

## A Client Balking at a Bill

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Hello all,

Would love to hear how people have handled similar experiences. Have a client that I admire and respect. Have just completed a matter for him and sent a duplicate bill - as the previous one got no response. I received an email this morning in response to my bill saying he was surprised at the amount and saying I had estimated a lower number — I have no recollection of making any estimate and the amount he said I had quoted was far less than I would have estimated in the first place.

He wants to work out a plan, which I am happy to do within reason - I cannot afford to be a creditor to a client for long. But I am concerned that he feels overcharged — especially as I worked more hours than I billed for in the first place. I don't want to get too defensive - but really!

Any thoughts or war stories appreciated.

many thanks,

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I usually make a much bigger deal out of a client balking at a bill than it really is. Once I explain the hours I spent on his matter, the hours I didn't charge, what others may have charged, the client is usually very agreeable. On other hand, every once in a while, you get a client who will never be happy with what you charge him.

In your case, I suggest a friendly phone call to the client, explain why you charged what you did, how you didn't charge him for X hours, and maybe give him a small discount if he is a really good client and you want him to keep him happy?

Mike

Michael A. Blake, Connecticut

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I hope you're doing well.

My advice is to stand by your bill and only make a payment arrangement that works for you. I realize it may be difficult to do that with a client you admire and respect; however, if the client is referencing an estimate that you never offered and is asking you to discount your fees for less time than you actually spent working on the matter, it sounds like the admiration and respect are only going one way.

That being said, only you know the complete circumstance. I'm sure whatever decision you make will be the correct one.

Regards,

John Yoak, Florida

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This is why I always try to include all of my time on the bill. I'll zero out portions of it, but I show it anyway because I want them to see right off the bat how much they received for free! And, in an effort to encourage people to pay, I've started included a 10% discount on bills that are paid within 15 days.

Letisha Luecking Orlet, Illinois

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It's just me, but if the client were local, I'd drop by in person to discuss with him. It's harder for people to look you in the eye and say the same things they will say by email.

However, my approach would be something like this:

"Mr. Client, I very much value you as a client. The relationship between an attorney and her client is a special one that involves a lot of trust. When I got your email, I was immediately concerned that the misunderstanding between us could injure our relationship.

"Please allow me to explain my bill in detail. <explain> That's why the bill is the amount that it is."

The next part is high risk, and I've only had to do it once or twice, but it has never failed me.

"Mr. Client, to prove that I am sincere, if you think that I have overcharged you, why don't you pick a number?" Go with that number.

Alternatively, if you're not ready for that one,

"Mr. Client, based on the information we've discussed, what do you think a reasonable amount would be?" Whatever he says, be prepared to demonstrate why the number is too low.

At this point, you'll know whether the client is worth keeping.

YMMV

Mike Phillips, North Carolina

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I have an institutional client I've represented for many years. They question something on a bill so infrequently that, if they ever raise a question, I immediately just ask what they want to do, and I do it. That is clearly at one end of the spectrum.

In your case, unless you think the client is intentionally trying to play games, approach it as an honest issue he has

(I find it useful to turn the tables, since each of us is the very definition of honest and reasonable. If you bought a service that you thought would cost you \$x, and it in fact cost \$2x, would you be pleased if the server told you that he always said it could cost more than \$x, so you just need to shut up and pay \$2x? I didn't think so).

So what you need is a discussion. Listen to what he has to say. What was it about your initial interactions that gave him the idea that the price would be \$x (his comments could help you avoid similar confusion by future clients). Was he in the loop along the way about the expansion of the scope of the job, or the increased difficulty of the job? Did he complicate the job or ask you to do more? If you and he have regularly communicated along the way, and especially if you've sent him bills along the way, you can likely convince him that he understood the job was getting more expensive. Maybe he'll convince you that your communication was somehow lacking.

If you conclude that he doesn't really object to the amount of the bill, but really is looking for more time to pay, then consider an appropriate arrangement. It may make a difference whether he's short on cash because he just took his family on a round-the-world cruise, or whether he just got laid off.

