

# **Can a creditor or his attorney be forced to accept a pay-off agreement in respect of an outstanding debt?**

No. As soon as the debt is due and payable the creditor is entitled to claim the full balance, including the capital, interest and costs.

The creditor will however often be prepared to accept a reasonable monthly down payment. Various conditions will normally be laid down by the creditor, such as:

1. That the debtor will pay costs on an attorney and client scale.
2. That the debtor will pay interest at a higher rate than the prescribed interest rate of 15.5%.
3. That the debtor consents to judgment and an emoluments attachment order.
4. That the monthly payment will be reviewable after a certain period of time.
5. That the agreement doesn't constitute a novation of the existing cause of action.

Should the debtor however have sufficient assets that can be attached and sold in execution, the creditor will normally not accept a pay-off arrangement.