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Out of Date Debt

If you have a debt that's 6 years old or more, and it's one you haven't had any contact regarding, or acknowledged it in any way, then you may not have to pay it.

Debts like these are covered by a law called the Limitations Act 1980 and called "Statute Barred". In plain English, this means you might not have to pay it.

This is a short guide which explains your rights in this situation and also provides a sample letter which you can use to respond to anyone chasing you for debts in this circumstance.

Please note that when we refer to creditor, we mean the company or person/s you have borrowed money/credit from, and when referring to debtor, we mean you.

Limitation Act and Unsecured Debts - Free Advice and Help

The Limitation Act 1980 states how long a creditor can chase you for an unpaid debt. This article explains how the limitation act applies to unsecured lending in England and Wales.

The Limitation Act 1980 applies only when no acknowledgement of a debt has been made between the creditor and debtor (you) within a certain time limit, and applies to residents of England and Wales only.

The time limit depends on the type of debt it is. For unsecured loans it's 6 years. If the debtor acknowledges the debt in writing or pays an instalment within the original limitation period, then the time limit begins again from the date of acknowledgement or the date of payment.

If the creditor does not contact you (the debtor) for 6 years or more, you (the debtor) may be able to claim that the outstanding debt is Statute Barred under the conditions of the Limitations Act. Statute Barred means the creditor cannot use the legal system to enforce payment.



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When can a creditor pursue an unsecured debt?

You (a debtor) may think (or hope) a creditor has written-off your debt if you haven't heard from them for a long time. However, the debt still exists and creditors are entitled to chase payment.

Creditors can pursue an unsecured debt if:

- Payment to the account or County Court Judgement (CCJ) has been made within the past 6 years. This includes payments from any people named on the credit agreement, not just you.
- Acknowledgement of the debt has been made in writing and signed by the person making it.ⁱ

If a creditor continues to chase a debtor when the debt is statute barred and the debtor has stated their intention not to pay the debt, this is against the Consumer Protection from Unfair Trading Regulations 2008 and the Office of Fair Trading Debt Collection Guidelines.

You can read the Debt Collection Guidelines on statute barred debts on page 36 [here](#)

County Court Judgments (CCJs)

If the creditor has previously taken you (the debtor) to court and a CCJ has been awarded, the debt will still be enforceable, with the court's permission, even if it is more than 6 years old. However if the CCJ was awarded after the debt itself had become statute barred, and then you can ask the court to set it aside.



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What do you do if a creditor contacts you after 6 years or over?

Once a debt has become statute barred there aren't any actions the creditor can take to unbar it. Once six years without contact or acknowledgement have passed legal action to enforce the debt is still barred even if you (the debtor) were to make a payment or acknowledge the debtⁱⁱ.

The creditor can still contact you, even if a debt is statute barred – they just can't use any legal proceedings to force you to pay.

If a creditor, who you haven't had any communication with for 6 years, contacts you about a debt, write to them quoting the Limitation Act 1980, without acknowledging the debt.

If you are being asked to repay a debt you consider to be statute barred, then you can use the template letter on the following page to respond.

What To Do Next

If you'd like more specific advice for your situation, why not complete our online contact form and one of our trained debt advisors will call you back.

ⁱ Limitation Act, 1980, Chapter 58- 30.1

ⁱⁱ Limitation Act, 1980, Chapter 58- 29.7



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Dear Sir/Madam

Re: Account No/Reference No:

Firstly, no debt is acknowledged to you. You have contacted me regarding the account with the above reference number, which you claim is owed by me.

Secondly, I would point out that under the Limitation Act 1980 Section 5 that the alleged debt is Statute Barred.

The OFT under the Debt Collection Guidance on statute barred debt state that 'it is unfair to pursue the debt if the debtor has heard nothing from the creditor during the relevant limitation period.'

Unless you can provide evidence of payment, written acknowledgment of any outstanding debt in the last 6 years and a copy of the signed credit agreement, I should be so grateful if no further contact is made.

Should you continue to harass me regarding this alleged debt without providing the documentation required then a complaint will be made to the Financial Services Ombudsman without further notice.

In addition, this letter will be brought to the attention of the court if any proceedings are issued in respect of the above.

Yours faithfully

(Your signature)