

Making creditors honest

A new website promises to name and shame

Rob Bates

CHASING clients for overdue payments is a daily burden for thousands of Australian small businesses and if the debt is less than \$10,000 there isn't much they can do to recover it.

Fed up with being a victim of bad debtors himself, Paddington entrepreneur Colin Porter developed the CreditorWatch website to hold them accountable.

Launched late last year, the site lets businesses name and shame bad debtors, monitor other businesses' payment histories and warn clients to pay promptly.

"The industries hardest hit are IT consulting, construction and wholesale, but there's a flow-on effect so that when one company doesn't pay, another has that cash flow problem," Mr Porter said. "Some say the average payment delay is 55 days, but small business debtor lists can run at 90 days plus."

Mr Porter said thousands of members were simply using the CreditWatch logo on invoices and email signatures to warn clients, but that hundreds of bad debtors had already been exposed.

He said thorough checks preceded all postings on the site and that copies of outstanding invoices were always uploaded.

"The default isn't removed from the site when a debt is paid, but it does show that it has been settled and how long it took," he said. "Chasing money can be an absolute nightmare. It wastes so much time and people just say 'it's a fact of business', but it doesn't have to be that way. Banks don't allow it. They've got great mechanisms, so small businesses need them too."

Membership to CreditWatch starts at \$24 per month after a three-month free trial.

-Business: page 23

For more information visit www.creditorwatch.com.au.



Colin Porter has set up CreditorWatch, a website which names and shames bad debtors.

Picture: JOHN APPELYARD