



Plug the legal holes in your business

## GETTING PAID CHECKLIST

Issue	Comments	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' businessperson 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 the CRO website to check the full company name, company number, registered office and who the directors and shareholders are	
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 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.	

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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 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 Contract Regulations or Distance Selling Regulations, ensure that you provide the customer with the prescribed words that state that they agree that you can start work before the expiry of the 14-day cooling off period and that they will pay for that work	Otherwise the customer could cancel the contract on day 13 and would not have to pay you anything for the work already carried out.	
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	

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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 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 is 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 delay in you being paid.	
Implement a credit control system	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. You can (and should) also pick up the phone to the client to find out if there are problems with payment. This often embarrasses the client into paying right away...if the client still isn't paying, you need to send a letter before action (see our <a href="#">step by step guide to managing debts</a> ). 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.	

**Check out our [Debt Hub](#) for all the legal guidance and support your business needs**

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