



A *Statement of Claim* is a legal form stating that you owe someone money or you have their property. On the *Statement of Claim* form, you are referred to as the **Defendant** and the person making the claim is referred to as the **Plaintiff**.

If you receive a *Statement of Claim*, you need to **do something about it**. You have **28 days** from the date you are "served" (this is usually the date you received it) before any further court action can be taken by the other person.

What can you do?

Pay the money – You can pay the amount owing directly to the Plaintiff. The amount you have to pay includes the fees that the other person paid to start legal action and sometimes, there will be interest to pay on the amount they say you owe.

Talk about it – You can try to sort it out with the Plaintiff and come to an agreement. If you need help, your local Community Justice Centre (CJC) can provide free mediation to help you reach an agreement. You should read the CJC factsheet *Settling Small Claims Disputes by Mediation*, which is available on the Local Court website at www.lawlink.nsw.gov.au/lc.

Get Financial Counselling – The Credit Help Line - **1800 808 488** - may be able to assist if you are having financial problems.

Acknowledgment of Debt – If you agree that you owe the money you can complete a form called *Acknowledgment of Debt* form and lodge it at the Local Court. Note that if you decide to lodge this form, the court will enter a judgment against you. A judgment can affect your credit history when applying for credit or a loan at any stage in the future.

Apply to pay by instalments – if you agree that you owe the money, you can apply to the court to pay the debt by instalments. You will need to complete both the *Acknowledgment of the Debt* and *Notice of Motion to Pay by Instalments* forms, and lodge them at the Local Court.

If you need more information – You can ask the Plaintiff to give more information about the claim by completing and serving on the Plaintiff a *Notice to Plead Facts* form.

If you don't owe the money – If you believe that you do not owe the money (or part of the money) you can defend the claim. This will mean going to court. You will need to complete a *Defence* form and lodge it at the Local Court.

What will happen if you do nothing?

If you do nothing about the claim, the Plaintiff can apply to the court for a Judgment to be entered against you. A Judgment is a court order confirming that you owe the money. **A Judgment can affect your credit history** when applying for credit or a loan at any stage in the future.

If a Judgment is entered, the Plaintiff is allowed to ask the court to take action to recover the money from you. This can include the sheriff seizing and selling your property, payments being deducted from your wages or in some cases, you can be made bankrupt.

If you are not sure what to do, **get legal help**.

Defending the Claim

Before you decide to go to court to defend the claim you should consider:

- You must be able to prove your defence
- Going to court can be expensive and take a lot of time.
- If you lose the case, you can be ordered to pay the costs of the other party.

Consider your options carefully. It is recommended that you seek legal advice before defending a claim.

Where to get Forms

All forms are available from your nearest Local Court or can be downloaded or printed from the Lawlink website at www.lawlink.nsw.gov.au/lawlink/spu/ll_ucpr.nsf/pages/ucpr_forms

Need help?

Local Courts can be found in cities and major towns. Find your nearest Local Court at www.lawlink.nsw.gov.au/lc

LawAccess NSW is a free legal information, assistance and referral service for people who live in NSW or who have a legal problem in NSW. Contact LawAccess NSW on **1300 888 529** (TTY 1300 889 529), website www.lawaccess.nsw.gov.au

If you need an interpreter, telephone the NSW Government Translating and Interpreter Service on **131 450** - ask them to put you through to LawAccess NSW.