

LAWPACK



Published in
association with

ContractStore

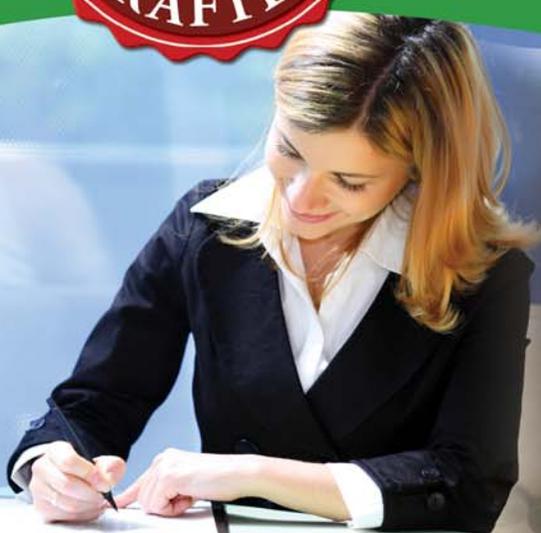
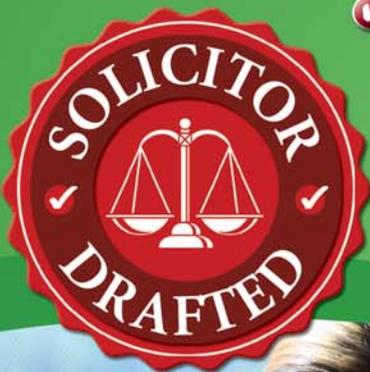
Do-it-yourself eKit

Business Terms and Conditions

Avoid disputes and make sure your business is
protected with proper terms of trade

- ✓ For businesses supplying goods or services
- ✓ Expert solicitor guidance on contract terms
- ✓ Template terms and conditions

For contracts under the laws
of England & Wales



Important Facts about this Lawpack Kit

This Lawpack Kit provides guidance and access to downloadable templates terms and conditions, to help you prepare your own terms and conditions, as a supplier who wants contracts governed by English law. You should read and follow the instructions in 'How to use this Kit' opposite. The purpose of this Kit is to give you some guidance, not to offer a guarantee that the template terms and conditions will protect you.

The information this Kit provides has been carefully compiled from reliable sources, but its accuracy is not guaranteed, as laws and regulations may change or be subject to differing interpretations. The law is stated as at 1st April 2010.

Neither this nor any other publication can take the place of a solicitor on important legal matters. This Lawpack Kit is sold with the understanding that the publisher, author and retailer are not engaged in rendering legal services. If expert assistance is required, the services of a competent professional should be sought.

As with any legal matter, common sense should determine whether you need the assistance of a solicitor rather than relying solely on the information and documents provided with this Lawpack Kit.

We strongly urge you to consult a solicitor if:

- substantial amounts of money are involved;
- you do not understand the instructions or are uncertain how to complete and use a form correctly; or
- what you want to do is not precisely covered by the forms provided.

© 2010 [Lawpack Publishing Limited](#)

Text © 2010 Giles Dixon, Sharonjeev Benning-Prince and Raj Mahapatra

The rights of Giles Dixon, Sharonjeev Benning-Prince and Raj Mahapatra to be identified as the authors of this work have been asserted by them in accordance with the [Copyright, Designs and Patents Act 1988](#).

EXCLUSION OF LIABILITY AND DISCLAIMER

Whilst every effort has been made to ensure that this Lawpack Kit provides accurate and expert guidance, it is impossible to predict all the circumstances in which it may be used. Accordingly, neither the publisher, authors, retailer, nor any other supplier shall be liable to any person or entity with respect to any loss or damage caused or alleged to be caused by the information contained in or omitted from this Lawpack Kit.

Lawpack gives you a limited guarantee. If for any reason you are not happy with your purchase, you may return it to us with your receipt within 30 days of the date of purchase for a full refund. In no event shall our liability exceed the purchase price of this Kit. Use of this Lawpack Kit constitutes acceptance of these terms.

