

Making it free to check personal bankruptcy records could prompt snooping, trustees warn



SUSAN LAZARUK

[More from Susan Lazaruk \(HTTP://VANCOUVERSUN.COM/AUTHOR/SUSANLAZARUKPROV\)](http://vancouver.sun.com/author/susanlazarukprov)

Published on: October 29, 2017 | Last Updated: October 29, 2017 10:12 AM PDT



FILE PHOTO - Blair Mantin, a consumer debt trustee with Sands & Associates in action in Vancouver, BC., January 10, 2014. *NICK PROCAYLO / PROVINCE*

Ottawa's proposal to cut an \$8 online search fee for a file of personal bankruptcies could make it more difficult for some individuals with past financial problems to find a job or an apartment, a trustee warns.

The Office of the Superintendent of Bankruptcy Canada is "modernizing" its online insolvency record search that allows users to access public records on insolvency estates, bankruptcies and receiverships by dropping the search fee.

"Everyone was shocked and flabbergasted," said B.C. trustee Blair Mantin, who said insolvency trustees learned recently about the coming change at a conference. "We don't know why it's being done. In all my years working as a trustee, never once has anyone said this has been a problem."

Trustees are concerned that employers, landlords, marketers or just nosy neighbours can easily access limited information about an applicant's or tenant's bankruptcy file and make assumptions about that person's financial problems without proper context.

He said a search would only tell when the individual filed for bankruptcy, total value of their assets and liabilities and whether or not they finished paying off the debt.

ADVERTISEMENT



“There could be a hundred different reasons why someone filed for bankruptcy,” said Mantin, who works for Sands and Associates. “They may have been in a car accident or gone through a divorce.”

The \$8 fee likely limits random searches and provides some protection to personal financial information, said Mantin, a member of the Canadian Association of Insolvency and Restructuring Professionals, which hasn’t taken an official stand against the proposed change.

A spokesman for the bankruptcy office in Ottawa didn’t return a request for comment on why the change was being made. Mantin said the government will be forfeiting at least \$4 million a year in fees, money he said that could be used to educate the public on options to resolve debt problems.

Only debtors filing for official bankruptcy or a related consumer proposal (through which a court-appointed licensed trustee negotiates a partial

payback of debts) will be included in the bankruptcy database.

Those choosing a “debt management plan” offered through a private debt counsellor and which usually requires the debtor to repay his loans in full, sometimes without interest, would not show up in the database, said Mantin.

The Credit Counselling Society of B.C., which offers debt management and is a non-profit organization funded by Canada’s banks, is in favour of free searches.

“I’m not surprised the trustees are opposed to dropping the fee,” said CEO Scott Hannah.

With greater access to bankruptcy files, he said, “there’s greater transparency.”

He said some trustees promise their clients that no one will learn about their bankruptcy because the \$8 search fee is a barrier to multiple searches.

But Hannah said, “There are long-term consequences to filing for bankruptcy and people should think twice before filing for bankruptcy.”

He said those who file for bankruptcy may find it affects a job search but a person who pays off all debts wouldn’t necessarily face the same situation.

“Banks want their consumers to be responsible for their debts,” he said.

He also said he doesn’t think the elimination of the \$8 fee “because it’s so low” would increase the number of searches and that “nosy Nellies” checking up on their neighbours are rare because few working people have time to conduct random searches.

Mantin said the existence of a bankruptcy or a debt management plan would appear on a debtor’s credit history for the same amount of time but a search of those records is done with an individual’s permission, unlike a

search of a bankruptcy office's files.

The bankruptcy office said it will safeguard the records from trolling marketers.

slazaruk@postmedia.com (mailto:slazaruk@postmedia.com)

TRENDING STORIES



0

After one more ef called off for hike Halloween

What happened to Carl Couture remains a mystery. Search...

[Read More](#)



< Previous

Vancouver Flyers

Comments

We encourage all readers to share their views on our articles and blog posts. We are committed to maintaining a lively but civil forum for discussion, so we ask you to avoid personal attacks, and please keep your comments relevant and respectful. If you encounter a comment that is abusive, click the "X" in the upper right corner of the comment box to report spam or abuse. We are using Facebook commenting. Visit our FAQ page (<http://www.vancouversun.com/news/story.html?id=7195492>) for more information.

2 Comments

Sort by **Newest** ▼



Add a comment...



George Deigh

It's a matter of public record,...

Like · Reply · 1 · Oct 29, 2017 3:23pm



Ira Smith Trustee & Receiver Inc.

I realize that \$4 million annually is a rounding error in terms of the magnitude of the Federal Government's budget. However, in times where our PM and FM are looking under every rock to find new money, why give up on the revenue the search fees produce? Makes no sense.

Like · Reply · 1 · Oct 29, 2017 2:17pm

Facebook Comments Plugin



([HTTP://WWW.POSTMEDIA.COM](http://www.postmedia.com))

© 2017 Postmedia Network Inc. All rights reserved.

Unauthorized distribution, transmission or republication strictly prohibited.

Powered by WordPress.com VIP (<https://vip.wordpress.com/>?)

utm_source=vip_powered_wpcom&utm_medium=web&utm_campaign=VIP%20Footer%20Credit&utm_term=vancouver.sun.com)