

# How to Challenge Consumer Debt

Challenging consumer debt **can be done**, but it is not easy; it requires a clear plan, dedication, and the right education. Expect a short-term negative impact on your credit file while you take action; this is a possible and sometimes unavoidable consequence of disputing or defending a debt. Creditors will often chase payments, send repeated emails, make telephone contact, and may pass your account to a debt collection agency (DCA). Much of this activity is bluff and bluster: with the correct tools, evidence, and strategy, you can respond calmly, protect your rights, and significantly improve your chances of a favourable outcome.

Freedom Financial provides impartial, educational guides, step-by-step templates, and practical checklists to help you build that plan and act responsibly. **This information is educational only and does not constitute legal or financial advice.**

## Get Your Financial Affairs in Order

Before challenging any consumer debt, it's essential to put your **financial house in order**. Take time to review your **income, outgoings, and essential commitments** so you have a clear picture of where you stand. This means creating an honest, up-to-date budget that shows what you can afford to maintain and what may need to change.

Avoid taking on any new borrowing or credit during this stage, as it can weaken your position and affect your credit score further. Instead, **focus on protecting your priority payments** such as **mortgage, rent, council tax, and utility bills** to ensure your essential living costs remain secure while you plan your next steps.

Getting organised early gives you control and confidence. It helps you make informed decisions, understand what you can realistically manage, and prepare a solid foundation before engaging with any lender or debt collection agency.

## Quick Start Guide

When dealing with consumer credit debts, the most effective approach is to slow the situation down, gather evidence, and challenge every part of the creditor's claim using the rights provided under UK law. This guide summarises the first steps that place you back in control.

## Step 1 - Request the Agreement (CCA Section 77/78/79)

A statutory request under the Consumer Credit Act 1974 forces the creditor or debt purchaser to supply:

- A true copy of the executed agreement
- Terms and conditions
- Any document referred to in the agreement

- A statement of account

If they do not provide this information within **12 working days**, the agreement will be **unenforceable unless and until they comply**.

Important clarification:

**A creditor may still issue a court claim, but they cannot obtain judgment or enforce the agreement until full compliance is achieved.**

This buys you time and shifts the burden of proof onto them.

## Step 2 - Submit a Data Subject Access Request (DSAR)

Under Article 15 UK GDPR and the Data Protection Act 2018, you can request:

- Internal notes
- Communications
- Default Notice logs
- Assignment records
- Call recordings
- System data
- Credit file reporting logs

This exposes errors, contradictions, and missing documents, often critical to your defence.

## Step 3 - Check Your Credit Files

Review Experian, Equifax, and TransUnion for:

- Wrong default dates
- Incorrect account status
- Entries from companies that cannot prove ownership
- Duplicate entries
- Reporting during disputes (a breach of FCA CONC 13.1.6R)

Errors here often support disputes, ICO escalation, and CRA corrections later.

## Step 4 - Build Your Evidence Folder

Create a simple bundle containing:

- CCA response
- DSAR response
- All letters received

- Default Notices
- Assignment documents
- Screenshot of credit files
- Timeline of events

This becomes the foundation of your defence.

## Step 5 - Begin Analysis (IRAC Method)

Use the IRAC method to break down each document:

- **Issue** - What is wrong?
- **Rule** - What law applies?
- **Application** - How does the law apply here?
- **Conclusion** - What does this mean for enforceability?

This is how lawyers analyse cases.

## Step 6 - Pause Collection Activity (Where Applicable)

If disputes exist, the creditor or DCA must:

- Suspend collection while investigating (FCA CONC rules)
- Not mislead or pressure you
- Not threaten unenforceable actions

You have the right to insist on fair treatment.

## Step 7 - Prepare for Escalation

Depending on the outcome of your evidence review, you may escalate to:

- **ICO**(data accuracy / GDPR breaches)
- **FOS**(unfair treatment by regulated firms)
- **FCA**(systemic compliance issues)
- **CRA**(incorrect credit data)

Escalation is typically only needed where defects are serious and unresolved.

## **S77/78/79 Request**

To: [Creditor / Legal Entity Name]

Address: [Postal Address]

Date: [Insert]

Re: Statutory Request Under Section 77/78/79 of the Consumer Credit Act 1974

Account Reference: [Insert]

This request is made under Section 77/78/79 of the Consumer Credit Act 1974.

The data subject requires a true copy of the executed credit agreement, together with all documents referred to within it, and a full statement of account.

Under the Act and the Consumer Credit (Cancellation Notices and Copies of Documents) Regulations 1983 (as amended), the creditor must provide:

- A true copy of the executed agreement containing all prescribed terms.
- Any variation notices issued under s82 CCA.
- A full statement of account showing total balance, charges, interest, and how the sum is calculated.
- The identity of the creditor and any assignment details if applicable.

The statutory £1 fee accompanies this request.

While this request remains outstanding, the account is unenforceable under s77(4)/s78(6)/s79(3) CCA.

This request is made formally and impersonally. Please respond in writing.

Signed:

[Name]

[Address]

# DSAR Request

To: [Creditor / Data Controller Legal Entity Name]

Address:

Date:

Re: Data Subject Access Request – Article 15 UK GDPR

Account Ref: [Insert]

This request is made under Article 15 UK GDPR and the Data Protection Act 2018.

