent was the legislative emphasis on collection agent, which tended to obscure the fact that a large portion (possibly the majority) of debts are collected directly by creditors. At the time of this report, such legal controls as existed over debt collection were disjointed and scattered over a wide range of statutes. This report considers fundamental reform of this area of the law.

With the exception of its brief introduction and conclusion (summary of recommendations), the report contains three chapters. The first of these substantive chapters examines debt collection generally. This chapter begins by considering the dimensions of the problem, examining a number of examples of harsh and oppressive collection practices. Then, it sets out the existing law on harassment, noting sources of criminal and civil liability. Finally, the chapter closes with a detailed exposition of the commission's recommendations for reform relating to harassment of debtors.

The next chapter discusses collection agents. It begins by examining the *Collection Agents Act, 1967*, which was the governing legislation at the time the report was written. The chapter goes on to recommend a number of reforms to the licensing system set out in that act.

Finally, the report concludes with a brief chapter on bailiffs. In the main, the commission's recommendations for reform relating to harassment should be sufficient in this area, but to the extent that there are concerns related to repossessions and evictions, the commission recommends a specific statutory provision to address them.

### **Further Developments**

See *Debt Collection Act*, S.B.C. 1973, c. 26 (now *Business Practices and Consumer Protection Act*, S.B.C. 2004, c. 2, ss. 113–28).