

Step 1. I am partially at fault and am experiencing financial hardship

If you are experiencing financial hardship in relation to the damage you agree you caused and you cannot afford to repay, you can make an appointment to see a Financial Counsellor or legal service. Call the free National Debt Helpline on 1800 007 007. If you agree you are responsible for some of the damage to the other party, but will struggle to repay it you should raise early with the other party that you are not insured and in financial difficulty. The other party may not agree you are only partially responsible, but agree to reduce the debt because of your financial difficulty. Under the General Insurance Code of Practice, the other party's insurance company must work with you in relation to your financial hardship. You have a right to request an affordable repayment arrangement. You should contact the insurer or their debt collector, preferably in writing, and ask to make an arrangement to pay:

- both parties walk away as you are both at fault;
- If there is an amount owing by you, you would like a lump sum reduction due to your financial difficulty
- You would like the amount reduced and a repayment arrangement
- You agree to the amount, but need a repayment arrangement

A sample letter requesting a payment arrangement can be obtained [here](#). If you cannot afford to pay at all for the foreseeable future (and have no significant assets), use our [sample letter to request a release from the debt](#).

If you do not get a response or your request is rejected (and you are forced into an arrangement that you cannot afford or if you are forced to pay a lump sum amount by a certain date which you cannot afford to do) get legal advice. You can also email the Code Compliance Committee alleging that there has been a breach of the General Insurance Code of Practice and request that the Code Compliance Committee investigate the complaint. A sample letter to the Code Compliance outlining a complaint about the insurer's failure to respond to hardship request can be obtained [here](#). Attach copies of your previous correspondence with the insurer, and details of any phone conversations, including if possible the date, the name of the person you spoke to and what was said to the best of your recollection. **WARNING:**

this will not stop the insurer pursuing you. Note also that Code Compliance cannot make the insurer accept a repayment arrangement. You should send a copy of your complaint to the insurer's internal dispute resolution department. Find your insurer's IDR details [here](#). This may help you negotiate an outcome with the insurer. **What if we don't come to any agreement?** Ultimately, if a negotiated outcome cannot be reached, the insurer (or other driver/vehicle owner) can start court action for the amount they believe is justified. A court would then decide the amounts payable if you file a defence. You can choose to lodge a defence, but you must be careful and get legal advice first. The court, depending in which jurisdiction you are in, may make orders that one party pay the other parties costs – for instance, the courts may order the losing party pay the reasonable legal costs of the winning party. You should speak to a lawyer in your own state in the event proceedings are commenced.