

Legal Payment Processing is Changing in 2021 – Six Reasons Why It Took So Long

In virtually every other industry, credit cards are inarguably the preferred way to pay. Debates about the security, efficiency and management of credit card payments ended years ago as new technologies emerged to address these concerns. Yet, even with this widespread acceptance, the legal industry remained in debate about the appropriateness of credit card acceptance by law firms. It took the disruption of a global pandemic to make the value of electronic payment methods crystal clear.

As we move through 2021, we can see the legal payment processing landscape changing, but why did it take so long? Here are six of the most common reasons:

Reason #1 Resistance to Credit Card Processing Fees

Many lawyers hesitate to accept electronic payments because of the costly fees that are often attached. When accepting e-payments, firms may find themselves hit with fees from the credit card company, the bank, and the processing company. Viewed collectively, these seemingly small fees can quickly add up to a significant cost. There is no way to completely alleviate the cost of accepting electronic payments, but there are ways to handle these fees in a financially prudent manner.

Law firms should view these fees as a necessary cost of doing business in today's environment. Yes, there are fees associated with moving money within the financial system from one bank to the next, but the benefits of that movement far outweigh those costs. Faster payments through instant

credit card transactions improve cash flow and collection rates, which can easily offset the associated fees.

In addition, by taking the time to research and choose the most affordable credit card processing service, law firms can significantly reduce some of those associated fees. For example, firms should choose platforms that spell out all fees upfront. Full transparency lessens the likelihood of surprise costs on the backend. With the right payment processing platforms, law firms can better forecast payment processing costs and account for them.

Reason #2 Complication Fears

Many lawyers resist e-payment options due to a lack of understanding about the process of setting up and maintaining a credit card processing system. In reality, an effective electronic payment solution makes law firm management easier and more efficient. Firm members can quickly create invoices, send them, and collect payment in a streamlined manner.

Again, this is where research and informed decisions come into play. Firms should choose a processing company that handles virtually all aspects of the application from beginning to end. This level of service provides the ability to transition to e-payment solutions without interrupting practice services.

Fears about the complication of these processes are also unfounded. There is a learning curve, but once again, the right payment processing company fills that gap by providing the training that a firm staff needs to get up and running on all payment collection features. That includes the creation of client payment portals and setting up a payment option on your website.

Reason #3 Compliance Concerns

Within the legal community, compliance with the ABA Model Rules of Professional Conduct is of utmost importance. According to Rule 1.15,

lawyers must take steps to ensure earned funds are deposited into an operating account, while a client's funds go to a trust account. With traditional forms of payment, like cash and checks, making this differentiation can be as simple as making two separate deposits, but how does it get accomplished when accepting credit card payments?

This is why law firms need credit card processing platforms that are specifically designed for the specific needs of the legal industry. Platforms like TimeSolvPay have systems in place to make credit card payments as ethically compliant as they are easy. Funds are deposited into the appropriate accounts with no worry of comingling or third-party debits.

Reason #4 Ties to Tradition

One of the main reasons that law firms have been slow to modernize their payment processes has been the legal industry's deep ties to tradition. Credit cards are sometimes seen as a "less than" payment option that is not appropriate for the distinguished nature of the legal industry. Traditional forms of payment have been the norm for the legal industry and some attorneys feel very uncomfortable about making a transition.

But this type of thinking contradicts what we actually see within the marketplace. Legal clients are consumers and consumers expect the ability to pay for services with electronic payment methods. They do not want to write checks or go to the bank and retrieve cash. In fact, the argument could be made that by not accepting electronic payment methods, law firms can appear unprofessional and outdated.

Reason #5 Underestimating the Value of Credit Card Payments

By focusing on tradition and succumbing to the fears of trying something new, law firm leaders greatly underestimate the benefits of electronic payment processing. Studies show that more than 70% of consumers prefer to make payments with a credit or debit card. They overwhelmingly make payments online and leave their checkbooks at home.

Law firm clients want firms to accept electronic payments. It provides them with a quick and easy way to pay invoices, which translates into faster payments for the firm. In addition, those credit card payments are immediately seen in the firm accounts instead of having to wait for checks to clear. With credit card acceptance, law firms benefit from greater cash flow, improved collections, efficient processes, and better reporting capabilities.

Reason #6 – Security Concerns

Law firms have a duty to keep client data secure, and that extends to sensitive payment method data. But the assumption that electronic payments are generally insecure is a wrong one. Most legal online payment solutions offer top-notch security in the form of Payment Card Industry (PCI) Level 1 certification, which is the highest security designation possible. These platforms are constantly updated with the high-level security measures that firms routinely have no access to. With a quality electronic payment platform, law firms benefit from the consistent attention of a skilled security expert keeping their client payment information safe and secure.

It's Time to Put these Fears to Rest to Change Legal Payment Processing in 2021

There is no more time for debating the appropriateness of accepting credit card payments within the legal community. A modern law firm must implement these options in order to remain relevant. To learn more about TimeSolvPay, click this [website link](#) for a detailed explanation.