

# Misleading claims by debt management firms targeted by ASIC

These firms offer to assist customers struggling to pay their debts by providing a range of services including bankruptcy advice, informal debt agreements, debt consolidation and formal debt agreements.

Following ASIC raising concerns:

- Capital Debt Solutions **has removed false claims** from its website, **claiming it was ‘trusted and recommended by more than 6,000 Australians’ when there was no basis** for this claim
- Capital Debt Solutions and Debt Assist Aust have **removed false statements** online, **claiming their debt agreements were ‘Government Approved’**
- Bankruptcy Experts **has removed testimonials** on their websites from customers **that were unable to be substantiated**

Although debt agreements and debt administrators are regulated, this does not mean they are ‘approved’ by the government.

ASIC Deputy Chair Peter Kell said, ‘Recommendations and statements, like ‘Government Approved’ can have a strong influence when vulnerable consumers in financial hardship are seeking help with their debts.’

‘Firms must ensure their marketing materials and promotional statements are based on fact.’