How to use this Kit

- This Lawpack Kit can help you achieve an important legal objective conveniently, efficiently and economically. Nevertheless, it is important for you to use this Lawpack Kit properly if you are to avoid later difficulties.
- Terms and conditions are the rules that govern the trading relationship between you and your customers. Having proper terms and conditions in place means you can avoid misunderstandings and disputes over payments, deliveries, ownership of goods, etc . In hard economic times it is more important than ever to make sure you are protected and that you can rely on proper written terms of trade, should a dispute arise.
- This Kit can be used by any kind of business: whether you are self-employed or you manage a partnership or company, this Kit explains what sort of terms and conditions you need to include in your contracts and provides template documents to illustrate the text and help you prepare your own.
- The template terms and conditions provided with this Kit have been drafted primarily for general business-to-business or business-to-consumer transactions, and they offer a basic level of protection. They are designed for use by suppliers of goods or services; buyers may also find them useful for cross-checking terms with terms they are presented with by their suppliers. You should always consider whether they meet the needs of your business or whether they need to be modified, and the advice of a solicitor is recommended.
- Also provided are some sample documents for use when disputes occur – one is for chasing a debt and the other is a form of agreement for settling a dispute.

TEMPLATE DOCUMENTS (ALSO REPRODUCED IN THIS MANUAL)

- Credit Application Form
- Terms & Conditions of Sale of Goods with Confirmation of Order Form – together these two documents form a contract between the buyer and seller
- Terms & Conditions for Supply of Services, used in conjunction with either a Confirmation of Order Form or a Letter Agreement
- Letter Chasing a Debt
- Agreement Settling a Dispute

This is an excerpt from Lawpack's *Business Terms and Conditions Kit*.

To access more business templates which will help you to easily put together Terms & Conditions for your business, [click here](#).

Contents

The need for a contract	1
Why do I need a business agreement if I am buying or selling?	1
Creating the contract	1
Identify the right parties	1
What terms are key?	2
Key contractual terms	3
Description of goods or services	3
Price and payment	3
Delivery	6
Recourse for faulty goods	6
Force majeure	7
Retention of title	7
Limit of liability	9
Termination	9
Checklists	10
Selling online	11
Statutory issues	13
Who am I dealing with?	15
Why you should do a credit checks on customers	15
Customers who may not be able to pay	16
Credit insurance or bonds	17
Chasing debts and remedies for late payment	18
Delivering your invoice	18
Chasing a debt	19
Debt recovery	21
Remedies that do not involve litigation	23
Checklist	26
How to handle your lawyer	27
Take legal advice sooner than later	27
Select the right firm	28
Give the lawyer clear instructions	29
Template documents with guidance notes	30
Credit Application Form	30
Terms & Conditions of Sale of Goods and Confirmation of Order Form	31
Terms & Conditions for Supply of Services and Confirmation of Order Form/Letter Agreement	36
Letter Chasing a Debt	42
Agreement Recording Settlement of a Dispute	43

The need for a contract

Why do I need a business agreement if I am buying or selling?

Every business transaction involves a contract, although by no means all of them are in writing. When you visit a newsagent to buy a paper you enter into a contract with the newsagent as you hand over the cash. But with more complex transactions, it is much safer to put the terms in writing, especially in a recession, when there is more risk of a supplier going bust or a customer wanting to renege on the deal.

Whilst it is tempting to agree terms of a transaction on the basis of a handshake or an email, a canny supplier or buyer should always ensure that he has entered into a robust, sound contract which covers the necessary terms. Contracts are the glue that seal the relationship between a business and its customers or clients and provide certainty.

Creating the contract

If you are acting as a supplier, you may wish to use your own form of agreement which will clearly stipulate delivery, pricing and payment terms. Where you are a buyer, then you will either want to use your own terms, if you have them, or else review and possibly amend the terms provided by the supplier.

A contract consists of an offer by one party and acceptance of that offer by the other. So if the supplier offers his terms and the customer says yes, he wants to buy, but on his own terms, there is no offer and acceptance, but an offer and a counter-offer. This is known as 'the battle of the forms' and to cut a long story short, it is usually the last set of terms to be accepted, or acted on, that apply to the contract.

