

Letter of Demand - Examples

[last updated May 2016]

The main reason for sending a letter of demand is so that you get paid. A letter of demand is usually the last resort before starting some form of legal proceedings.

The other important part of a letter of demand is that you can use it as the starting point for getting legal advice or sending the debt to a debt recovery firm. To do that, you need to make sure you cover some key information in the letter. The key points to cover are:

- identify who owes the money and to whom
- attach a copy of any outstanding invoices so there is no excuse for not having received them
- identify what the money is owed for, whether that is for services, money lent or something else
- identify the date the money was due and that it is now overdue
- mention that you have made previous requests for payment that have been ignored, if that is the case
- if a payment plan was entered into and it hasn't been met, set out the terms of the payment plan and when that became over due

1. Overdue account

Dear

SUBJECT: OVERDUE ACCOUNT

I'm writing to follow up your overdue account. If payment was made in the last 24 hours, THANK YOU and please disregard this letter.

Attached is a copy of our invoice for \$..... dated

That invoice was for work [*or describe the product or service delivered*] requested by you and completed on

Payment in full of that invoice was due on and hasn't been received. If you have made payment, please send me a copy of the payment receipt so that I can update my records.

Please make sure payment in full is made by, Unfortunately, if I don't receive payment of that amount I will need to consider sending the debt to debt recovery or legal action without further notice to you. If I do that, legal or recovery costs and interest may be added to the debt.

Yours sincerely

2. Overdue Loan

Dear ...

SUBJECT: OVERDUE LOAN

You borrowed \$... from me on with the promise to repay that amount in full on

You haven't repaid any of the loan yet and it is now past the date due. I've tried contacting you about this but you don't seem to be answering my calls or returning my messages.

Right now I need that money. Please get it back to me by You can deposit the full amount into this account:

Bank, account name, BSB, account number

If you don't pay me by then, I will get legal advice about making a claim against you in Court. You might have to pay legal costs and interest as well.

Please call me on ... to let me know when it will be repaid.

Yours sincerely

3. Other paragraphs you might use

- a. To make it easier for you, and without prejudice to my rights to full recovery of the amount owed, I am prepared to accept the amount of \$..... in full and final settlement of the debt if paid in full before*date*.
- b. If I have to commence legal proceedings to get paid, this letter will be included in court documents as evidence of your failure to try and resolve this matter promptly.
- c. You might want to contact a lawyer to discuss your legal rights and responsibilities.
- d. My system shows that you received these invoices on the dates they were issued. You have not raised any problems with our products/services before now and haven't provided any explanation as to why the account hasn't been paid.

End.