

Chapter 17

Consumer credit debt counselling

17.2 The basic elements of debt counselling

17.2

Q2.1 What is the basic definition of debt counselling?

It involves the following elements:

(1) It is advice given to:

(a) a *borrower* about the liquidation of a debt due under a *credit agreement*; or

(b) a *hirer* about the liquidation of a debt due under a *consumer hire agreement*;

(see ■ PERG 17.3 for more about what the advice must be about).

(2) The advice must relate to a particular debt and debtor (see ■ PERG 17.4).

(3) It covers the giving of advice. It does not cover just giving mere information. This is explained in ■ PERG 17.5.

(4) If an exclusion applies, the activity is not a *regulated activity* (see ■ PERG 17.6).

Q2.2 Can you give some examples of what is and is not debt counselling?

Yes. There are examples in ■ PERG 17.7.

Q2.3 What other factors are relevant to whether authorisation is needed?

(1) Whether the activity is carried on by way of business (see ■ PERG 2.3).

(2) Whether an exemption is available (see ■ PERG 2.11).

(3) Whether the *person* can carry on the activity without *authorisation* (see ■ PERG 2.10.12 G to ■ PERG 2.10.16 G).