So, negotiation is likely to be involved, but the important thing is to have a set of clear, unambiguous terms that regulate the deal.

When drafting/considering terms, you need to think about the following:

Identify the right parties to the contract

Make sure you have the right parties named in the agreement. It is important to include the correct legal names of the parties to the agreement so that it is clear who is responsible for performing the obligations under the agreement (and who you have legal rights against if things go wrong). For instance, if a business is organised as a limited company, identify it by its correct legal name --including the Ltd. suffix -- not by the names of the people who are signing the agreement for the business. This is especially important if another party (for example a parent company) is guaranteeing the obligations of the performing entity. It is also sensible to insert the company registration number as well as the registered address of each of the parties.

What terms are key?

All terms of the agreement are important but the main terms to consider, whether you are acting as a supplier or buyer, are the price, payment and delivery – location and timing.

These terms are all included in the template terms of business included in this Kit.

- **Description of goods** – Be careful to specify precisely what is being sold so as to avoid any risk of ambiguity and later argument.
- **Price** – Check whether your prices include the cost of packing, shipping, insurance, and any relevant taxes.
- **Payment** – When is payment made? Will this be at delivery or within a certain period of receipt of the invoice? Or will there be a number of payments at specified periods?
- **Delivery** – Are the goods being delivered to a specific location or will they be collected? Who will bear the risk of the safety and quality of the goods prior to delivery? What is the position if the supplier delays in the delivering of the goods? What if the buyer fails to collect them when he is meant to?
- **Recourse for faulty goods** – The agreement should stipulate the process and timing by which a buyer can return defective goods and what the supplier must do in relation to the defective goods.
- **Force majeure** – Certain circumstances may arise which mean the supplier cannot provide the relevant goods/services – e.g. a factory fire or some natural disaster. Ensure that the terms of such provision are clear and cover all eventualities, including a pandemic such as swine flu which may have an effect on business and supply.
- **Retention of title clause** - This aims to afford the supplier the ability to recover goods that have not been paid for, and/or to give precedence over other creditors should the worst happen. Further details of retention of title clause are dealt with on page 7.
- **Limit of liability** – The supplier may want to limit liability to a fixed amount – perhaps the value of the goods. Here you have to be careful, especially when dealing with consumers, because there is legislation that protects consumers: if unfair terms are included, the court will treat them as unenforceable.
- **Termination** – you will need the right to give notice to terminate the contract under certain circumstances; these usually include insolvency, breach of the terms and, specifically, failure by the customer to pay.

If you are providing services instead of goods, you will need to consider where such services will be provided and whether there are any standards of service that need to be adhered to.

More detailed comments on these bullet points are dealt with below.

Key terms in a contract

Description of goods or services

In many ways, this is the most important provision in a contract – what are the goods or services being supplied? In the case of goods, this is relatively straightforward, especially if the customer has seen examples of what is being bought.

If, however, the goods are being manufactured specially, then an accurate description of what is being supplied is going to be needed. If the goods are to be installed in the customer's property, then some wording to deal with this would be useful.

Remember too, that there are terms implied by law that goods being sold will be of satisfactory quality and fit for purpose, and when they are sold by reference to a description or sample, that the goods will correspond to that description or sample. These are basic terms laid down by statute ([The Sale of Goods Act 1979](#)) and in a sale to a consumer, they cannot be excluded.

In the case of contracts when services are being provided, a detailed schedule may be needed, describing not just the services but also their timing and frequency.

Price and payment

Agreeing how much you will charge for the goods and/or services you are selling is only part of the financial negotiation. Just as important, in particular when the supplier is going to be buying in material or is providing services over a period of time, are the payment terms.

By trying as far as is practicable to match payment to cash flow, and assuming your customer pays what is due, you have a better chance of maintaining a credit balance at your bank and avoiding the risk of having too much owing by your customers.

An example:

John Turner is a furniture maker and has a customer who wants him to supply ten chairs to a particular design. Assume the price is agreed at £10,000 and John's material costs are £3000, his own time and that of his assistants covering the rest of the cost and profit. The work is expected to take two months.

