collectIT
your debt collection system
don't write off debt... collectIT

November 2009

New District Court Rules

On 1 November 2009, a new set of rules came into force for claims in the District Court.

They represent a significant change, not only in the court procedure but also in their philosophy. The changes will see the court moving away from a court hearing to a judicial settlement conference in the hope that this will achieve an early resolution to the dispute.

With an expressed objective as the "just, speedy and inexpensive" determination of any matter the new process for making a claim will be as follows:

- A claim is made by filing and serving on the debtor a notice of claim in a specified form.
- If the debtor intends to respond, he must serve a notice of response on the creditor within 30 working days of receipt of the notice of claim.
- The creditor must then serve on the debtor an information capsule within 30 working days of receipt of the notice of response. This information capsule will contain all of the information relevant to the creditors case.
- The debtor then has 30 working days to serve his information capsule on the creditor.
- The creditor then files a notice of pursuit of claim after it has served this on the debtor. This must be filed within 90 working days of receipt of the debtors information capsule.
- The court will then decide whether to allocate a short trial. A short trial is exactly that, with evidence given in a summary form and time limits imposed on the giving of evidence.
- If a short trial is not allocated then a judicial settlement will take place. A judge will preside at this conference and assist and encourage the participants to communicate with each other and resolve matters.
- If settlement is not reached a short trial or in a small number of cases another form of trial will take place.

Users of the new procedure need to be aware that failure to serve the above documents in the specified timeframes has consequences. For the creditor it means that he can immediately get a court order against the debtor.

The new forms have been designed to be easily understood and in recognition that people representing themselves in court need to be able to follow the forms and the process themselves.

The new process is ideally suited to CollectITs "Ucollect" process where subscribers manage and collect their debts through the court themselves using CollectITs unique DIY system. Alternatively, CollectIT are more than happy to collect your debts for you if that is your preference.

Case Study

Happy Homes Ltd has been building a house for Mr and Mrs Smiley. The first two invoices rendered by Happy Homes Ltd have been paid on the due date by Mr. and Mrs. Smiley. When the third invoice for $20,000 is rendered Mr and Mrs Smiley do not make payment. A payment claim under the Construction Contracts Act by Happy Homes Ltd is sent and Mr and Mrs Smiley respond with a payment schedule alleging substandard workmanship.

Happy Homes Ltd tries to sort out the problems with Mr and Mrs Smiley but to no avail.
To resolve this dispute Happy Homes Ltd uses the adjudication claim procedure in the Construction Contracts Act, an agreed adjudicator is appointed, hears from Happy Homes Ltd and Mr and Mrs Smiley, and issues a decision.

CollectIT's Construction Contracts Act section of the website explains the process to be followed and the legal terms used such as 'payment claims', 'payment schedules', and 'adjudication'. CollectIT provides all the necessary documents as templates to be used in any situation under the Construction Contracts Act.

A must have for anyone in the building industry.

more case studies

To look at the CollectIT system visit www.collectit.co.nz or phone 0508 collectIT to discuss how CollectIT can meet your debt collection requirements. We look forward to hearing from you.

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

Catherine Clark & Melanie O'Neill
Directors

collectIT

0508 collectIT (0508 26 55 328)

Success Story

Upright Access Systems
It is great having a system to follow up our slow payers. We read an article about collectIT Ltd in the newspaper and since using your system I am continually recommending it to others in business. Telling them to stop going to their lawyer, and look at collectIT instead.

It is like an insurance policy for us, hopefully we won't have to use the system to it's full potential but we have access to all this knowledge should we need it - and for such a reasonable fee!

Jaine Curran
Office Manager
Ph: 09 526 4905

more success stories

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