

December 2010

## Missing Debtor? Can't start Court Action?

Is not being able to find your debtor preventing you from starting court action?

If the answer is yes, then a substituted service application to the court may be your answer.

When a court action is started to get a court order for the money your debtor owes, your Court document has to be delivered to the debtor. This delivery process is called "service".

Problems arise when the debtor is an individual and he or she has moved from the address you had, leaving no forwarding address. If you can't locate your debtor then you are entitled to make an application to the court known as substituted service - this is where you ask the court for service to take place by another means.

## What is Substituted Service?

Some examples of substituted service are when you serve court documents on a relative or friend of the debtor, by advertisement in a local paper, by email or even possibly via facebook.

The important thing to remember is that the service proposed must be likely to bring the court documents to your debtor's attention.

A substituted service application can be made to the Court at the time of filing your claim against the debtor. It is made ex parte which means the debtor isn't told about it.

A substituted service application involves the preparation of two documents, an application and an affidavit. In the District Court the filing fee is \$185. This cost is claimed back from the debtor as part of any court order.

## Can CollectIT take care of this for you?

If you are using the WECollect service to collect for you then this is a procedure we commonly use.

At [www.collectit.co.nz](http://www.collectit.co.nz) we provide our DIY subscribers (UCollect clients) with the documents and step by step instructions to make a substituted service application.

## A further tip ...

Another tip to keep in mind when entering into a contract to perform work, services or supply goods is to obtain from your clients an alternative contact. That way if the worst happens and your debtor doesn't pay you and disappears, you have the alternative contact

## Success Story

Hamilton Truck & Bus  
Parts Ltd

The CollectIT diy system works (UCollect)! We had a long outstanding debt which we had been advised by the previous owner that we would never get ... using the CollectIT diy system, we got our money! The automatic reminders are great – they definitely work, because without them we would fail to keep following up in a timely and structured manner.

Kevin Wymer

Director

[www.htbp.co.nz](http://www.htbp.co.nz)

[more success stories](#)

## Case Study

Bob the Plumber is self employed.

He has installed a hot water system in Cambridge and has invoiced his clients for \$3,000. 3 months has passed without payment so Bob sends a letter to which the client replies, disputing the workmanship.

Bob has a dispute over a debt less than \$15,000. He can immediately lodge a proceeding in the disputes tribunal and have his debt determined there.

The CollectIT system (UCollect) will provide Bob

available to use for a substituted service application.

## Christmas Break

Our office will be closing for a month over Christmas/New Year - re-opening on Mon 24th January, 2011 so if you've got a bad debt we'd really like to get the process started for you before the break.

We will be available during that time on the 0508 26 55 328 (0508 collectit) number if you have enquiries.

Do you have outstanding money? Don't leave it any longer! Contact CollectIT on 07 834 9111 or [info@collectit.co.nz](mailto:info@collectit.co.nz)

Until next time  don't write off debt...



Catherine Clark & Melanie O'Neill  
Directors



0508 CollectIT (0508 26 55 328)

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with all of the forms and documents he will need to lodge his dispute.

Alternatively Bob can hand over the debt for CollectIT to take care of for him (WECollect) and get back to his area of expertise while CollectIT do what they're best at - chasing his debtor.

[more case studies](#)