

EXCUSES FOR NOT PAYING ACCOUNTS

1. The cheque is in the mail.
2. I've never received any invoices or reminders.
3. I haven't been able to get my partner's signature to the cheque.
4. I've moved to a new address and none of my mails has been forwarded.
5. I have been away on business and have not had time to catch up on the bills.
6. I couldn't find a parking space near your building when I came to deliver the cheque.
7. My dog has eaten the invoice.
8. The accountant has been away.
9. I have told my accountant to pay the bill but he appears to have overlooked it.
10. Did I really send you a cheque without signing it?
11. All my cheque books are with the accountant for auditing so I haven't been able to write any cheques.
12. There is a \$2 debit on my account from about two months ago which isn't right and I won't pay the bill until it is rectified.
13. I will pay you in full when the next delivery arrives.
14. I'm waiting on new cheque books from the bank.

MORE SERIOUS EXCUSES

Know your customers procedures to stop these excuses

- Our computer prints all the cheque at the end of the month.
 - Even big companies do a payment run weekly or fortnightly.
- We can only pay from original invoices, not faxed copies.
 - Some small businesses keep faxing copies of their invoices as reminders that the invoice is still outstanding instead of sending statements.
- We are still waiting on approval of the invoice.
 - Find out the customer procedures on invoice authorisation
- I don't owe anything
 - Job might be an insurance claim, or there might be a third party involved.

- Our company pays net 90 days
 - Check your suppliers terms before you take them on as a customer.
- We need proof on delivery (POD) before we can pay.
 - Some big companies require this.

Part payment or payment plan

- We are expecting a big cheque in a month and then we can pay you in full.
 - How about a part payment now? You may consider getting deposits from this customer if you continue to trade with them as this delay will affect your cash flow.
- When I get paid you will get paid.
 - It does not work like this. Businesses should be able to finance their jobs. Why didn't they tell you this before you took the job? Why can't they pay a part payment now? Reconsider if it is worth continuing to deal with this customer. If their customer goes into receivership your customer could too.

Unacceptable excuses.

- The computers are down and we are unable to process your payment.
 - Why didn't they pay when it was due and the computers were working? When is the computer going to work? They can issue a handwritten cheque on the printed copy of the invoice; fax/email it if they can't find their copy. Pick up the cheque and bank immediately.
- The boss is out of town for a week or two and will not be able to sign cheques or authorise payments until he gets back
 - Does the business get put on hold while the boss is away? You might reconsider giving this customer credit in the future.
- My spouse pays the bills
 - What is her phone number?
- Our accounts person quit.
 - So has the whole business stopped?

Customer communication

- I have a dispute with the invoice/job/service
 - Refer to your Complaints Policy and identify if it is an administration or operational complaint. Either way you need to rectify it quickly as the payment of the invoice will be held up.
- We are having serious cash flow problems/I don't have any money
 - Ask more questions in order to identify whether the customer is stalling or is genuinely in hardship. You may be able make a payment agreement. If they are experiencing hardship then refer to ACCC guidelines.
- Hardship - I lost my job and I can't afford to pay right now
 - Refer to ACCC guidelines. You may have to leave this customer alone for a while but make an agreement if you can contact them periodically in case their situation improves and you may be able to make a payment agreement.