

**General**

1. Ensure that the invoices refer to the payment terms (i.e. the period in which the owner has to pay and the right to charge interest after that if payment has not been made).
2. Ensure that your bank details and methods of payment are clearly shown on invoices.
3. Give timely notice of any change in your address/bank account and payment terms.
4. Ensure that invoicing is done promptly and accurately as and when the right to invoice falls due. Make sure the invoice is clear and comprehensive. Agree any additional charges prior to incurring them if not already covered by the training agreement and ensure that these are invoiced promptly. Whatever method you adopt, make sure it is in accordance with your training agreement.
5. Under the ROA/NTF training agreement, you have to give 1 month's prior written notice of any increase in fees and any owner who does not accept the change must notify within 21 days. This is only 7 to 10 days before the new charges take effect. Make sure someone is monitoring your post and email daily for any such complaints. They need to be resolved as soon as possible as there needs to be complete clarity as to what fees you can legally charge.

Whilst the rules of racing only require a training agreement to be in place before the horse runs, to help secure your position make sure the training agreement is signed before or as soon as the horse enters the yard.

**Invoicing and chasing process**

6. Have a clear diary system for marking when the invoice is due and when the first and second reminders fall due. Say 30 days after the invoice has been issued, if they are the payment terms, make a call and send out the first reminder, then follow up at 7 days, with a call and a second reminder and then 14 days with a final letter confirming that the matter is being passed to external lawyers. Added to this, you could send a statement of account mid-payment period as a reminder, say after 14 days – at this stage a phone call or email might also get a response. Please see the timeline at the end for further details.
7. Make sure your systems flag up any late payments and a history of late payments.
8. Monitor any complaints from owners about increases in your fees and deal with them promptly. Don't wait for the debt to build up.

9. IT IS VITAL YOU KEEP AN EYE ON THE CLOCK AND DO NOT BE DETERRED BY THE OWNER SAYING THAT PAYMENT IS ON THE WAY. YOU NEED TO BE PROACTIVE AND ENSURE THAT YOU TAKE AN INTEREST WITH INDIVIDUAL OWNER'S ACCOUNTS.

Make sure you regularly review them with the racing secretary or accounts manager. Ensure that there is a clear line as to who is responsible for chasing invoices and whose responsibility lies where – secretary, accounts person, trainer - and ensure it gets done.

10. Under the NTF Legal Assistance Scheme, you have 90 days only from the due date of invoice to notify the insurers of the claim; otherwise it may be too late. If in doubt notify and notify sooner rather than later. See the timeline example below.
11. If your debt fell due for payment earlier than the start of the NTF Scheme on 1 May 2014, then you are unlikely to be covered by the NTF policy. You should check to see if you have your own insurance policies which might cover the claim. Otherwise, refer onto Knights plc who can offer special terms. However, you may wish to notify the legal expenses insurers in any event – Knights can advise on the process.

#### **Other considerations**

12. Try to include a provision in your terms and conditions that payment must be made without deduction or set-off – however, if the owner were deemed to be a consumer under consumer legislation this may be an unfair term. If needed, Knights plc, solicitors to the NTF can advise further on this.
13. Conduct regular bankruptcy searches against owners at random. This is a simple search on the Insolvency Service's website at <https://www.insolvencydirect.bis.gov.uk/eiir/>.
14. Consider at what point it would be appropriate for the horse to either not run until the debt is cleared or for the horse to be changed on to a keep only basis. If this is not specified in the training agreement then you should notify the owner in writing of any action being taken with regard to not making race entries or a move to keep only or any other restriction on services being provided. This should be threatened by letter giving reasonable notice. What is reasonable notice will depend on the facts of the case such as length of contract, number of horses etc.
15. Consider whether after 14 days, you need to invoke the NTF Legal Expenses Scheme for cover. See the time line below.

#### **REMEMBER: Consider other options in the event you are not paid**

1. Asking the BHA to put the owner on the forfeit list where the debt has not been paid for 3 months following the date of dispatch of the agreement. This is a judgement call for you but you must notify the insurers in advance of taking any such action to ensure that the claim is properly notified in case payment is not obtained and you then need to call on the policy. There could be many reasons

Billing and Credit Control including minimum credit control procedures

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why the forfeit list does not work, e.g. the BHA does not exercise its discretion to do so, the owner is placed on it but still does not pay and the horse is sold but there is still some debt remaining. The BHA will not place an owner on the forfeit list where there are ongoing legal proceedings.

2. Selling the horse under the training agreement where the debt has been outstanding for more than 21 days. This is known as a lien and the NTF has a standard clause relating to this at clause 17. Great care must be paid before exercising the lien.
3. Be aware that, under the terms of the ROA/NTF training agreement, clause 18, the Owner disputes the amount claimed by the Trainer or has an alleged claim against the Trainer in connection with any horse or other matter, he can choose to pay the amount claimed to the Joint Account of the ROA and the NTF although you would then be given notice. In such circumstances you would not be entitled to sell the horse, the lien is at an end and the owner may remove the horse on notice.
4. Consider mediation – Knights can assist with this and there is also a list of mediators experienced in bloodstock matters held by the NTF/ROA.
5. Consider terminating the agreement upon 48 hours' notice – 48 hours is the term in the ROA/NTF training agreement.

**TIMELINE under paragraph 11 above**

Invoice promptly – if you invoice monthly in arrears, then invoice for work to 31 July on 1 Aug.

<b>Invoice issued</b>	<b>1st August</b>
<b>Invoice due</b>	<b>31 August (on 30 days)</b>
<b>Statement of account showing all sums due</b>	<b>15 August</b>
<b>First Reminder</b>	<b>31 August (30 days).</b>
<b>Call</b>	<b>31 August</b>
<b>Second Reminder</b>	<b>6 September</b>
<b>Call</b>	<b>6 September</b>
<b>Final Reminder</b>	<b>13 September</b>

**NOTIFY ARAG AND CONSIDER LEGAL ACTION TO RECOVER THE DEBT AND THE OTHER OPTIONS SET OUT ABOVE.**

For further guidance, please contact Brent Williams, Partner, Knights plc:

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