

Media Release

Thursday, 13 March 2014

Large fine, reprimand for debt collection lawyer's conduct

Lawyers have been put on notice to closely supervise the use of their official stationery following a landmark decision in the Victorian Civil and Administrative Tribunal.

VCAT today fined Melbourne lawyer Victoria Nomikos \$25,000 and reprimanded her for failure to supervise the use of her law firm stationery. In September 2013 Ms Nomikos had been found guilty on eight counts of professional misconduct after she allowed two debt collection agencies to use her business letterhead to send misleading letters of demand to debtors.

Legal Services Commissioner, Mr McGarvie, said that handing over a letterhead template and allowing a debt collection agency to write a payment demand on it without vetting every letter fell short of what is expected of a lawyer.

'This was a clear breach of the strict ethical and professional responsibilities lawyers must abide by,' Mr McGarvie said.

'There is a very important lesson for all lawyers here; it is crucial that direct control over letterhead and stationery be maintained at all times, and that consumers are never misled about who is behind a demand for payment'.

VCAT also found that Ms Nomikos had allowed the debt collection agencies to improperly lodge proceedings against debtors in the Magistrates' Court using her solicitor's credentials.

In her decision, Member Wentworth of VCAT said '*The public is entitled to be protected from misleading demands made in a solicitor's name by a debt collection agency*'.

Ms Nomikos was also ordered to pay \$75,000 of the Commissioner's costs. Ms Nomikos has made an undertaking that she would not permit her business name, law firm stationery or her firm's details to be used by debt collection or mercantile agencies in the future.

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