



Getting Paid Checklist

Issue	Comments	Your notes
Research all new customers	Do they come from within your network? Do they seem professional? How long have they been established? Check out their website and google them to find out whether they seem like an 'honourable' business person and not one who is going to do a fast and dirty on you. Only work with clients you have a good feel about	
Carry out due diligence on limited company customers	If the new customer is a company, search on Companies House WebCheck to check the full company name, company number, registered office and who the directors and shareholders are	

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If your customer is a company without significant assets, require the individual (who should be the director and/or shareholder) to sign the contract too	This means that if the company goes bust or is wound up to escape liabilities, you can still bring a claim for non-payment against the owner in his or her individual capacity	
Ensure that your standard terms of business include clear terms stating what the price is, what the payment terms are and whether VAT is included or excluded in the price	If you can, make the payment terms that the price is payable on presentation of the invoice rather than the usual 30 days	
Ensure that your terms of business are incorporated into the contract	Ensure that terms are printed clearly and in full on all pre-contract documentation and the invoice. If they are on the back of the document, ensure there is a clear reference to the terms on the front sheet. This will all point to incorporation of the terms. If the terms are not incorporated, they will not apply	
Add an interest clause to your terms	An email requesting payment and referring to the right to charge interest often focuses the mind of those businesses who have been "too	

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	busy" to make payment	
Ask for payment upfront	Consider it a "policy" and this will make it easier for you to ask for payment upfront	
Request a deposit	Where payment upfront of the total amount is not negotiable, consider whether you can require a deposit	
Be clear in your contract about what you are providing and what standards you will be providing it to	Mismatched expectations are a major cause of non-payment	
If you are subject to the Cancellation of Contracts Regulations or Distance Selling Regulations, ensure that you provide the customer with the prescribed words that state that they agree that you can state work before the expiry of the 7 day cancellation period and that they will pay for that work	Otherwise the customer could cancel the contract on day 6 and would not have to pay you anything for the work already carried out	

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Invoice on time and accurately	Invoice for the right amount when you say you are going to invoice. If you let things slip, this sends a signal to your client that your payment is not that important. And if you leave it 6 months or so to invoice them you may find that their finances have changed – worst case scenario, them having gone out of business meaning no payment for you.	
Take your business seriously	Mindset is important. If you don't take your business seriously enough or really value what you do, you may find that your clients don't either. This is likely to lead to your clients not paying your invoices on time or at all and you not chasing them for it or even worse, just doing lots of "favours" for clients without charge at all.	
Make it easy for your customer to pay	Include all the information your client could possibly need on your invoices such as your name, address, phone number, email	

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	<p>address, project name, reference number, payment amounts, VAT number, purchase order number and your bank account details etc. Most businesses these days have access to internet banking and this likely to be the easiest way for businesses to pay and the fastest way for you to get your hands on the payment. Paying by cash or cheque is more effort for clients and could lead to a delay in you being paid.</p>	

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Implement a credit control system	<p>Diarise when your payments are due and then diarise follow ups twice a week. Design a sequence of emails to send in the event of late payment, starting with politely reminding the client of the payment terms, then reminding the client about interest and escalating to stating that you have no alternative but to bring legal action and pointing out that under new legislation (for contracts formed on or after 16 March 2013) you can also claim against your client for your own costs of bringing the action (including reasonable legal fees). You can (and should) also pick up the phone to the client to find out if there are any problems with payment. This often embarrasses the client into paying right away... If the client still isn't paying, you need to send them a Letter Before Action (see template).</p>	

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	If that doesn't work, you might want to look into debt collection agencies or if you are brave enough, taking your client to court.	

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