The customer may want to pay on delivery but this is the riskiest course of all. If he does not like the goods when he sees them, he might refuse to pay or try to renegotiate the price. Or he might not have the money. Even with a binding contract, John is likely to be out of pocket at the end of the day. He may be able to retain title, but he will then need to find another buyer.

Much better to have some stage payments; for example:

£5,000 when the contract is signed, £2,500 after one month and the remaining £2,500 on completion.

If necessary, John can explain to the customer that materials have to be paid for in advance, before work can start, and that his staff also need to have their salaries paid.

If this arrangement or something like it can be agreed, the risks for John are greatly reduced. He will have more than enough cash up front to pay for the materials, as well as his labour costs over the first month, and provided the second payment is made on time, even if the customer does not pay the last instalment, John's costs will have been covered. And provided he retains ownership pending the final payment, the customer is incentivised to pay the last instalment, as he will have already paid three quarters of the price.

When providing services or a combination of goods and services, regular payments are always recommended – for much the same reasons that apply in the example above. Whether you are a tradesman doing work on a house or a website designer, you are exposing yourself to unnecessary risk if you leave the payment until late in the project. Even if there is no risk of a client not being able to find the money, he may not really know what he wants when he signs the contract and that can lead to difficulties when it comes to payment. By getting an advance when this is justified and by setting up a payment schedule with monthly or other periodic payments, there is more buy-in from the client and the risk reduces as each payment is made.

When establishing a payment schedule, an alternative to time-based (monthly, etc.) payments is a series of 'milestone payments' – i.e. payments linked to particular events as the project progresses. For example, if you are a website developer appointed to develop a new website, your costs could include: domain name registration; hosting fee for first year; programmer's fees, designer's fees. The milestone schedule might be:

Milestone	Payment
1. Register domain name and arrange hosting; initial design agreed in principle with client; programmer starts building site.	40% of fee
2. Client is sent passwords to view site in progress and give feedback. Designer and programmer implement changes.	
3. Work is completed, website is launched and promoted to user groups.	50% of fee
4. Snagging problems resolved to client's satisfaction and final payment made 3 months after launch.	10% of fee

The payment schedule gives the developer funds up front to cover the domain and hosting costs and, at least in part, the costs of the programmer and designer. The 10 per cent retention gives the client some comfort and if all goes well, the developer may be able to negotiate a maintenance contract for the first year on a monthly or quarterly fee – payable in advance on pre-agreed dates.

Consultancy services

When providing services as a consultant, fees will usually be charged either by reference to a particular task or by reference to the time spent in a given period, or a combination of the two. Nowadays most firms, conscious of cash flow constraints and the risks inherent in building up large credit with clients, tend to invoice almost all their work on a monthly basis.

When a consultant is providing services to the same client over a long period of time, a fixed monthly retainer can have advantages and usually this is payable monthly in advance. If the payment can be set up on a direct debit basis, so much the better. With a retainer your agreement needs to make it clear what the parameters are; for example, a monthly retainer of £500 to cover up to 10 hours of routine advice a month. Time spent above this limit to be charged at £75 per hour, so the client gets a better rate under the retainer and the consultant has an assured income stream – a win-win situation.

IT support and other maintenance services usually have this type of arrangement. Here the contract will normally contain a schedule setting out the monthly retainer and the work that it covers. In addition, there may be a 'menu' of other charges, e.g. £250 per day for onsite support, with a higher rate during holidays or outside normal working hours.

Expenses

Unless a supplier includes all expenses in the fees, it is sensible to identify what expenses are going to be charged and whether this will be on a cost-reimbursable basis. Sometimes an administrative fee is added to cost – say 10 per cent and some charges may be fixed in the agreement – e.g. mileage when travelling by car on client business at 45p a mile.

From the client's perspective, the charges need to be reasonable and justified, with major items of expenditure agreed in advance, such as air fares or hotel accommodation. One area of contention can be time spent travelling on client business: is this chargeable at the usual rate, at a lower rate or not at all?

