



Debt Collection & Failed Payments

Department: Finance / Operations / Memberships

Applies To: All UAC Clubs & Franchisees

Purpose: To outline the process for managing failed membership payments, ensuring timely recovery of outstanding fees, consistent member communication, and escalation to UAC HQ for non-compliance cases.

This SOP aims to maintain financial stability across all clubs while treating members fairly and professionally.

Scope

This policy applies to:

- All UAC-owned and franchised clubs using GymMaster or equivalent direct debit systems.
- All active and suspended members with overdue payments.
- Centre Managers, Admins, and HQ Finance (Jason) overseeing debt recovery and external referral.
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Objectives

1. Ensure 100% of failed payments are followed up within 48 hours.
2. Reduce overdue debtors by maintaining consistent communication.
3. Standardize collection procedures across all clubs.
4. Ensure legal and compliant handling of overdue accounts.

Definitions

- *Failed Payment* - A transaction that was declined, reversed, or rejected during the fortnightly debit cycle.
- *Overdue Account* - A member with one or more missed payments past the 2-day grace period.
- *Debt Collection Agent* - Third-party agency engaged by UAC HQ to recover unpaid memberships after multiple failed attempts.
- *Late Payment Fee* - A fixed administrative fee of \$5 AUD applied after 2 consecutive failed payments.

Billing & Payment Schedule

- Membership payments are debited fortnightly via GymMaster Direct Debit system.
- Members are required to maintain sufficient funds prior to their scheduled debit date.
- Any failed payment automatically flags the member in GymMaster as "Payment Failed" status.

CLUB OPERATIONS STANDARDS

Debt Collection & Follow-Up Process

Step	Timeframe	Action	Responsible	Tool / System
1	Day 0 (Debit Day)	Fortnightly automatic billing run	System (GymMaster)	GymMaster
2	Day 0	Failed payment detected	System alert	GymMaster
3	Day 1	Manual SMS Reminder: "Hi [Name], your recent UAC payment was unsuccessful. Please update your payment in the app to avoid a late fee."	Admin / Manager	Manual SMS
4	Day 2	Follow-Up Call: Confirm awareness, assist with app payment reset	Manager / Admin	Phone / CRM
5	Day 3	App Reminder Notification: Member reminded to pay via GymMaster App	Automation / CRM	GymMaster
6	Day 5	Apply \$5 Late Payment Fee if unpaid	Admin	GymMaster
7	Day 7	Final Call / Email Warning: "Please settle within 48 hours to avoid external collection."	Manager / Admin	Email / Phone
8	Day 10	Forward unresolved accounts to HQ (Jason) for 3rd party collection	Manager	Email Report
9	Day 14+	3rd Party Collection Agency issues formal demand letter to debtor	Jason / Agency	External

CLUB OPERATIONS STANDARDS

Communication Templates

A. Day 1 – Missed Payment SMS

Hi [First Name],

We wanted to let you know that your recent payment has failed. It will be automatically redebited in three (3) working days.

If you need to amend your payment date, please contact us immediately so we can make the necessary adjustments.

Please note that if the next payment attempt also fails, your account will be immediately suspended, and you will not be able to access the facility until the payment is successfully processed.

To avoid any disruption to your membership, please ensure that sufficient funds are available in your account on the scheduled date.

Thank you for your prompt attention to this matter.

Thank you,
UAC Team

Day 3 – Second Failed Attempt SMS

Subject: Payment Reminder – Action Required

Hi [First Name],

Your membership payment was attempted again today and was still unsuccessful. Please update your payment details or ensure sufficient funds are available to avoid further issues.

Your membership remains on temporary hold, and access may be restricted until the payment clears.

A late payment fee of \$5 AUD may also apply.

If you need help updating your details, please reach out to us as soon as possible.

Thank you,
UAC Team

CLUB OPERATIONS STANDARDS

Day 7 – Final Reminder Before Escalation SMS

Subject: Final Notice – Outstanding Payment

Hi [First Name],

This is a final reminder that your membership payment is still outstanding after multiple attempts.

To prevent your account from being escalated to our debt management team, please settle the balance immediately through the UAC app or contact us directly. If payment is not resolved, your account will be sent to our third-party collections partner for follow-up, and additional fees may apply.

We want to help you stay on track with your training—please action this now so we can restore full access.

Thank you,
UAC Team

CLUB OPERATIONS STANDARDS

Late Payment Fee Policy

- A \$5 AUD administrative fee is automatically charged after 2 failed payment attempts.
- Fee is non-refundable unless system error is proven.
- Repeated failed payments (>3 per quarter) may result in temporary access suspension until balance is cleared.

Escalation & 3rd Party Referral

Condition	Action	Responsible
Non-payment after all internal follow-ups (10+ days overdue)	Forward overdue list to Jason (HQ Finance)	Club Manager
Verified by HQ Finance	Account marked as "Referred to Collections" in GymMaster	HQ
Formal Demand Letter issued	Collection agency contacts debtor directly	External Agent
Member Settles Debt	Confirm receipt and reactivate access	HQ Finance / Club

Once referred to the 3rd party collection agent, the club must cease all direct communication with the member regarding payment.

Reporting & Tracking

- Fortnightly Payment Summary Report generated in GymMaster by each club.
- Failed Payment Tracker updated and submitted to Jason every second Friday.
- HQ consolidates all outstanding accounts and tracks recovery performance by club.

CLUB OPERATIONS STANDARDS

Key Performance Indicators

Metric	Target
48-hour contact rate	100%
Debt escalation accuracy	100%
Recovered within 7 days	≥ 80%
Late payment frequency	< 5% of members

Responsibilities

- Club Admin / Manager: Monitor daily failed payments, send reminders, and call members.
- Franchise Owner: Oversee collection consistency and approve escalations.
- HQ Finance (Jason): Receive overdue lists, forward to collection agents, and monitor recoveries.
- Collection Agency: Handle legal demand letters, payment recovery, and reporting.

Documentation

Form / File	Purpose	Owner
Failed Payment Tracker (Excel/Sheet)	Log failed payments and follow-ups	Club Manager
Debt Escalation Form	Submit accounts to HQ	Manager
Collection Report (Agency)	Track recovered vs. outstanding debts	HQ Finance

CLUB OPERATIONS STANDARDS

Compliance & Member Privacy

- All communication must comply with Australian Privacy Act 1988.
- Only authorized staff and HQ personnel may access member financial data.
- Collection agencies must comply with Australian Debt Collection Guidelines (ACCC/ASIC 2020).

Review & Audit

- Monthly reviews conducted by HQ Finance.
- Random audits by Franchise Support Officer (FSO) to ensure communication and escalation compliance.
- Clubs with frequent overdue members will undergo additional training or system review.

Quick Reference Summary

Stage	Action	Responsible	Timeline
Failed Payment	Auto detection	System	Day 0
SMS Reminder	Manual	Admin	Day 1
Follow-Up Call	Manual	Manager	Day 2
App Reminder	Automated	System	Day 3
Late Fee Applied	Manual	Admin	Day 5
Final Warning	Email/Call	Manager	Day 7
HQ Escalation	Submit list	Manager	Day 10
3rd Party Demand	External	Jason / Agency	Day 14+