

GUIDE | Financial Counselling Agency Authorisation

Purpose of the authority

The purpose of this form is to have an agreed acceptable authority a financial counsellor can send to a third party. A third party could be a creditor, debt collector, external dispute resolution scheme or a telecommunications company. The authority covers all accounts that a person has with that third party.

It is important that your client is aware of how the authority will work.

The ACCC/ASIC Debt Collection Guideline at Section 9 provides information regarding the expectation of creditors and debt collectors that they will accept this authority.

Using the authority

A client may give a financial counselling agency the authority to act on their behalf with a third party. This means that the third party will deal with the agency.

The financial counselling agency and its representatives must do the following:

1. Include the financial counsellor's national registration number on all correspondence with the third party including the authorisation form (this enables the third party to verify your identity);
2. Notify the third party in writing if the financial counselling agency stops assisting the client (notification is not necessary if the matter has settled); and
3. Notify the third party if the financial counsellor acting on behalf of the client changes.

Separate authorities

A separate authority is required for each third party. You only need one authority for each entity (for example, if a bank has divisions the authority covers the bank and those divisions). A separate form is also required to make a complaint to an external dispute resolution scheme. This is to ensure that:

- Each third party gets a clearly addressed authority; and
- There is no confusion about how many third parties there may be; and
- To avoid explaining the possible privacy implications of sharing this information.

Explaining the authority

You must explain to your client why they are signing the authority form. This information will cover the following:

- The authority is required to access the personal information of the client that is held by the third party. The Privacy Act requires that the third party has the client's consent to access any of the client's personal information.
- The authority also means you can act on behalf of the client to deal with the third party. This means that the third party will deal with the financial counsellor as if it were dealing with the client.
- That you have professional and ethical obligations as a financial counsellor and these include that you will at all times keep the client informed of developments.
- That you will seek instructions from the client when major decisions are required. By then acting on those instructions you are then able to make arrangements or settlements with the third party that are binding (on behalf of your client).
- Explaining that it is important that the information provided to the third party must be true and correct.
- Explain that the third party may still send routine correspondence to the client or correspondence as required by law (for example, account statements). Correspondence relating to the dispute or inquiry must be sent to the financial counselling agency.
- The client can revoke the authority at any time and you will inform the third party accordingly.
- When you close the client's case, you will also revoke the authority with the third party.

Account numbers

Providing at least one account number or a reference number on the form will assist the third party in identifying the client's accounts. If an account number is not available leave this section blank but explain why in any cover letter or email.

Additionally, the account number, product

type and account holders should be included in any cover letter or email.

Client details

You should provide as much information as you can to help the third party identify your client. This information may include your client's full name, date of birth and address, plus the address where the service was provided where relevant.

There may be circumstances where a client cannot provide their address. This could be because, for example, the client is homeless or is escaping family violence. If this situation applies then you should leave this section blank and explain why or provide further information in the cover letter that the third party can use to identify the client.

Revoking the authority

An authority can be revoked at any time and for any reason. Common situations when an authority is revoked are:

- The financial counselling agency ceases to act on behalf of the client,
- The client has not responded within a reasonable period of time, or
- The client puts in place another authority.

You need to revoke the authority in writing when you cease to act for the client. If the matter is settled then there is no need to revoke the authority if it is clear between the parties that the matter has concluded.

Can the third party creditor contact your client directly?

A third party can contact your client directly if:

- Your client requests that the third party contact them;
- You do not respond to communications from the third party within a reasonable time (7 days) and the third party has warned you that they will contact your client if you do not respond in a reasonable time (7 days); and
- The third party asked for written authority and you do not provide that written authority in a reasonable time.

Note: If the third party contacts the client directly it does not revoke this authority.