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## **BISHOP WARDEN RELEASES WHITE PAPER ON DEBT BUYING IN NZ**

A White Paper entitled 'The Debt Buying Industry in NZ: Myth & Reality in the Age of Credit' aims to change the way businesses view the evolving debt buying industry, said Bishop Warden's Communications Director, Kirk MacGibbon.

"Debt buying is mainly seen as the 'last cab off the rank', to be considered only as a final option after all other debt collection efforts have failed," said Kirk MacGibbon.

"We want to change that perception because debt buying can offer significant advantages over traditional 'third party' debt collection models.

"Selling or assigning a debt allows the business to concentrate time and resources on what they do best without the ongoing stress and hassle of having to manage collection efforts, which may or may not result in eventual payment," said Kirk MacGibbon.

"Traditional debt collection activities may involve months of tracking down debtors and attempting to secure payment. If those efforts fail then instructing lawyers might be considered as a last option, which incurs yet more time and expense.

"Under the traditional debt collection model it could be 12 months or more before any money is recovered.

"At Bishop Warden, quite simply, court action is not our last option, it's our first."

"Once we have assessed a debt as suitable for assignment and purchase we will issue a notice of demand and immediately instruct our lawyers to prepare legal proceedings – and because our lawyers are specialists in this field, our costs are generally lower."

Another benefit in selling a debt is that the seller's brand is removed from the collection efforts. Company "A" may have a significant debt, but doesn't want its name on public court documents. Selling that debt means only Bishop Warden – and the debtors name – appears on court documents.

The White Paper found that there are half a dozen companies active in the debt buying market, with most of the debts available for purchase being sold by financial institutions and utility companies.

"Bishop Warden is not focused on consumer debt. There are too many 'tales of heartbreak and woe' and it's just not a place that we want to be in," said Kirk MacGibbon.

"Our focus at Bishop Warden is on commercial debts of more than \$10,000. These are debts that typically might be owed by a property developer to a contractor. These guys do all the hard work on a development and then find themselves out of pocket to the tune of tens of thousands of dollars and without the time or resources to chase up the debt."



Bishop Warden

In these cases, Bishop Warden offers access to justice and can provide the erstwhile creditor with the satisfaction of knowing that every legal avenue will be used to extract payment.

“Bishop Warden has been assigned debts where the creditor has sought payment for years and has essentially written the debt off. We’ve come along, had the debt assigned to us, and been able to secure significant settlements in literally weeks.

“Where Bishop Warden has become involved, we’ve found people seem to quickly realise they’re dealing with a different kettle of fish. We have no qualms about pursuing liquidation or bankruptcy, if that is what it is going to take.”

The White Paper can be downloaded from [www.bishopwarden.co.nz](http://www.bishopwarden.co.nz)

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