How to Choose a Law Firm Credit Card Processing and Debit Card Processing Provider

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When it comes to accepting card payments, firms that leverage plastic as a payment method win. According to *Clio's 2019 Legal Trends Report*, firms that accept card payments get paid faster—57% get paid the same day they are billed, and 85% get paid within a week. Debit and credit card payments are convenient for clients, and they're easy to set up and track, meaning that firms who accept them provide more client satisfaction while spending less time on administrative tasks.

But as recently as 2017, only 15% of solo and small firms were accepting card payments.

Law firm credit card processing and debit card processing does come with challenges. Firms need solutions that integrate with their billing and accounting processes, and lawyers are bound by strict compliance regulations—especially for client accounting. But with the right law firm credit card processing provider, the benefits far outweigh the risk.

Lawyers who accept debit and credit cards and other online payments save valuable time otherwise spent tracking down payments and processing cheques. And not only is it more efficient—many consumers expect to purchase anything and everything online. Requiring clients to physically appear in person to hand over their payment, or buy a stamp and put a cheque in the post, can harm client satisfaction.

Before you can start accepting online card payments, you'll need to pick a law firm credit card processing and debit card processing service for your firm. Ideally, you would choose one that specialises in card payment processing for lawyers. Here's how to choose the best one.

Can law firms charge card processing fees?

In some jurisdictions, it's permissible for lawyers to pass on card processing fees to clients. However, in the UK, it is not permissible for businesses to charge fees when someone uses a particular debit or credit card. A reversal of previous ethics opinions has happened. It's best to accept these fees as the cost of doing business.

Debit Card and Credit Card Processing for Law Firms — 4 Things to Consider

1. Ethics rules for client accounting

For many business owners, choosing a payment processing provider is as simple as comparing a few of the top players—PayPal, Stripe, and Square, for example—and deciding what's best for them. Law firm credit card processing and debit card processing, however, is not as simple. When accepting card payments, several ethics rules come into play. Lawyers need to ensure that their card processors will keep them compliant.

Specifically, lawyers need to consider the potential for chargebacks on client accounts. If a client disputes a charge that results in a chargeback, and the credit card company withdraws money from a client account, this may add to an ethics violation.

Law firms need a secure law firm credit card processing system—one that does not allow chargebacks on client accounts and does not take fees from client accounts.

A solution like Clio Payments ensures that you have separate operating and client accounts and that card processing fees are deducted from your operating account only. You'll never have to worry about an inadvertent ethics violation if you choose the right law firm debit and credit card processor.

Note: Aside from client accounting ethics, you'll need to ensure your firm is PCI Compliant.

2. Pricing

Legal-specific card processors eliminate ethics concerns for lawyers by taking extra precautions that regular merchant card processors don't. Does that mean that lawyers need to pay a premium for this service?

Actually, no. It's true that you might pay a small monthly fee that you otherwise wouldn't with non-legal-specific debit and credit card processors. However, your overall transaction costs will likely be lower with processors like Clio Payments.

Here's a more in-depth breakdown of pricing:

Monthly Fees

Most credit card processors do not charge a monthly fee. Still, Legl charges users £20 per month for an account while LEAP charges £7.50 per month through their RapidPay integration.*

However, when you use Clio Payments, there is no monthly fee, as this feature is included with Clio Manage subscriptions.

Some law firm credit card processors and debit card processors charge lower per-transaction fees but make up the difference by charging a monthly rate to cover standard charges from card companies.

Per-transaction fees

Clio offers simple and transparent pricing with no monthly fees and an upfront per-transaction fee. Not all payment processing solutions for lawyers are the same. Most providers charge both on a monthly fee basis and charge per transaction. It's up to you to find the balance between monthly fees and per-transaction fees that works best for you and your firm, but do ensure you compare all fees charged by potential providers.

Accepting debit and credit cards at your law firm through Clio Payments can help you get paid faster and collect more. Angie Calliou, CEO of Advantage Virtual Services Ltd. highlights the benefits of choosing a good credit card processor:

> "Clio is always on the leading edge of providing client-centred services and the newly integrated Clio Payments is a great way to provide flexible payment options for your clients."

3. Integration—ensure online payments fit into your firm's workflow

Ethics and pricing considerations aside, you'll want a law firm credit card processor and debit card processor that genuinely works for your firm. Most of the card processors mentioned above allow for customisable invoices, which is a must for keeping up a professional image for your firm.

When considering card processing for lawyers, it's imperative to think about how your chosen solution will impact the other tools you already use. If you're keeping multiple windows open and entering the same information into different programs, you're wasting valuable time on a rote task—and increasing the chance of human error.

The ideal solution will be built in directly to your practice management software so that you can handle your payments and keep your records up to date in one place. Clio Payments is one such solution, as it allows you to bill clients and track payments from directly within Clio.

4. Beyond the debit or credit card—additional payment options

40% of UK consumers researched by Clio, said they would opt not to use a law firm if they could not use a simple online payment method, while 50% of those who had previously used a law firm reported that they were not given the option to pay with a debit card.

Accepting digital payments beyond debit or credit cards is integral to growing your business and prioritising your clients' experience. While entering in debit or credit card details are the most popular ways to pay, clients are increasingly choosing to pay using Apple Pay and Google Pay, as well as by bank transfer. When investigating law firm credit card processing and debit card processing solutions, look for a solution that accepts multiple payment methods. The more options you offer, the more ease and convenience your clients will feel.

When you activate Clio Payments—you'll have the power to accept debit and credit cards, Apple Pay and Google Pay, and Pay by Bank transfers safely and securely.

You're ready to choose the right law firm credit card processing solution

When it comes to your law firm, every pound counts. Accepting online payments with the aid of technology like Clio Payments is an easy way to keep clients satisfied and ensure you get paid quickly. Do your research; debit card and credit card processing for lawyers is possible and can be highly beneficial to your firm. And the right solution is out there for you and your team.

**Note: The rates listed are taken directly from the payment process providers' respective websites and are current as of 24 May 2023. Clio Payments is available to customers in the UK*

About Clio

Clio is the global leader in legal AI, powering legal work across the profession, from law firms of every size to corporate legal teams, government agencies, and courts. Its Intelligent Legal Work Platform unites the business and practice of law, connecting the people, information, and processes behind legal work. Clio's AI brings the context together with legal sources drawn from Clio Library, a growing collection of more than one billion legal documents. Over 400,000 legal professionals in more than 130 countries rely on Clio to run their legal world. Learn more at www.clio.com.