

Summary

Objective

A customer may tell you they are insolvent (the same as 'being bankrupt', or 'in liquidation'), or you might find out via email or a colleague.

In these cases, you need to work with the collections and recoveries (C&R) team.
Email recoveries@acc.co.nz

Where businesses have been 'struck off' or 'removed' (again, these terms mean the same thing) for a reason other than insolvency, keep collecting their debt - their invoices are still liable.

If a customer advises no funds or assets, please follow the hardship application process. Talk to C&R about this.

Owner Name withheld

Expert Name withheld


Procedure

1.0 Kinds of insolvency

- a There are two kinds of insolvency:
 - Individual – for example bankruptcy, no asset procedure, summary instalment order
 - Corporate – for example liquidation, receivership, voluntary administration, creditors' compromise.

2.0 Check whether the customer is insolvent

- a To find out if your customer or a company is insolvent, go online.
 - For individuals, have a look at the insolvency register.
 - For companies, have a look at the Companies Register.

 New Zealand Insolvency and Trustee Service
<https://www.insolvency.govt.nz/>

 Companies Register
<https://companies-register.companiesoffice.govt.nz/>

NOTE What If they are not insolvent

Pursue payment as if they had not made their claim, as their invoices are still liable.

NOTE What If they are in the process of being made insolvent

Effectively, the customer's position has not changed, so deal with the account as usual, ie collect their debt.

The customer can contact us later, after their insolvency has been processed.

It might be best you speak with C&R to see if they want to talk with the customer.

NOTE what If they are insolvent

Let C&R know by sending them an email that contains the:

- account's name
- customer's name and ACC number
- reason for the call and status, eg bankrupt, liquidated
- contact person's name and address.

3.0 Ceasing accounts due to insolvency

- a If you know an account is insolvent, call C&R, if they are unavailable send C&R an activity to make sure they are aware of the insolvency and can further update the account as needed.