

3 KEY STEPS FOR HANDLING A BUSINESS DISPUTE DURING THE COVID-19 PANDEMIC

The COVID-19 pandemic has created chaos for many businesses and during these challenging times, you are more likely than usual to end up in a commercial dispute.

This factsheet sets out the essential steps you should take to resolve a dispute.

1. UNDERSTAND YOUR LEGAL POSITION



To assess your legal position you should:

- **Gather all relevant documents** that relate to the dispute, such as contracts, invoices, bank statements and email or other written correspondence with the other party.
- **Closely review any relevant contracts** and clauses that may apply. For example, is there a clause that covers unforeseen situations?
- **Review any relevant laws, regulations or codes of conduct** that apply to your area of business. Check the latest COVID-19 announcements or legal updates that may impact your liability or entitlements in relation to the dispute.
- **Talk to a lawyer** if you are not clear on your legal position. A lawyer can also help with strategy and options to resolve the dispute.

2. COMMUNICATE CAREFULLY



Many commercial disputes can be quickly resolved by prompt and reasonable communications with the other party.

Disputes often result from a misunderstanding, so an **initial phone call or email** can be helpful. If your business is affected by COVID-19 explain this to the other party.

If a call or email does not resolve the issue, the next step should be written communication. In that, you should:

- set out your position in the dispute;
- make clear whether you are responding to a claim by them; or
- initiating a claim against them.

Everything you say or write in the early stages of a commercial dispute (, unless it is marked 'without prejudice'), can end up as evidence. So, carefully consider how you go about all communications.

3. MEDIATE AND NEGOTIATE



Make every effort to reach a commercial resolution of the dispute and avoid legal proceedings if you can.

Going to court is expensive, time-consuming and stressful, all of which can impact your business.

Keep an open mind about settlement options, even if they may involve a compromise on your position, such as accepting payment of a debt by instalments.

Mediation is an effective way for parties to resolve disputes. You can do this informally or with the assistance of an independent mediator.

