

GENERAL DEBT COLLECTION CLAUSE

Collection costs can only be added to a debt if you have a signed agreement with the debtor or the debtor is aware of extra costs at the time the job is done if not paid on time. (i.e.) - By displaying a sign in your office or workshop.

Collection costs cannot be added to an invoice after the work has been completed.

A clause written on an invoice or account after the goods or services have been provided to your debtor is not enough to enable you to lawfully apply debt collection costs.

Having a credit application form or your standard terms of trade (which contain the appropriate clauses) signed by your customer and provide the customer a copy is one way for the costs to be enforceable.

If your customer pays via a cheque, have them endorse the back of the cheque acknowledging that they understand they will be liable for collection costs should the cheque dishonour.

DEBT RECOVERY GROUP LIMITED

Any signs displayed in your office and/or workshop or place of business should be placed in a prominent position where it is easily viewable for your customer.