



What legals will help me get paid?

We have all been in that uncomfortable situation where we need to chase someone for money that they owe us. How can you strengthen your right to be paid? Here are 3 simple steps!

1. Good Terms and Conditions	
What type of Terms and Conditions do I need?	<p>The Terms and Conditions you need depend on the type of business that you have, there are 3 main types:</p> <p>Service Business: Client Agreement: Your Client Agreement sets out the services that you provide, how you will provide them, your client's obligations, your obligations including a refund policy to comply with Australian Consumer Law, and disclaimers to limit your liability.</p> <p>Shop/Ecommerce: Sales Terms and Conditions: Sales Terms and Conditions set out the information that you need to provide, and that customers want, when they buy products from you. This includes delivery, a refund and exchange policy to comply with Australian Consumer Law, and disclaimers to limit your liability.</p> <p>Marketplace: Marketplace Terms and Conditions: There are an increasing number of websites for people to meet online to buy and sell products and services. Marketplaces need comprehensive terms and conditions that address buyers' rights and obligations, sellers' rights and obligations, payments, intellectual property rights, a refund and exchange policy to comply with Australian Consumer Law, and disclaimers to limit your liability.</p>
How will these help me get paid?	<p>Good Terms and Conditions help you get paid in 3 ways:</p> <ol style="list-style-type: none"> 1. Legally binding: They are legally binding on your customer, so they are legally bound to pay for the product or service. 2. Clear scope: so it is clear what the customer purchased and the price. 3. Strong payment clause that includes: <ul style="list-style-type: none"> ✓ how payment can be made (e.g. PayPal, direct debit); ✓ when payment needs to be made; ✓ that you can charge interest on late payment (e.g. 2% per month, which is 24% over a year); and/or ✓ that you will pursue debts through a debt collector and legal action; and/or ✓ that the customer pays the costs of debt collection and/or the lawyer. <p>You can use the Terms and Conditions in court, to help prove that you have a contract, the scope of the contract, and the amount of the debt.</p> <p>A business lawyer can create Terms and Conditions with the special clauses that you need for your business. A good set of Terms and Conditions can last your business many years, and can pay for themselves quickly if they avoid disputes and help you get paid!</p>
2. A good Invoice sent quickly	
Invoice clearly and quickly	<p>It might seem obvious, but it may surprise you how often businesses do not send invoices promptly, to ensure receipt of payments from their customers.</p> <p>The sooner you send your invoice, the faster you can get paid. We recommend invoicing when the sale is made or the service is performed, or at least the end of that week.</p>



<p>What information do I need?</p>	<p>Your invoice needs to contain essential information including:</p> <ul style="list-style-type: none"> ✓ an itemised list of what you are charging customers ✓ a 'due by' date, so that customers will know when to make the payments. We recommend a short timeframe for payment, e.g. 7 days, so you can be paid quickly, or quickly see who is a late payer. ✓ how the customer can pay, e.g. bank account details to transfer payments to you ✓ a reference to the Terms and Conditions, as these apply
<p>3. Follow-up with a Letter of Demand</p>	
<p>What is a Letter of Demand?</p>	<p>Even if you follow the steps above, sometimes you need to chase a client to get paid.</p> <p>You can write a formal letter called a Letter of Demand, demanding payments that are owed to you, or a lawyer can write and send it for you. You send this when the payment due date in the invoice has expired.</p>
<p>What does this letter cover?</p>	<p>A letter of demand sets out the claim that you have against a customer who has not paid you for products or services that you have provided them.</p> <p>It should cover:</p> <ol style="list-style-type: none"> 1. the same information that was in the invoice (see above), 2. add: <ul style="list-style-type: none"> ✓ a reminder that you have a legally binding contract under your Terms and Conditions ✓ a final payment date ✓ interest payable on the late payment ✓ what steps you will take if the customer does not pay, for example, that you will engage a debt collector or a lawyer, or proceed to the Small Claims Court to recover the debt 3. attach: <ul style="list-style-type: none"> ✓ the Terms and Conditions ✓ the Invoice <p>This sets out the documents you need if you engage a debt collectors or a lawyer, or proceed to the Small Claims Court.</p>
<p>LV Tip:</p>	<p>Make it easy for your clients to pay you! Provide customers with multiple payment methods, for example by cheque, credit card, direct transfer or through Paypal.</p> <p>Once an invoice is later, follow-up by mail and phone. If you call and tell the customer that they can pay now by phone, this makes it easy for them to pay you.</p>

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