Finland

REFORM OF PROCEDURE CONCERNING RECOVERY OF UNCONTESTED DEBTS

The Committee proposes streamlining and reform of the processing of uncontested debts

The processing of payment demands concerning uncontested debts, i.e. so-called summary matters, should continue to take place in the courts, in the opinion of a Committee set up by the Ministry of Justice. It proposes that the processing of these matters be streamlined by several reforms.

The Committee investigated two alternatives in which the processing of uncontested debts would either continue to take place in the courts or would be delegated to private collection agencies or the State Debt Recovery Office. The best option, in terms of the legal protection of debtors and financially, was the continuation of processing in the courts.

Uncontested debts are the kind of simple and clear matters that the district courts can resolve through a written procedure. Most of them involve, for example, invoices that have been left unpaid, and the recovery of unpaid rents and credits. Some 140,000 uncontested debts are handled by the district courts every year.

The Committee proposes that the processing of uncontested debts could be streamlined by making it possible to transfer them between district courts. There would not necessarily be any need to process the matter in the court of the debtor's domicile as now happens, but they could be transferred within Finland for processing by those district courts that have free capacity.

The Committee proposes that a summons concerning an uncontested debt could be delivered to the recipient by normal mail. Currently, the summons is often delivered by a summoner.

The Committee also proposes the introduction of an Internet-based channel, through which any creditor could make application for a summons concerning an uncontested debt. The processing fee for such an electronic application for a summons would be lower than an application made on paper. At the present time, electronic applications are only made by the largest collection agencies by means of a special user connection

The development of electronic applications and an electronic register of court decisions would also make other reforms possible. The Committee proposes that the creditor could apply for the recovery of his debt at the same time as he applies for a summons. Currently, the creditor must make separate application for debt recovery after the court has issued a decision.

The Committee proposes the development of a procedure in which the debtor could give the creditor his consent for the direct recovery of a debt before the payment demand is presented at the court. By giving his consent, the debtor would avoid the matter being dealt with by the court and the accompanying costs.

Source: Ministry of Justice