



Lord

Commercial Lawyers

P: +61 3 9600 0162
F: +61 3 9640 0946
E: info@lordlaw.com.au

Issued July 2011

© Lord Commercial Lawyers 2011

Legal Bulletin

PROBLEMS WITH DEBTORS?

Chasing customers for unpaid bills can be a major battle and the source of endless frustration, not to mention the additional costs in administration and down time. For a business to grow and prosper it is essential to have a strong credit process designed to secure payment.

I can help you achieve this.

Over the years I have seen literally hundreds of situations where businesses could have avoided bad debts or costly court cases had they taken the simple step of having a professionally drafted Credit Application and Terms of Trade. All too often businesses have credit applications and terms of trade that are defective or copied from others. This inevitably leads to ambiguities and contradictions which result in the Credit Application and Terms of Trade having fatal flaws rendering them ineffective when it comes to enforcing debts.

Well drafted Credit Applications and Terms of Trade will:

- Set out the rules by which you are to be paid.
- Enable you to charge interest on overdue accounts.
- Entitle you to recover administrative, legal and debt collector's costs.
- Require a company's directors to pay you.

To avoid payment debtors will often allege that the goods or services were defective or did not conform to what was ordered. Well drafted Terms of Trade will protect you from those accusations.

Properly drafted Terms of Trade will:

- Minimise your exposure to claims for damages and compensation from a debtor.
- Stop debtors from using false claims as a means to

delay, avoid or reduce payment

Credit Applications and Terms of Trade do not need to be long and should not contain conditions which are unrealistic.

Terms of Trade are not a guarantee of payment but they are one step in the process of ensuring you have the best chance of being paid.

We can review and amend if necessary your standard invoice and provide you with a Credit Application and a set of Terms and Conditions that will protect your business. Click [here](#) to download our instruction sheet. Fill out the instruction sheet and email or fax it back to us. Alternatively call Andrew Lord at our office on 03 9600 0162 and he will fax our instruction sheet to you.

ABOUT LORD COMMERCIAL LAWYERS

Lord Commercial Lawyers is Melbourne based commercial law firm. The firm is comprised of senior practitioners with extensive experience. We advise on a wide range of commercial business, migration, dispute resolution and personal law. Click here to download our corporate brochure or visit our website www.lordlaw.com.au where you will find more detail about all our areas of practice and recent publications.