

CHASER

GUIDE

What to do when customers aren't paying



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What to do when customers aren't paying

From helping businesses reduce late payments and improve their cash flow since 2014, and having helped them chase over \$30 billion to date...

We're sharing our best-practice guide on what to do when customers aren't paying invoices!

In our experience, escalation is key when customers aren't paying.

What is escalation?

- Changing the tone
- Changing the sender
- Changing the recipient

For example, adapting the tone of language in your chasers, escalating the sender to someone more senior within your business, or escalating the recipient to someone more senior within your customer's business.

We've found escalation is a highly effective way to get customers to take notice, and recommend escalating frequently throughout your chasing!

When you sign up for Chaser, you can automatically set these escalations into your chasing schedules.

No more tiresome email admin - you can start chasing all of your customers with escalated chasers that look hand-typed!

[Try Chaser for free](#)



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Preface

This guide will give you tips and tricks for receiving payments from even the most difficult customers, and advice on your next steps when chasing doesn't work.

Topics covered:

- **How to Escalate Your Chasing**
Using escalation to get invoices paid
- **How to Chase Over the Phone**
When and how to chase via the phone
- **What to do When Chasing Doesn't Work**
Our guidance on legal action, penalties and debt collection agencies



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How to escalate your chasing

There will always be businesses that have poor payment culture. Sod's law says one or more of these businesses will end up a customer of yours.

Escalating your chasing ups the ante on these kinds of customers, making your chasing more effective. All to improve your chances of getting paid.

What is escalation?

- Changing the tone
- Changing the sender
- Changing the recipient

Escalation for different customers

For many businesses, some customer relationships are better than others! You may want to those chase long-term clients, or consistently good payers in a different manner to those that are consistently late-paying.

For this reason, we've split our escalation guide into:

- Good customers
- Tricky customers



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Good customers

Tone of escalation

- Could be described as the following: light, warm, nudge, inquiry, a request for update.

Escalated sender

- Someone in your business that has the best relationship with the customer.

When to first escalate

- Escalate 4 weeks past invoice due date or after 3 post-due-date chasers -whichever comes first.

Remember the relationship

- Always assume a good reason if they've missed a due date. You want to maintain positive relationship.



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Tricky customers

Remember the relationship

- Or lack thereof. As they often pay late, a positive relationship doesn't exist.
- Escalation should come much earlier than for good customers

Tone of escalation

- Could be described as the following: firm, thorough, detailed, clinical, to the point.

Escalated sender

- Someone in your business that has greatest job title weight and weakest relationship with the customer (e.g. Finance Director)

When to first escalate

- No earlier than 2 weeks past invoice due date.



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At Chaser, we've seen that 80% of unpaid invoices can be successfully collected through email chasing alone. However, there can be up to 20% which require credit control phone calls.

The 3 Situations for Phone Calls

Phone calls are valuable in a variety of situations. They suit some customers better than others. But here are 3 situations in which you should always make a phone call.

NO RESPONSE AT ALL
After 3 chasers

NO FAVOURABLE RESPONSE
After 3 chasers

TO IMPOSE REALISM
(e.g. If threatening legal action)

When dealing with very large customers, you may find making phone calls is something you do much further into the credit control process compared to smaller customers. This is because it is often very difficult to get ahold of accounts staff in businesses of this size.



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6 pieces of info to have handy

Ensure you have all these at hand (quite literally on your screen in front of you), before you dial:

1. Invoice reference number
2. Goods / services invoice is for
3. Invoice issue date
4. Number of days overdue
5. Notes of communications had so far
6. Who to talk to (otherwise ask for Accounts Payable)

While these 6 items are the necessary minimum, the more info you can have on hand, the better. You might get particularly feisty accounts payable staff challenging you on the wording of the sales terms, for example.



Desired outcome

You need to achieve one of these two outcomes before you hang up the phone.

PROMISED PAYMENT DATE
(ideally)

MESSAGE PASSED ON TO RESPONSIBLE PARTY
(if the person who makes payment is unreachable - ensure they will contact you back with a promised payment date ASAP)

Always note down the name of who you speak to, the date and time of the call, and the agreed next actions (i.e. passing along your message to the responsible party). If another email chaser is necessary, refer to the specifics of this phone call in it.

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For your 'Tricky' customers, as a last resort if all other chasing options above have failed, you have the "nuclear" options. Named such because they severely and (potentially) irreparably damage the relationship with your customer.

From least damaging to most, they are:

- Using debt collection agencies
- Charging late payment penalties and interest
- Legal proceedings

Below are quick reference summaries of each option, to take into account before enacting any of them:

Debt collection agencies

No win, no fee policies

- It's possible to get agencies that don't charge you unless they get your invoices paid.

Separation from blame

- Using an agency can allow for tough (but fair) credit control practices, without any "blame" falling onto you and your business personally.

Know their process

- Know exactly what an agency will do before you go with them. Ensure it's acceptable by your company's standards.

Check their reputability

- Opt for a reputable supplier like [Chaser's Debt Collections service](#), who will put protecting your customer relationships and reputation first.

