



**what to do
when a client
"ghosts" you and
doesn't pay**

podcast episode 49 tip sheet

Scared of "ghosts"? You should be!

One of the biggest Legal Pickles™ coaches and entrepreneurs find themselves in is when a client stops paying. The client flat out disappears. The client "ghosts" you without notice and halts all payments, leaving you with an unpaid invoice, disbelief, and deeply frustrated.

What steps should you take if a client "ghosts" you so you can try to collect the outstanding payments owed to you?

What exactly is "ghosting"?

Basically, "ghosting" is what happens when a client stops making payments all of a sudden and stops communicating with you. Typically, this happens when a client is making monthly payments on an installment plan for your service or program.

"Ghosting" can leave you feeling confused, sad, and betrayed – and in a business context, also in debt or looking blankly and despondently at the client's unpaid invoice. It can feel scary and frustrating when this happens – and those are totally normal feelings.

Those feelings can take you into a downward spiral and state of panic so it's important to breathe, meditate, pray, journal, exercise, inhale doTerra essential oils – whatever you need to do to honor your feelings, but not let them take over your rational mind. Once you're in a positive state of mind and you've calmed down, what should you do if your client suddenly stops paying you?

4-step process if a client ghosts you:

1. Start with kindness.

Start with kindness. Assume innocence first. Call or send an e-mail to gently let the client know that you didn't receive his or her last payment.

Sometimes errors happen and people forget to pay. Credit cards are declined for overpayment or even something as simple as an outdated expiration date.

Sometimes people are on vacation lying on the beach and sipping a pina colada and not paying attention to when your invoice is due.

Start by granting them grace and giving them an easy way to get back to you without shame so they can make their payment.

2. Send your client a detailed email.

You can take a stronger tone and be super-clear about which payment was missed. Lay out in writing for the client all of the details about the missed payment:

- the program/service name
- the date payment was due
- how much the payment should be
- what installment # it is out of the total number
- where/how payment should have been made
- what date you expect payment by
- and what efforts you made to try to collect the payment (in other words, perhaps you've already tried to automatically charge their credit card if they granted you permission to do that at the outset of your working relationship together.)

AND, if the client signed a Client Agreement for your 1-on-1 programs or services, or agreed to your Terms of Use for your group programs, online courses or other products purchased through your website, you'll want to refer to the language in the contract that they agreed to.

Having clear written client policies – especially about money and payment - is one of the key reasons why you want to use legal documents in your business.

For your 1-on-1 clients, you want to use a **Client Agreement** that both you and your client sign which spells out exactly what happens if a client misses a payment.

And if you're working with clients in a group program, or selling an online course, self-study program, info product, or other products through your website that aren't 1-on-1, you'll want to use **Terms of Use** with a checkbox so your purchasers can agree to your terms.

3. Send a formal collections letter

If you haven't heard back via e-mail, the next step is to send a formal collections letter with specific date to respond. This is a written letter, sent by regular mail or, even better, by certified or registered letter.

I recommend having a lawyer help you with the letter or at the very least talking with a lawyer before you send this letter. The letter can serve as evidence later that you are trying to "mitigate your damages" – as we say in the law – and you want it to support your case. Sometimes this letter is sent under your signature and sometimes under a lawyer's signature. It all depends on the situation.

4. Work with a collections agency

Finally, if the letter doesn't work, in some but not all cases, it might make sense to work with a collections agency. The collections agency you would use depends upon the client's location. You'll want to research or Google collections agencies in the city/location where your client's business is located (based on the address they gave you during your program registration process).

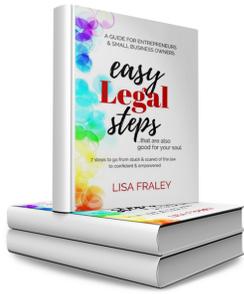
Additionally, some collections agencies have minimum monetary collections requirements to work with them. Many collections agencies only work with large sums owed so you'll need to call around to find the right agency for you.

Using a collections agency makes sense if you're trying to collect money for a high-end program – like a \$5,000 coaching program or higher, but each situation is different. Talk with an attorney to help you determine whether this step is the right one to take for you.

Energetically, when a client "ghosts" you, it can sometimes be a way of raising your awareness that you need to draw a tighter boundary around your money and income. It's as if the Universe is saying "you're money boundary has sprung a leak" and you're being invited to plug it up and make your boundary stronger. I believe that when you put energetic boundaries in place, they will be reflected back to you which means that you'll likely tend to attract clients going forward who are comfortable with strong clear boundaries too.

I align money and boundaries and contracts with the **sacral chakra** – the 2nd chakra – because it's the area in our energetic body associated with creativity, abundance, money, trust, relationships and boundaries..





I talk about both practical boundaries and energetic boundaries in Chapter 2 of my book called "Easy Legal Steps...That are Also Good for Your Soul" that became a #1 Best Seller on Amazon in 3 legal categories.

Now you know that if a client "ghosts" you and doesn't pay, you can take 4 key steps and plug your money leaks.

Do you still have questions about "ghosting"? Feel free to reach out to me at clientlove@lisafraley.com. I'm always happy to help you however I can or refer you to another attorney who can assist you.

Here's to getting legally enlightened!

With Legal Love™,

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Lisa Fraley, JD, CHHC, AADP, is an acclaimed attorney, Legal Coach®, speaker and #1 Best Selling Author of "Easy Legal Steps...That are Also Good for Your Soul." With her unique blend of coaching, legal expertise, and spirituality, Lisa has supported thousands of heart-centered entrepreneurs and small business owners to protect themselves, their businesses and their brands through DIY legal templates, online legal courses and one-on-one services.

From sharing international stages with thought leaders like Kris Carr and Gabrielle Bernstein to being featured on hundreds of podcasts, webinars, radio shows and bonus calls, Lisa has made it her mission to help every single small business owner understand that the law can be accessible, empowering, loving, and even spiritual. When she's not saving the world (with Legal Love) one contract at a time, she's posting free legal tips and connecting with her tribe at lisafraley.com.