

Get Your Money

A Newsletter by Assegai Communications

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Dear Reader

Reading time: 4 minutes

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ETERNAL VIGILANCE

Somebody cloned my credit card! While I was peacefully going about my business in Kwa-Zulu Natal, using my credit card on a regular basis, somebody else was buying goods and pleasure in Gauteng, pretending to be me.

Lunch at Spur in Rivonia cost them about R750.00. A couple of grand bought a few clothes. An amazing R3 500.00 was spent at "The Body Shop" in Sandton – that's a lot of skin lotion! All in all, the total was not bad – a total of R8 700.00 was spent in two days; about 600 kilometres away from me. My credit card was never out of my sight. I wonder how they did it? Luckily, the bank acknowledged at once, that it was a case of forgery – apart from the fact that I was in Durban, while the crook was partying in Gauteng, the "spending pattern" was all wrong, they said. Lucky me!

What if the crook had been in Durban, buying where I buy, eating where I eat and partying close to my home? I might have ended up paying a lot of money for somebody else's pleasure.

Moral of the story? Keep an eye on your own credit card and bank account at all times. If you can check your transactions online, do it once a week. "Eternal vigilance is the price of

freedom” – as I recall, this is the motto of NATO. It needs to be adopted by all of us. In the credit control business, we need to remember to watch our own backs, not just our businesses.

LEGAL NOTE: PAYMENT BY INSTALMENTS

Be careful, when you agree to accept payment by instalments! Supposing you have a debtor who owes you an amount of R20 000.00. You have the option to sue him, get a judgment for the full amount plus costs, and take action to recover the debt – probably, by issuing a ‘warrant of attachment’ and getting the Sheriff to seize his goods and sell them, to recover the debt. You have a chance of getting your money, especially if you act quickly. If you decide instead, to accept payment by instalments – say, R2 000.00 per month, you are weakening your own position in various ways:

- You are replacing the previous situation, where you were owed R20 000.00 with a new one, where the debtor has extended his credit and will owe you only R2 000.00 at a time, each month. If he never pays you, you can only sue him for R2 000.00 each month; you will have to wait before issuing a summons, or sue him ten times!
- Possibly more importantly, you are giving the debtor more time, to get into even more financial difficulty. He may lose everything he has, and never be in a position to pay you anything at all.
- Your money will not be yours (or that of your company) to keep the business going, to grow it, or buy new stocks or equipment.

Here are some tips:

- Never accept payment by instalments at all, unless it is in your interest to do so. It is only in your interest if payment is guaranteed and you are getting an additional benefit, such as interest.
- Always apply written conditions (signed by the debtor, and by you) to any agreement to pay by instalments. One of those conditions must state that, in the event of non-payment of any instalment, the full balance will become immediately due. This way, you can sue for the balance, immediately.
- If the debtor provides post-dated cheques for all the instalments, each cheque must have a special endorsement on the back, signed by the debtor and reading:

“This cheque is one of a series. If any one of these cheques is dishonoured by non-payment, the full balance of the debt becomes immediately due and payable.”

CELTIC WISDOM

There is many a gift given,

That's eventually paid for.

Take care what gifts you accept.
