

Credit Control

Managing your cash is the most important secret of success. The longer people take to pay you, the greater the overdraft or loan you need (or, if you are fortunate enough to trade "in the black", you are losing more interest because the money is not available to put on deposit). It is therefore vital that you have strict procedures to remind you to invoice promptly, send reminders at appropriate stages and ultimately take them to court if they do not pay. Many a good business has been ruined through poor cash flow even though they had a full order book. Also, you need excellent account opening procedures to vet potential customers.

Terms and Conditions

It is strongly advisable that your contract letter or terms and conditions make it clear when payment is due and what the penalty is for late payment (usually, payment of interest at a high rate is stated to be payable although some prefer to offer discounts for prompt or early payment - you may find people pay you at the discounted rate and are still late!). The law now entitles you to interest on late payment on virtually all outstanding invoices at 8% above the Bank of England base rate as at the end of the day on which the debt falls due.

Commencing Litigation to Recover

A customer who pays late or does not pay at all is not worth having and may endanger the very existence of the business. It may therefore be necessary to take legal action to get your money. The last thing you then need is to incur legal expenses and therefore if you are unfortunate enough to need to sue someone you should become acquainted with your local small claims court where you will find that they are more than happy to help you fill out your claim (assuming the claim is not over £50,000.00 the limit may differ in certain circumstances

so check with the court before filling in the forms).

If your claim is complex, likely to be defended or for a large sum, you may want to get legal help rather than risk messing it up. A solicitor will give you an idea about the chances of success and an estimate of likely costs. Sometimes it is worth paying for a solicitor's letter as they carry greater force. In cases over £5,000 you may get most of your costs back should you prove to be successful or settle on appropriate terms.

For more information about suing in the county courts, visit the Court Service site:

www.courtservice.gov.uk

If the debt is under £10,000, why not do it yourself online? Go to the Government's "Money Online" service: www.courtservice.gov.uk/mcol

NEED TO KNOW MORE?

For further information on trade mark protection, contact Maitland Kalton. Should you prefer to telephone, call us on +44 (0)207 278 1817.

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