

British Columbia

B.C. debt collection agency fined \$34K for harassing, misleading borrowers

Toledo Credit threatened debtors with 'financial annihilation' and 'reputational destruction': regulator

[Ruby Cornish](#) · CBC News · Posted: Oct 08, 2026 5:00 AM PDT | Last Updated: 2 hours ago



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(Shuttershock)

A debt collection agency in Surrey, B.C., has been made to pay \$34,000 in administrative penalties by Consumer Protection B.C. for harassing and misleading borrowers with outstanding debts.

Six separate complaints against online lender Toledo Credit submitted to the regulator in May detail ways the

company tried to elicit overdue payments from debtors.

In November 2025, a complainant referred to throughout proceedings by the initials "KH" was sent an SMS by Toledo warning that their employer would be contacted if a payment was not made that day.

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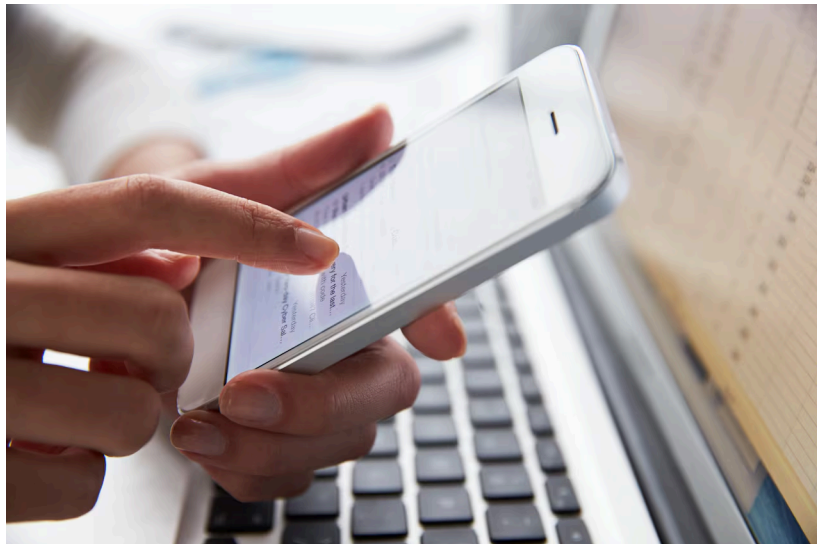
Later that month, another SMS read: "Your file will be presented to RCMP, CRA & provincial crime units. Payment is the ONLY abort code. Financial annihilation imminent."

A week later, another ominous message: "Brace yourself - you were warned."

The company threatened to garnish KH's wages if the outstanding loan amount was not repaid.

Toledo told the regulator it "did not instruct or authorize personnel to harass borrowers, communicate in an abusive or coercive manner or use communication frequency as pressure."

It accepted that some communications lacked precision and may have been perceived as "overly assertive."



In one case, a debtor was sent an email warning that evading repayment "constitute a criminal fraud... punishable by up to two years in prison."
(Shutterstock / Monkey Business Images)

Consumer Protection B.C. adjudicator Shahid Noorani found that, viewed collectively, the messages exerted undue and unreasonable pressure on KH and constituted harassment.

In another case, a debtor known as "SA" was sent an email warning that evading repayment "may constitute a criminal fraud... punishable by up to two years in prison."

In yet another, Toledo advised a debtor that escalation of the issue would result in "financial exile," and "reputational destruction."

"A reasonable debtor receiving these communications would understand them as threatening and coercive," Noorani's judgement said.

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Borrowers can end up in a 'dark place'

The details laid out in the decision did not come as a surprise to B.C. insolvency trustee Blair Mantin, who told CBC News he deals with these kinds of cases on a regular basis.

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"Reading some of the text messages, yes they're inflammatory. They're beyond the pale, but they're the

things that I see every day," he said.

"The worst of the worst collectors that I see are from the operations you're only going to borrow from once. Maybe it's a payday lender, an online lender, at a super high rate.



B.C. insolvency trustee Blair Mantin with Sands & Associates says he sees the worst collection behaviour from one-off services like payday and online lenders. (CBC News)

"When you don't pay them back, they know you're not going to be a return customer. So clearly they'll go to the wall and do things that are completely illegal outside of regulations just to try to get some money back."

He said for a person who is already struggling with paying down debt, harassment can lead to dark places.

"The clients we help, one in six are often suicidal about their debt," he said.

"I'm convinced the aggressive collections really add to that dynamic and probably push some people to a very dark place."

Mantin said it was essential for borrowers to understand their rights when interacting with debt collectors.

"They have the right to call you, you have the right to hang up the phone," he said.



Insolvency trustee Blair Martin said up to one in six clients he dealt with were 'often' suicidal about their debt. (Radio-Canada)

"You can engage with a debt collector just long enough to say, 'Hey, I don't do business over the phone. If you want to talk about this debt, here's my address, send me a legal letter.'"

He said enforcing a remedy like wage-seizure was a months-long process that required the involvement of lawyers and numerous court appearances.

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"If someone doesn't know what steps that would require, they can get very panicked. Hopefully they reach out for some help ... but oftentimes people don't and perhaps they start to borrow from friends and family members, or take money off of one credit card to pay another debt.

"It can put a downward spiral on an already tough situation."

Toledo Credit has until Oct. 26 to request a reconsideration of the decision.

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