

# Get Your Money

A Newsletter by Assegai Communications

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Dear Reader

Reading time: 4 minutes

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## END-OF-YEAR EXERCISE

Well, another financial year ends today. As usual, we will look back over the past 12 months, note the extent of our debtors' book, and wonder how to reduce it in the year ahead.

I want you to look back again and ask yourself whether you improved your lot in the last year and if so, what made the difference. A better system perhaps, better telephone collections ... or what? Can you use the same ideas, going forward?

If nothing changed, why not? You remember the old saying, "If you keep doing things the same way, you'll continue to get the same results." Change is necessary and inevitable. We can be the agents of change, or the victims of change. In your career and in your life during the next 12 months, which will you be?

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## IT'S HOW YOU ASK

In all the years that I have been studying those who are successful at collecting money, I have been intrigued to note a particular characteristic of successful money collectors. Generally, they are women. And more often than not, they are pleasant people. They treat their debtors well – firmly, but with respect.

There is an important lesson here. By comparison, people who are rude to debtors tend not to be as successful with their collections. People do not respond well to rough treatment. If you make demands backed by threats, you will create resistance amongst your debtors. They will resent you, and the company you represent. If they can avoid paying you, they will. Those who usually tend to be honest people (and I think most people tend that way) will use your bad attitude to justify the fact that they are not paying you. They will feel that you do not “deserve” payment.

Consider the other case, again. There are people who consistently succeed in recovering debt. They are calm, fair but firm. They do not take ‘NO’ for an answer, but they refrain from using threats or strong language. While insisting on payment, they ask, they do not use threats or strong language. While insisting on payment, they ask, they do not demand. The result – when people are treated firmly but decently, they are more likely to respond in a responsible way. So, keep it cool, keep it respectful and get your money!

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### LEGAL NOTE: DON'T LOSE 'FAILED' COLLECTIONS!

You probably know that most debts become ‘prescribed’ after 3 years – that is, ordinary debt can no longer be collected, if it is three years old. An important point, however – the debtor must raise this as a defence. If a case is not defended, you can even get a judgement for much older debt.

Suppose, that you have obtained a judgement for a debt, but the debtor has disappeared. You might decide not to spend more money – not to “throw good money after bad”. That is a wise policy. However, keep the file if you can. The debtor may emerge from his or her financial woes and need the judgement rescinded, to get a new life going. You may recover payment in these circumstances. While you are waiting, your judgement is still enforceable, unlike ‘normal’ debt; judgements are good for 20 years!

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## **UPDATE ON THE NEW CREDIT LAW**

No firm news, yet – the law-making process is creeping slowly forward. At this stage, it appears that the new law may be in operation by about September / October. That may seem a long way off, but beware – time flies! Your documentation may need amendment and your people may need to be trained. Watch this space.

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