

Step 1. I am at fault

If you are at fault, you are legally responsible for the damages. You will have to pay the other party (or insurer) for:

- the reasonable costs of repairing the damage to the other car, and
- any reasonable losses suffered by the other party.

When you receive the claim, you must act quickly. You should make an arrangement to pay or make a claim on your insurance as soon as possible so you can avoid any action against you. For more information visit [Responding to a Claim](#) on the LawAccess NSW website. If you do nothing you may:

- be contacted by the other party or their insurer asking for you to contact them and explain your version of events
- get a letter of demand
- be contacted by a debt collector
- get a Statement of Claim from the Court

Even if the insurer is chasing you, the court documents will be in the name of the driver or owner of the other car because they are the insured person. The other party is called 'the plaintiff' and you are called 'the defendant'. NOTE: If you get a Statement of Claim and you do not file a Defence within 28 days, the plaintiff can apply for judgment against you, without a hearing. Once the plaintiff has judgment, they can use the Court's powers to get you to pay by:

- garnisheeing (taking money out of) your wages or bank account
- having the sheriff seize and sell property. For more information about garnishees or property seizures in NSW see our [Debt Enforcement in Local Court fact sheet](#).
- making you bankrupt. For more information about bankruptcy, see our [Should I declare bankruptcy? fact sheet](#).

Ideally, if you agree you are at fault, you want to make an arrangement to pay (or make a claim on your insurance) so you can avoid Court action against you. If you own the car, but were not driving at the time of the accident, you should get legal advice about

whether you are liable. The other party may choose (rightly or wrongly) to sue the driver, you or both: see the [Owners and Drivers fact sheet](#) on the LawAccess NSW website. If you had an accident while at work, you should get legal advice from an employment lawyer – this can be a tricky area: see the [Driving for work when you are an employee or independent contractor fact sheet](#) on the LawAccess NSW website.

Are you insured?