The data subject requests all personal data held in any form, including but not limited to:

## 1. All Agreements & Legal Documents

- The executed credit agreement
- All terms & conditions ever applied
- Default notices, termination notices, assignment notices
- Any deeds of assignment (with non-joinder clause preserved)

## 2. Internal Records

- All internal notes, logs, workflows
- Call recordings & transcripts
- Manual intervention records
- Complaint logs

## 3. Communications

- Emails, letters, messages
- Correspondence with third parties
- Instructions to collection agents

## 4. Credit Reporting

- CRA data supplied
- Dates of reporting
- Legal basis relied upon to report

## 5. Financial Data

- Full transaction history
- Statement of account
- Interest and fee calculations

## 6. Third-Party Sharing

- All third parties the data has been shared with
- Purpose and lawful basis
- Copies of information provided to them

7. Legal Entity Identification

- Confirmation of the actual legal person acting as data controller
- Evidence of authority to process (especially if using a trading name)

Identity documents enclosed: [Optional]

Please provide the data within one calendar month under Article 12(3) UK GDPR.

This request is made formally and impersonally.

Signed:

[Name]

[Address]

## C. Submission + Time Frames

### 1. Section 77/78/79 Request (CCA Request)

How to submit:

- Must be sent to the legal entity named as the creditor
- Send by recorded delivery
- Include £1 postal order (not a cheque ideally)
- Keep proof of posting

Timeframe:

- 12 working days + 2 for postage
- After this the account becomes unenforceable until compliance

Unenforceable means:

They cannot obtain a judgment, use court enforcement, enforce the agreement, or rely on the agreement in proceedings (They may request payment, but it is not legally enforceable.)

### 2. DSAR (UK GDPR Article 15)

How to submit:

- Email to the creditor's published Data Protection Officer
- OR post by recorded delivery
- Keep screenshots & posting receipts

Timeframe:

- One calendar month
- May be extended by two months for complex cases (must be explained)
- They cannot refuse unless an exemption applies
- No fee unless request is manifestly excessive or repetitive

Failure to respond:

- Grounds for ICO complaint
- Grounds for “accuracy”, “lawful basis”, and “processing” challenges
- Strengthens any credit-dispute or enforceability challenge

## D. What We Are Looking To Expose

### 1. Defects (CCA Test Failures)

You are looking to expose ANY of the following:

- Missing prescribed terms (credit limit, interest rate, repayment terms)
- Missing or incorrect signature (pre-2007 agreements must be signed)
- Wrong or missing dates
- Incorrect APR calculations
- Reconstituted agreement that does not match the original
- Variation terms not provided
- Agreement does not identify the legal creditor
- Terms missing that were referred to in the agreement
- Completely missing agreement (the “nuclear” failure)

### 2. Proof of Ownership

You are looking to expose:

- No deed of assignment
- Assignment notice not compliant with LPA 1925 s.136
- Assignment notice issued by a trading name, not a legal entity
- Contradictions between creditor and DCA regarding ownership
- No lawful basis for CRA reporting by the DCA
- Debt sold into a securitisation without disclosure

### 3. GDPR & Data Protection Breaches

You are looking to expose:

- Processing without a valid lawful basis

- Inaccurate or outdated records
- Missing information that should exist
- Contradictions inside internal notes
- Sharing data with unauthorised third parties
- Failure to confirm identity of the actual legal data controller
- CRA reporting without legal title to do so

These become the basis for a GDPR Write-Off Strategy.

#### 4. CRA Reporting Errors

You are looking to expose:

- Wrong dates
- Wrong default date
- Wrong balance
- Reporting by a company with no legal title
- DCA reporting under its own name without assignment
- Duplicate entries
- Missing explanation of lawful basis under ICO guidance

#### 5. Collection Agency Misconduct

You are looking to expose:

- Claims of legal authority without assignment
- Attempts to enforce during s77/78 non-compliance
- Threats or misleading notices (CONC breaches)
- Failure to identify a legal entity behind a trading name
- Failure to produce call recordings or internal notes

---

## 6. Systematic Red Flags

These are the “gold” findings your book trains readers to identify:

- Assignment stated but no deed exists
- Notice of assignment not from a legal person
- Agreement reconstructed incorrectly
- DSAR disclosures incomplete (suggesting concealment)
- Contradictions between DSAR and credit file
- Data gaps: missing years, missing transactions, missing default notices
- Evidence suggesting securitisation (timing, behaviour, CRA clues)

Download our book, Credit & Enforcement Disputes: Tactical Strategies, and unlock the complete roadmap to defending yourself against creditors, debt purchasers, enforcement agents and credit-reference agencies. This book gives clear, step-by-step guidance on Section 77/78/79 requests, DSARs, assignment challenges, CRA corrections, GDPR write-off strategies, and how to expose defects inside credit agreements, default notices and enforcement paperwork. It reveals the hidden processes debt agents rely on, the legal rights they hope you never learn, and the forensic methods used to uncover contradictions, missing documents, unlawful processing, and broken chains of title. Packed with templates, checklists, timelines, real-world examples, and plain-English explanations, it empowers readers to take control, challenge unfair treatment, and protect themselves with confidence. If you want the exact tools and knowledge to level the playing field and win with precision, this book is essential.