A couple of general principles I like to keep in mind:

1. Reasonable people should be treated reasonably. Fair people should be treated fairly.
2. A contract provides certainty in the event of a fight. That doesn't mean that you are morally bound to enforce the terms of your contract no matter what. In fact, it's often reasonable and fair to agree to a change after the fact.
3. How much good will do you think you will get out of cutting this client some break? How much do you think you would have to pay someone else to drum up that good will for you elsewhere? Is what the client is asking you to do a very cheap form of very effective marketing? If \$100 is the difference between a client loving you forever and telling everyone you are a cheat, don't you think the \$100 is well spent?

Patrick W. Begos, Connecticut

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Timely payment discount 2nded.

Conor Malloy, Illinois

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## SoloSez Popular Threads, December 2013

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Guy offering to do payment plan is more likely strapped than truly unhappy. I'd work with him--not make much effort to discuss bill.

John Page, Florida

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There is a lot of good advice here. I also like to state very clearly and bold it in the legal services agreement that I make no representations about the amount of fees that will be incurred relating to the case so it is clear that I am not providing any estimates of fees. Also, rather than offer a payment plan, I offer to take credit cards. The client can then decide how to much to pay his CC company and when, so he can create his own "payment plan" of sorts. I would rather pay the 3% credit card fees than be a creditor. I like Letisha's 10% discount for early payment idea. However, I would limit early payment to checks b/c if I accept CCs for early payment, too, that's 13% I have absorb.

Tracia Y. Lee, Texas

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So he's already had 30+ days to cogitate on the bill, but he never bothered to mention his concern. I would have to counter with, "I wish you had called me when I first sent the bill in early November. Although I typically do not estimate costs for potential clients, I know that most clients do not know how much 'behind the scenes' work I do on their matter until they see their first statement. I reviewed all the statements I sent to you to make sure I had not duplicated any entries. All the statements accurately reflect the time I spent on your case, including researching the latest court decisions that support your position...."

CJ Stevens, Montana

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As a rule, I would say always show all your work on the bill and courtesy charge or discount anything you don't think they should be billed for. Some free work on each bill is one way of building loyalty.

First I would look at my own actions. Was there anything I said that might have given client the wrong expectation? Did I let a few months go by without sending a bill so client was hit with a big bill all at once? Is the bill really fair without duplicative or inefficient services, or billing at attorney rates for clerical work? Then I would look at the client. Has client been a jerk or unhelpful all along, or was client a joy to work with? How valuable is this client's good will to you? Is the client in a position to give you more business or provide referrals? Will they badmouth you if they aren't happy? If it's a good client or your hands are less than clean, I would offer a reasonable discount and a payment plan ("I don't normally do this, but because you have been such a good client and I don't want there to be any misunderstandings between us...")

Chandra Lewnau

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As you know, I've completed a matter for you. As you know, I paid you the professional courtesy of doing it on a "billable" basis, rather than an "up front retainer" basis. Also, because of our longstanding relationship, I actually reduced the bill somewhat before I sent it.

You seemed happy with my services at the time; I resolved it as predicted; and you've had the bill for \_\_\_\_\_ without making a comment.

Yet you haven't made a partial payment or asked me to give you a payment plan. To my surprise, you appear to be withholding payment on the entire bill and demanding, for the first time, that I significantly reduce it.

This is confusing to me. Is there some problem which is causing this radical change in behavior? Is there some reason why you haven't paid me a dime?

Erik Hammarlund, Massachusetts

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a lot of very good advice here. the first mistake was not showing the full amount of hours on the bill. doesn't mean you have to charge for the full amount, but showing it and then providing a discount would have put you in a very different position than you find yourself now. best thing i can recommend to anyone, is to read "how to start and build a law practice" by foonberg. don't know if it's still in print, but if not go on amazon and find a used copy. it is gold. i often use the trust argument to frame the discussion. do you trust that i would not over bill you? if the answer is no, then you really don't have a client anymore. negotiate the best settlement you can, lick your wounds and after the check clears, inform the client that they can never come back to you. don't laugh. i've had clients pay up in full when told that and i've had others contact me down the road and when i reminded them they paid up in full and provided a large retainer as well. good luck.

Peter Turai, New Jersey

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