Late payment penalties and interest

UK government guidelines

- <https://www.gov.uk/late-commercial-payments-interest-debt-recovery>

Little recoup

- If the customer relationship is irreparably destroyed, or they're going into administration, it can be worth charging penalties and interest. However, you could earn many multiples of this with future business, if the relationship can be repaired.

Legal proceedings

Beware all involved costs

- You may find no win, no fee legal representation, however court charges are still likely.
- Ensure you compare the value of the invoice against all operational and legal costs in pursuing it, before going down this route.

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Deliver all options via paper letter

The traditional, formal nature gives it appropriate significance.

- Include high-level chase history, including dates, mediums, promised payment dates
- Explain that you've exhausted your internal processes / procedures to get this paid
- Offer a final payment date (usually 7-10 days from letter date) and mention the nuclear option you'll be taking if it's missed
- After posting the letter, immediately email a copy to your customer to speed up their inform and prevent them from claiming it never arrived
- Did you know you can send debt collection letters automatically in Chaser? Find out how to [automate postal payment reminder letters](#)



Know your market!

If it's highly competitive, and your customer's cost of switching to your competitor is low, you're much more likely to lose them after enacting a nuclear option.

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Chaser helps businesses get paid sooner with its all-in-one accounts receivables automation platform, debt collections and outsourced credit control services. Users can credit check, monitor debtors, chase late invoices via SMS and email, collect payments, recover debt and reconcile accounts, all in the same platform. By sending automatic and deeply personalised payment reminders, the software and service provider effectively gets invoices paid on time without losing the human touch. To date, Chaser has helped users chase over USD 30 billion in overdue invoices. Chaser was named Best Technology Provider at the Credit Strategy Awards (2024), won the Best Use of Innovation In Business award (Management Today, 2023), Xero App Partner of the Year (2023) and won Best Use of Technology at the Credit Awards (2022).

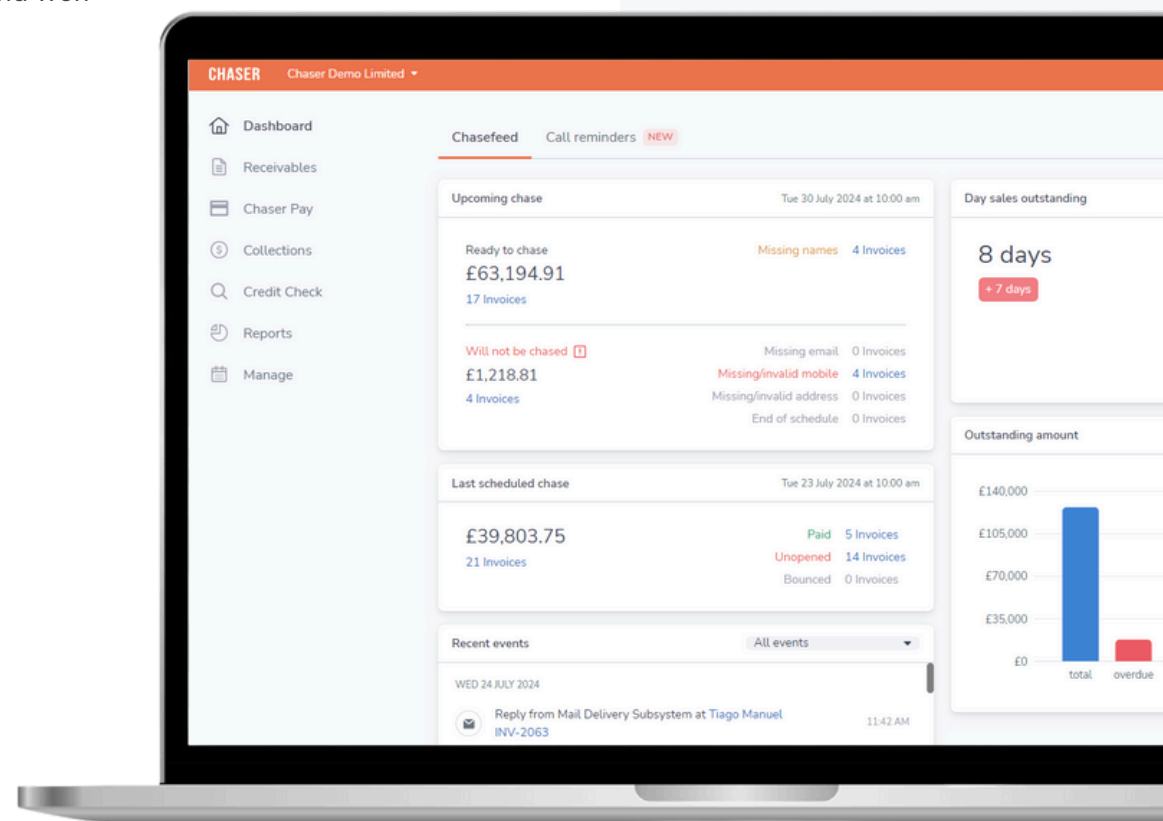
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