

# Formal Demand Letter Template

A professional, jurisdiction-neutral formal demand letter – the step between payment reminders and collections escalation. Replace the `{{tokens}}` with your invoice and account details before sending. Customization guidance is below.

## The letter

[Your Name]  
[Your Address]  
[Your City, Postal Code]  
[Your Email Address]  
[Your Phone Number]  
[Date]

[Recipient Name]  
[Recipient Address]  
[Recipient City, Postal Code]

### FORMAL DEMAND FOR PAYMENT

**RE: OVERDUE INVOICE `{{INVOICE_NUMBER}}` – FINAL NOTICE BEFORE ESCALATION**

Dear `{{customer_name}}`,

This letter serves as formal notice that invoice `{{invoice_number}}`, issued on `{{invoice_date}}`, in the amount of `{{amount}}`, remains unpaid as of `[today's date]`.

#### INVOICE DETAILS

- Invoice Number: `{{invoice_number}}`
- Original Due Date: `{{due_date}}`
- Days Overdue: `{{days_overdue}}`
- Amount Due: `{{amount}}`

- Current Date: [today's date]

Despite multiple previous requests for payment (dated [dates of previous reminders]), no payment has been received and no satisfactory explanation or repayment arrangement has been agreed.

### CONTRACTUAL BASIS

This invoice arises under the terms agreed between the parties on [contract/order date]. Payment was due within [agreed terms], and you have failed to meet this obligation.

### FORMAL DEMAND

I hereby formally demand payment of the full outstanding amount of **{{amount}}** within **7 calendar days** of the date of this letter (by **{{payment\_deadline}}**).

Payment should be made to:

[Your business name]

[Payment details: bank account / payment method]

If payment in full is not received by the deadline, or if you do not contact me within this period to agree a satisfactory repayment plan, I will escalate this matter without further notice. This may result in:

- 1) Referral to a collections agency, which may add recovery costs to the balance owed
- 2) Statutory interest and debt recovery fees (where applicable under law)
- 3) Legal proceedings to recover the debt
- 4) Impact to your credit rating

### RIGHT TO DISPUTE

If you dispute this invoice or have a valid reason for non-payment, you must notify me in writing within 5 days, providing supporting documentation. Failure to respond will be taken as acceptance of the debt.

### COMMUNICATION

If you need to discuss this matter or propose a repayment arrangement, please contact me immediately:

[Your phone number]

[Your email address]

I prefer to resolve this matter directly and amicably. However, if payment or contact is not received within the stated deadline, escalation will proceed automatically.

Yours sincerely,

{{sender\_name}}

{{sender\_title}}

{{company\_name}}

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This letter is written without prejudice and in a good-faith attempt to resolve an overdue account. It should be retained as evidence of demand and proof of payment status.

## How to send it

Delivery method matters. Use one of these so you have proof the customer received formal notice:

- Send by registered mail, courier, or email with read receipt enabled so you have proof of delivery.
- Keep a copy for your records and file with other correspondence on the account.
- Note the date sent and method of delivery – this is important if the matter escalates to formal recovery or legal proceedings.
- Do not send from an anonymous email or untracked method; you need evidence the recipient received formal notice.
- If you send by email, follow up with registered mail to a physical address on file if the email bounces or is not acknowledged.

## Before you send: adapt to your jurisdiction

### ADAPT THIS TEMPLATE TO YOUR JURISDICTION:

This template uses neutral language suitable for most English-speaking jurisdictions. However, payment terms, statutory interest rates, and recovery procedures vary significantly by location:

- **United Kingdom:** This letter aligns with Late Payment of Commercial Debts Interest Act 1998. You may add statutory interest (8% + Bank of England base rate) if permitted by contract.
- **European Union:** Late Payment Directive (2011/7/EU) allows interest accrual from the due date. Rates and procedures vary by member state.
- **United States:** Terms vary by state. Some states cap interest; others require specific language for acceleration or waiver of future claims. Consult your contract and state law.

- **Australia:** Interest and recovery options depend on the contract and state law. Check the relevant state's commercial tenancy or contract enforcement rules.
- **Canada:** Similar variations by province. Interest rates and collection procedures are subject to provincial law and your commercial agreement.

**Before sending,** review your contract and local laws to confirm:

- 1) Whether interest or late fees are permitted under your agreement
- 2) Whether the letter must include specific legal language for your jurisdiction
- 3) Whether a formal demand letter is a required step before escalation
- 4) What statutory protections apply (unfair contract terms, consumer protection, insolvency)
- 5) Whether you need a lawyer to review the letter

When in doubt, have a lawyer in your jurisdiction review the letter and your collection strategy before sending it.

### **Stop chasing payments manually**

collect.ac automates your entire collection sequence and never exceeds what your contract allows. Try it free at collect.ac.