

A background image showing a person in a business suit sitting at a desk, holding a smartphone. A laptop is open in front of them, and a pen is visible on the desk. The scene is brightly lit, suggesting an office environment.

QUICK LEGAL BITE FROM  
THE DESK OF **RICHARD ONG**

## **MY CUSTOMER WON'T PAY MY INVOICE! WHAT CAN I DO?**

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**This week S&A Legal assisted a client to settle a dispute regarding an unpaid invoice. Richard Ong, a corporate commercial solicitor at S&A, explains why it is important to ask for help before the matter escalates and how your legal team can assist you to settle the dispute before it gets out of hand.**

All too often our clients find themselves chasing third parties for unpaid invoices issued in relation to services rendered. The parties find themselves in situations where emotions are running high, and wild allegations are being thrown back and forth. These types of environments are NOT ideal for the fostering of sensible negotiations, nor are they conducive to commercial settlements (assuming negotiation of settlement is realistic).

In this particular matter, our client approached S&A once the matter had already escalated. A statement of claim had previously been self-filed by the client, and previous settlement negotiations/dispute resolution attempts by the parties had failed to reach an amicable solution.

To add to the issues, the offers exchanged lacked the form and substance that would have been fundamental to an application for the client to potentially recover a higher than the ordinary award of legal costs (had the matter proceeded to hearing).

Ultimately, both parties required legal representation to deliver substantial works incurring fees that could have been used, in the context of the settlement negotiations that had been attempted, to bring the parties closer together in terms of the settlement figures that had been initially exchanged.

The good news in this case is that we managed to negotiate an amicable settlement and bring the matter to an end on terms that were commercially favourable to our client.

### TAKE AWAY LESSONS:

1. Settlement negotiations should be had devoid of emotion – are you conducting yourself reasonably?
2. Commencing proceedings is an option that one only should elect after having seriously considered the legal prospects of their matter and the likely costs associated with litigation – Is it commercial to commence proceedings? Will it cost more to resolve the matter in court than what is commercially at stake?
3. Are you conducting yourself in a manner that may prejudice your rights in the future? Are the offers that you proposed to make in a suitable form to potentially enable benefit from the legal processes?
4. At what time should I consider briefing a lawyer? It never hurts to ask a lawyer whether they can make a useful contribution to a dispute and what would be the likely costs of such an exercise.

Importantly, had we been instructed earlier in the piece in the case I am reporting on, the overall time and costs incurred could have been substantially less, not to mention the time spent and angst for the client could well have been obviated or, at the very least, lessened considerably.

Keep in mind that legal intervention is not confined to litigation. In many cases, a negotiator (armed with legal qualifications and practice experience) acting as your mouth piece can be all that is needed to find traction in negotiations and, if used early enough, could very well save you money.

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