



# Article Side

Is a verbal agreement binding? by [Sean Burke](#)

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Legal contracts and agreements can be confusing, whether you run a small business or you're a home owner paying someone for simple goods and services. And while many corporate contracts are cemented on paper, informal agreements are usually made verbally. For example, if you're a web designer, you might verbally agree to build a website for a friend at a cost of £300. Once the project is completed, your friend may withhold payment or simply ignore your phone calls. So is your verbal agreement binding? Legally, it is " though it may be hard work to recoup your money.

Essentially, a verbal agreement is binding provided that an agreement was reached between the two parties as to what services would be provided and for how much. A verbal agreement may constitute a face-to-face exchange, a telephone conversation or an email. Certain contracts must be written down to be binding. These include: agreements to sell property (including tangible goods like a car or a PC), real estate, tenancy agreements, transfer of copyright, contracts for consumer credit, and projects that will take more than a year to complete. However, for a simple exchange of services " like building a website " a verbal agreement is binding if it can be proven in court.

If you're a service provider " for instance, a freelance developer or a technician " and you're trouble getting a client to pay you, there are ways to enforce your verbal agreement. First, apply pressure to the person with whom you made the verbal agreement. This may be done in the form of daily phone calls, letters and emails. You may also wish to escalate the issue with the company by speaking to the person in question's manager. If this has no effect, consider passing the matter on to a collection agency to recover the debt on your behalf.

If you're still awaiting payment after taking these measures, seek the advice of a solicitor with experience in resolving employment disputes. An established solicitor should be able to advise you on the best course of action and apply pressure to the company or person at fault to pay you. In most cases, the threat of legal action is enough to make someone pay what they owe " especially if the legal fees incurred by going to court eclipse this amount. However, if you choose this route, ensure that you have sufficient evidence that a verbal agreement was reached as your claim will not be upheld in court if you cannot prove it.

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The author of this article is a part of a digital marketing agency that works with brands like Shoosmiths. The content contained in this article on a [employment disputes](#) is for information purposes only and should not be used to make any financial decisions.

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