

COURSE CREATORS: HOW TO DEAL WITH STUDENTS WHO DON'T PAY – INCLUDING SWIPE COPY!

Do you sell your online course on a payment plan? For my clients with six- and seven-figure online course businesses, the answer is always YES.

Even if you're just starting your course business, you will likely deal with students who stop paying on their payment plan.

This guide will walk you through, step by step, how you might approach customers who stop paying on their payment plans to get those payments rolling again.

STEP 1: Payment method (credit or debit card) declined

Depending on the size of your business, either you or a team member can reach out to the customer by email, or you might use a service that contacts your students for you, like Gravy (www.allgravy.io/). I like to presume it's an honest error (credit cards do expire) in the beginning and take a nice tone, giving the customer the benefit of the doubt.

Example:

Subject: Action Required: Payment declined for [course name]

Hi [student name], we noticed the card we have on file was declined on your payment for [course name], which was due on [DATE]. Please [log in / give other way to update it] with a valid payment method as soon as possible to avoid any interruption in your access to course content.

If you need assistance with our payment portal, please contact us at [email / phone #] and we will assist you with paying your overdue balance immediately.

We look forward to your prompt payment so you can continue learning from [course name].

STEP 2: No response to Step 1 – access to course will be terminated

Feel free to skip this step if you want to go right to terminating access to the course. If you want to give one more chance before terminating access, you can take a similar tone (we are all drowning in email) to Step 1 but make it clear that if the payment information is not updated by a certain date, in accordance with the Terms of Use** they agreed to, they will lose access to all course materials, any private community or forums, etc.

***You did put a term about terminating access if a student fails to pay in your TOU, right? If you need help with your TOU, [you can download our customizable Terms of Use template and other key documents every course creator needs at www.onlinecourselegal.com](http://www.onlinecourselegal.com)*

Example:

Subject: SECOND NOTICE - Action Required: Payment declined for [course name]

Hi [student name], this is your second notice that the card we have on file was declined, and you are now overdue on your payment plan for [course name], which was due on [DATE]. Please [log in / give other way to update it] with a valid payment method by [DATE] to avoid any interruption in your access to course content.

If we have not received payment by [DATE], in accordance with the Terms Of Use to which you agreed when you signed up for our program, we will terminate your access to the Program and all Content immediately and permanently.

If you need assistance with our payment portal, please contact us at [email / phone #] and we will assist you with paying your overdue balance.

We hope to continue serving you and thank you for being a student in [course name].

NOTE – if you are open to negotiating a lower payment or longer time period in order to get paid, you can include this language or similar:

We understand sometimes life throws us curve balls that makes it difficult to meet our financial obligations. Please contact us at [email / phone #] to discuss arrangements to pay your overdue balance.

STEP 3: No response to Step 1 or 2 – actually terminate access to course but payment still due

This is the most difficult step because threatening to take away access to the course did not work, but you still want to collect on the payment plan if possible. The goal is just to get the person to respond so you can talk about payment terms. (The wording below is written for two prior notices; edit if you only sent one.)

Example:

Subject: FINAL NOTICE - Action Required: Payment declined for [course name]

[Student name],

You have not replied to our previous communications and have not submitted the required payment on your payment plan for [course name] that was due on [DATE]. Because you failed to make a required payment on your overdue account after receiving two reminders, we have now terminated your access to the Program and all Content.

[if you want to give a grace period to fix this] If this was in error, you may [log in / give other way to update it] with a valid payment method by [DATE] and we will reactivate your access to the course content.

When you agreed to our Terms of Use, you agreed to pay for the entire cost of the program, in full, even if you voluntarily withdraw from the course. We hope to avoid [choose one - sending your claim to collections / notify all three credit reporting agencies / for a high-price offering – contacting our lawyers], but will have no choice but to consider all of our legal options if we do not [if you are open to negotiate: hear from you or] receive payment immediately.

Please contact us at [email / phone #] to discuss this issue as soon as possible. Thank you for your prompt attention to this urgent matter.

Step 4: No response to Step 1, 2, or 3 – try a phone call

Sometimes just having to talk to a real person changes the dynamic, as opposed to email. The goal is to get the student to pay you something, even if it's not the full amount, or on a longer payment plan if necessary. You can use a similar script to Step 3, but do it on the phone or leave it on a voicemail. The result you want is for them to contact you to make arrangements to pay, so don't forget to leave an email or phone number where you can be reached and tell them they must contact you ASAP.

Step 5: Hire a collections agency or lawyer to write a collection letter or file a lawsuit

This is a last resort and only makes financial sense for large unpaid balances, since a collections agency or lawyer will charge you a fee or take a percentage of any amount they are able to collect. But, if the unpaid amount is large enough, it makes sense to look into these options.

Ready to get your online course business legal? We've got you covered.

Our customizable Online Course Protection Bundle includes:

- **the five key legal documents every course creator needs –**
 - **Website Terms and Conditions**
 - **Privacy Policy**
 - **Online Course Terms of Use**
 - **Independent Contractor Agreement, and**
 - **Affiliate Agreement**
- **step-by-step video guides to help you fill out your documents**
- **bonus resources to help you protect your brand and content**
- **ongoing support in our Legal Road Map® Facebook group to answer your questions**

The Online Course Protector Bundle is available for immediate download here: www.onlinecourselegal.com



Autumn Witt Boyd is an experienced intellectual property lawyer who helps high-achieving, ambitious entrepreneurs reach their big goals. The AWB Firm is the go-to for businesses selling online courses, digital downloads, and online tools for business. Autumn has helped Amy Porterfield, Being Boss, Melyssa Griffin, and many more grow and protect their online empires.

Autumn also hosts the Legal Road Map® podcast, which teaches business owners how to protect their rights and stay out of legal hot water. She lives in Chattanooga, TN with her husband and three kids.

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