Credit card mythbusting: Four reasons law firms still resist online payments

By John Lehman

Credit cards have officially become the preferred way to pay, with people able to make purchases practically wherever they are thanks to smartphones and laptops. While this has been great news for most industries, some lawyers and other professionals are still hesitant to jump on the bandwagon, for a variety of reasons. In this post, we’ll dispel four common misconceptions about accepting credit cards online as payment for legal services.

“Credit cards are too expensive.”

There’s no denying it – if you accept credit cards as payment for your services, you’ll have to deal with credit card processing fees. Why? Plain and simple, there’s a cost to move money in our financial system. Either way, more and more professionals accept that this is simply one cost of running a modern business today. After all, wouldn’t you rather get paid instantly via credit cards instead of waiting for a check to arrive several days later – or worse yet, not at all? The impact of faster payments and increased cash flow offsets late payments and the processing fees associated with credit cards.

In fact, lawyers who have made the switch to online credit card payments have told us that, in actuality, the time they save is much more valuable than the fees they pay.

“Online payments will only make my practice more complicated.”

You might think adding another way for your firm to get paid will come with a learning curve. The truth is, however, a good online payment solution will actually make running your practice easier than before! By accepting online payments, you’ll be able to quickly send your bills via email and your clients will be able to pay you instantly – no more waiting for checks to arrive in the mail. After using LawPay, Cheryl Ischy, a legal assistant at the Law Offices of Claude E. Decloux, told us, “I sent out bills first thing in the morning and over half were paid by lunch! LawPay made my day!”

“My clients have no desire to pay me with their credit cards.”

Think about the world we live in today. More and more customers are shopping online for everything from clothes to paper towels to cars. Ecommerce giants like Amazon and Ebay have completely changed how people prefer to shop and, more importantly, how they prefer to pay. You won’t find a “mail check” option on their websites. In fact, a recent study showed that as much as 75 percent of customers prefer to pay with a credit or debit card. Studies have also shown that 74 percent of households are now paying all of their bills online, and over half of consumers today don’t carry checkbooks (or rarely do).

The bottom line? Your clients would love the opportunity to pay for your services with their credit cards. Allowing them to make payments online with a few clicks of a button will make it easier for them to pay you, which leads to fewer late payments and more satisfied clients overall. It’s a win-win for both of you.

“I can’t accept credit cards and maintain IOLTA compliance.”

We hear you. You’re concerned about how credit card payments would work in light of the ABA Model Rules of Professional Conduct.

According to Rule 1.15, lawyers must be careful to ensure earned funds are deposited into an operating account, while a client’s funds go to a trust account. When accepting cash, checks, or other traditional forms of payment, it’s simply a matter of depositing the funds in the right place, but how does this work when using a credit card?

This is how an online payment solution designed specifically for legal professionals can make credit card payments both easy and ethical. For example, when payments are made through LawPay, your earned and unearned fees are always separated and deposited into their proper accounts. You can also rest easy knowing that LawPay will never allow any third-party debiting to occur from your IOLTA account.

If you want to accept credit cards without getting into hot water, your best bet is to use an online payment solution that
understands the legal industry and was built from the ground up to anticipate and accommodate your needs.

These days, accepting online credit card payments is an essential part of running a modern law firm. Thankfully, it’s not only easier than ever to offer this option, but the benefits are overwhelming – simpler workflows, increased cash flow, better productivity in your firm, and best of all, happier clients who pay on-time and more frequently. What more could a lawyer ask for?