These items can all add up and different professions have different approaches. Not many can get away with the way one Arab lawyer used to bill his oil company clients when he went overseas on client business: he charged for every hour he was out of the country and when asked by a friend, 'What happens if you do business for more than two clients on one of your visits?', he replied : 'I charge both of them!' He no doubt retired a wealthy man!

Payment dates

Although agreements will often specify a date for payment, usually the supplier will need to issue an invoice in order to get paid. So, as well as milestone payments, etc., your contract needs a clause that says payment will be due within, say, 14 days from the date of the invoice. For some people 14 days is too short, and 28 or 30 days is more usual. But make sure you specify a period. The template terms and conditions provided with this Kit provide for 14 days.

Delivery

Is the delivery date guaranteed? If not, you need to make this clear in the contract; the template terms and conditions in this Kit are designed for use by the supplier and state:

All delivery dates given by the Seller are given in good faith but dates are not guaranteed and the Seller will not be liable to the Purchaser for any delay in delivery.

If you are buying rather than selling, you are likely to want a firm delivery date and you might want to renegotiate a clause on the following lines:

Goods must be delivered by the date specified in the Purchase Order or, if no date is specified, within 28 days of the date of the Purchase Order.

Example: Jim Bond manufactures and supplies boxes to certain clients for use in their businesses and provides his standard terms and conditions to such customers. The standard terms include the following provisions:

The Customer shall pay to Jim Bond the sum of £[] for the boxes and such amount shall include packaging of the goods.

Whilst this pricing clause states the amount that the customer shall pay for the goods and further states that the packaging of the goods shall be included in such sum, it does not clarify whether delivery costs will be included and this should be clarified in the terms:

Jim Bond shall deliver the goods at his expense to such location within the UK as the Customer shall notify to Jim Bond and title and risk shall pass at the point of delivery.

The reference to 'title and risk' often appears in contract terms: normally the seller owns the goods and is responsible for them (and for the risk of loss or damage) until they are delivered to the customer – or, as a lawyer would put it, 'title and risk' pass on delivery. However the contract terms can alter this by, for example, saying that title remains with the seller after delivery until the goods have been paid for but 'risk' passes on delivery – or even earlier. There is more on retention of title on page 7.

If delivery is at the supplier's premises, the supplier might want to reserve the right to charge storage or resell the goods if the customer does not collect within a specified period and here again wording should be inserted in the contract.

Recourse for faulty goods

What can the customer do if the goods are defective or faulty? Does the supplier have to accept any goods that are returned?

The contract for the sale of goods provided with this Kit includes wording stating what the position is if a customer returns faulty or defective goods. The supplier has the option to repair or replace the defective/faulty goods. The customer should notify the supplier within a reasonable time as to when the goods should be examined and returned.

If the customer is not a business and is a 'consumer' (i.e. a member of the public) then the consumer will have additional rights of recourse and this is discussed later in this section.

'Force majeure'

A supplier's life is not always smooth and they should protect themselves where certain events may occur which are outside their control. In certain circumstances, a supplier may be delayed from providing its goods/services and this could be due to a 'force majeure' event. A force majeure clause allows a supplier to delay performance of its obligations for a certain period of time without incurring any liability and should the event continue for longer than the stipulated period, then it allows the customer to substitute the supplier or terminate the agreement.

Jim Bond's company suffers from an industrial action and he is unable to fulfil his company's obligations under a number of his supply agreements. Fortunately his supply contracts include a force majeure clause that states that in the event of an industrial strike, his company will not suffer any liability for not providing goods. He will therefore not suffer any loss under the agreements whilst resolving his staffing issues.

As a business, what happens if your key suppliers are unable to supply certain goods to you which are fundamental for your business's operations? Do you have a contingency plan? Look at your agreement with your supplier – is this a force majeure event? What are the time periods that your supplier may suspend delivery for and are you allowed a right to substitute?

Think about:

- What are the terms of the force majeure?
- Are there any rights of substitution?
- Do you have a list of alternate suppliers?
- What is the impact on your business?

