

Contracting mindset tips: Agencies & clients can't change terms & conditions at will

As a contractor, you have a contract that details exactly what service you provide to your client. A contract is a legal agreement, so your client or agency cannot decide they want to change the terms and conditions at will – they must negotiate with you first.

Does your electrician clean the toilets?

You've just hired a builder to install your new kitchen and you've signed a contract agreeing to pay them £1,000 a week for three weeks. But come week three, you decide that £800 is a better price. Is your builder going to agree to complete the kitchen and let you get away with it?

The contract with your nanny clearly states their working hours are nine in the morning until five in the afternoon. You tell them that from now on they must stay until seven each night for no extra pay. Are they obliged to agree?

The electrician you hired to re-wire your new home office turns up to start work and you insist he cleans the toilets every day, too. Do you think he should agree?

A contract is a binding agreement and both parties must agree to change

How might this apply to contractors? Say you're just starting month three of your contract and your client insists you take a rate reduction. As with the builder you hired to install the kitchen, both you and your client have signed a contract agreeing a rate.

If you are paid by the day, with contracted core hours of nine to five, and then your client keeps insisting you stay until eight every night for weeks on end with no additional remuneration, your contract says don't have to accept the situation. The same applies to your nanny.

You are an accountant and you have been hired to develop a finance system, which is specified in your contract. Then, without consulting you, your client asks you to cover reception each morning. Your electrician's contract doesn't include cleaning toilets, and your contract specifies finance, not phones.

Contract changes must be agreed or the other party is in breach

Contractors are called that for a reason. Because they work according to an agreed contract. So, if your client or agency unilaterally starts paying you less than was originally agreed in the contract, they have breached the terms of your contract. You could claim for any loss you experience as a result of such a breach and seek redress, if it comes to that, through the courts.

Contractors generally bill for services according to time spent delivering them. So if a client expects you to deliver in excess of what was agreed, you should expect your fees to increase and renegotiate your contract to reflect the longer hours and an increased day rate. Your client wouldn't expect its utility company to supply 20% extra fuel for free, would it?

Your contract stipulates the nature of the services you have agreed to deliver. If you are developing a new software system and then the client asks you to train its own developers, that's fine, as long as you draw up a new 'training contract' to replace your original 'development contract' and increase your fees accordingly.

Contractor mindset tip:

Contractors are expected to be flexible, but any changes to terms and conditions must be mutually agreed by all parties.

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