

Dispute Resolution

Debt and the District Court: New Rules on Debt Collection

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Debts of up to €15,000 can now be progressed through the District Court due to new monetary jurisdiction for the District Court, which came into effect on 3 February 2014. This will result in a significant increase in debt collection cases coming before the Court.

The existing District Court Rules have been revised by way of the District Court (Civil Procedure) Rules, 2014 (S.I. 17 OF 2014) to introduce these significant changes in debt collection procedures.

The Claim Notice

The terms “Plaintiff” and “Defendant” have now been replaced by “Claimant” and “Respondent”. A “Claim Notice” replaces the “Civil Summons”. The Claim Notice requires a Claimant to set out its claim in greater detail than before and must include:

- The names, addresses and occupation of the Claimant and Respondent;
- A summary of the facts relating to the claim. In debt cases, this would include a statement of how the debt was incurred, details of invoices etc.
- A list of all the documents which the Claimant intends to rely on at trial to prove their case. A Respondent is entitled to request copies of these documents.

Claim Notices provide a Respondent with far more information on the nature of the claim than would have been provided in a Civil Summons. This could assist the Respondent in deciding whether it has any defence to the claim and may encourage it to attempt to make a settlement with the Claimant at this early stage in the proceedings.

Appearance and Defence

Once the Claim Notice is served on the Respondent, they are allowed a period of 28 days in which to file an Appearance and Defence. The Respondent must set out the grounds of their Defence and list the documents in which it intends to rely upon at trial. The Claimant is also entitled to seek copies of those documents. The introduction of a written Defence is a crucial change in procedure as previously, a Defendant was under no obligation to provide any details of their defence prior to the hearing of a case. If the claim cannot be resolved at this stage, the case can be set down for hearing before a Judge.

If no Appearance and Defence is filed within 28 days, then the Claimant can apply for Judgment in Default of Defence through the District Court office.

A new scale of costs to be paid by the unsuccessful party has also been introduced and will be revised every three years.

Impact

The introduction of the Claim Notice should make proceedings more transparent. Both Claimant and Respondent are required to set out their position in detail and produce documentation to support that position. This greater transparency may aid in the settlement of cases without the necessity for a court hearing. However, it is inevitable that a proportion of cases will run to a full court hearing and it remains to be seen what impact this increased caseload will have on the District Court Service.

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