Retention of title

Where you are providing goods to a third party, then it is advisable to include a retention of title clause, i.e. one that says ownership of the goods being supplied will only pass from the supplier when the customer has paid in full for those goods. However, even if this clause is included, it does not mean that the risk in relation to the goods in terms of damage or loss will pass at the same time as ownership: it will pass at the time stated in the agreement. For this reason, the timing as to when risk passes should be specifically stipulated in the contract.

If a retention of title clause is not included, then the customer will obtain title to the goods once they have been delivered, even if payment for the goods has not been paid at such time.

For a retention of title clause to be effective, it must be properly incorporated into the contract with the customer. In most contracts for sale, payment will be made on or before delivery and the template provided with this Kit has a short clause stating:

'Ownership in the Products will remain with the Seller until payment in full of all amounts due from the Purchaser have been received by the Seller'

In some circumstances a more elaborate clause is needed, such as when the supplier is selling large quantities of products on credit and the buyer is a distributor, selling them on to third parties. For the best chance of protection, the basic wording of a retention of title clause should be supplemented with the following:

- An obligation for the customer to store the supplier's goods separately, mark them as the property of the supplier, and to insure them; together with a further obligation allowing the supplier access to the customer's premises to verify that has been done.
- A list of insolvency-related events that will trigger the supplier's right to demand payment (if not already due) and to repossess the goods.
- A right for the supplier to enter the customer's premises in order to repossess the goods (so that you will not commit a trespass). You may also want to consider a provision for the costs of repossession if this is likely to be significant (although bear in mind that if the customer becomes insolvent, there is a very real chance those costs will not be recovered).

Legal advice on the drafting is recommended, as there may be technical issues that a lawyer needs to consider.

If you receive notice that a customer is in financial difficulty, you should immediately notify that customer – or insolvency practitioner if one has been appointed – of your retention of title claim.

As a supplier, it is important that you act quickly and seek assurances that your goods are being preserved. Ensure that you have all of your contractual documentation so that you can establish your claim.

If your claim is refused or delayed in any way, contact your lawyer and remember that you may have to pursue your claim through the courts. Your legal advisor will be able to help you pursue your claim against the customer or insolvency practitioner and/or make an appropriate application to the court, by way of injunction if necessary.

Are retention of title clauses always effective?

Timing is crucial in retaining your goods, so act as soon as you know your customer is in difficulty.

While it is important to include a retention of title clause, they are not the be-all and end-all. They can be an effective tool against a customer who does not pay for goods, but even the most robust, well-drafted retention of title clause cannot guarantee you are fully protected, not least since if the buyer goes into receivership, there may be competing claims by other creditors or the goods in question have been sold on.

Limit of liability

A supplier will want to ensure that if there is some defect in what he is supplying or he fails to meet a delivery date, his liability is limited to a certain threshold amount and this will generally be the amount paid under the contract. The supplier will also want to ensure that it is not liable for certain losses such as loss of profits or indirect losses that a customer may incur. Where the customer is not a business but a 'consumer', then a supplier cannot exclude certain of its liability and this is considered later.

When you are providing services, if something goes badly wrong and the client is not happy with the result, there is always a risk the client will bring a claim against you. So try to ensure that in your contract there is a limit on the amount the client can claim; for example, if you are paid £100 to run a dance class and you do not turn up, your client might have to refund £200 to the disappointed punters who were waiting for you in vain. The template in this Kit provides for this with a clause which says that liability is limited to the fees payable by the client, i.e. you might have to make a full refund but you will not have to pay anything more than that.

Termination

If your contract does not have a termination clause, then you will not have any contractual right to terminate it. Instead, if the other party has seriously failed to perform his obligations or has not paid any of the money that is due, then it may be argued that he has, by his action, repudiated the contract but it is much easier to have some clear terms. A termination clause will usually provide for notice to be given before the contract is terminated and this period can allow for the problem to be remedied within the notice period. Our template for the supply of services contains a one-sided clause that states:

'If the Client (a) commits a breach of contract, or (b) fails to make a payment on the due date, or (c) becomes insolvent or has a receiver or liquidator appointed then, in any such case, the Supplier shall be entitled to end the contract and recover all the Supplier's costs and losses including loss of profit up to the termination date.'

A typical clause giving both parties the right to terminate might read:

'Either party may terminate this Agreement by written notice to the other if that other party:

(a) commits a breach of this Agreement (and in the case of a breach capable of remedy, it fails to remedy the breach within 14 days of being required to do so in writing);

or

(b) becomes insolvent, or has a liquidator, receiver, manager or administrative receiver appointed.'

In a contract for supply of goods or services over a long period, either party might want the right to terminate early – for example a company providing IT support services might, in theory, like to have at least a 12-month contract. But if it gets offered better terms by other clients and is finding it difficult to service all of them, or it finds that the fee quoted is not generating the hoped for profit, then it might want to be able to give a month’s notice to bring the contract to an end.

Similarly the client may not want to be locked in for too long and wants a get-out clause if it does not feel it is getting good value or if it simply wants to reduce costs. So the contract might have an extra clause which states:

‘The initial period of the contract is 12 months from the commencement date. However, either party may, after the first three months, give not less than one month’s notice to the other to terminate the contract, such notice to expire on the last day of a month.’

CHECKLIST FOR GOODS

What do you need to think about if you are a supplier or a customer?

<i>Supplier</i>	<i>Customer</i>
Is your pricing carefully drafted – what is included in the pricing clause?	You will want the price of the goods to be inclusive of delivery, taxes and other costs – and not be taken by surprise on additional costs
What is the mechanism for delivery – will you deliver or will the customer collect?	If the cost of delivery is included in the price, as a customer you would prefer to have the goods delivered to you and not have to collect
You must have a mechanism by which a customer may return faulty/defective goods	Ensure that you are entitled to return faulty/defective goods – check the period in which you must check whether the goods are faulty or defective in any way and return in the requisite time period
If you are unable to provide the goods due to certain circumstances, will you be liable?	If your supplier is unable to provide the goods, do you have the right to terminate or to source goods from a third party
Retention of title clauses need to be clearly drafted – legal advice may be needed if you are likely to have a lot of unpaid goods held by a purchaser	You may want to have a clause that transfers title to you when you have paid at least a reasonable part of the price
Include the right to terminate the contract if the customer becomes insolvent, fails to pay on time or commits another breach of contract	Check to see that you also have the right to terminate if the supplier becomes insolvent or commits a breach of contract

CHECKLIST FOR SERVICES

<i>Service Provider</i>	<i>Client</i>
Are the scope of services and the fee clearly defined – and linked, so as to avoid the risk of having to do more work than you planned for the fee?	You will want clarity on the fee – hourly or daily rates without any overall cap can be risky
If the service is spread over a period, have you provided for stage payments so as to get paid as you go along?	If you are asked for money up front, are you satisfied that the amount being requested is needed to cover out of pocket expenses rather than profit in advance of delivery?
Are there expenses you want to charge in addition to the fees? If so identify them in the contract	Is the fee fully inclusive? You want to avoid the risk of being presented with an unexpected bill for expenses in addition to the fee
Have you limited your liability if there is a problem with your service so as not to be exposed to a claim for far more than the contract value – either by insurance or by a term in the contract?	Ensure that you are entitled to get defective services remedied at no cost, or else some refund of fees and compensation for disruption.
If the client wants to change the brief or ask for extra services, make sure your contract allows you to get paid for the extra work	If the scope of the services is not entirely clear, you will want to be able to clarify issues without being faced with extra fees unless there really is extra work. And you will want to know how any extras will be charged for.
Include the right to terminate the contract if the customer becomes insolvent, fails to pay on time or commits some other breach of contract	Check to see that you also have the right to terminate if the supplier becomes insolvent or commits a breach of contract

Selling online

Almost every business nowadays has a website and whether or not you sell goods online or you simply have a website for promotional reasons, there are regulations that you have to comply with.

For a start, to comply with the [Companies Act 2006](#), every company in the UK must clearly state:

- the company registration number
- place of registration,
- registered office address