Law Firm Credit Card Processing: 3 Common Objections

The ABA approved credit card processing for legal fees in 1974. However, law firm credit card processing has been slowly adopted. Only [62% of large and midsized firms](#) use online payments consistently — even with well-established methods like ACH, eChecks, and credit card processing.

The Impact Credit Card Processing Has on Law Firms

The lack of online payments has a significant impact on lead generation, revenue, and profitability. A compelling value proposition or winning proposal won't mean much if you can't accept payment using the methods your clients want to use. If clients aren't willing to spend money with your law firm, you obviously won't receive the revenue you deserve, which means profits will continue to be sluggish.

According to a [recent study by TSYS](#), 77% of consumers prefer card payments over cash, check, or wire transfer. Of that, 44% preferred using their debit cards,

while 33% preferred using their credit cards.

Why Are Law Firms Slow To Accept Online Payments?

When it comes to online payments, many attorneys and law firms have hidden objections. These objections need to be addressed before attorneys feel comfortable accepting online payments. Let's take a look at a few of these objections.

Objection #1: Credit card processing is too expensive.

According to [Finextra](), the cost of traditional billing, via paper invoices and snail mail, is around 9.5% of the amount collected on your invoice. Firms are so used to paying the expenses that come with conventional billing that they're typically not aware of the amount they're losing unnecessarily.

For example, if your invoice is $4,520.00, are you okay with giving away $429.40? If you send 25 invoices out to clients each month, that's $10,735 or $128,820 annually that's lost unnecessarily.

Direct costs involved in paper-based billing include:

- Invoice and file preparation
- Envelopes
- Offering basic or alternative fee arrangements (debit, credit, retainer, fixed fee, etc.)
- Paper invoices/bills
- Printing (e.g., ink, toner, networking, security, maintenance)
- Postage/franking

Indirect costs are either fixed or costs that can't be directly attributed to billing costs. Indirect costs include:

- Accounting and reconciliation requirements
- Bill query management and response times
- Customer service workforce to address calls
- Dealing with lost invoices
- Locating and submitting undistributed bills
- Bill storage costs (space rental and fixed costs)

Hidden costs are the expenses no one is looking for or controlling; these costs include:

- Hidden or unexpected payment transaction fees (e.g., annual, PCI, statement, batch, or termination fees)
- Timekeeping, billing, invoicing, and payment processing errors
- Increased float/overdraft protection requirements
- Longer sales cycles and the loss of potential cash-flow acceleration
- Lost/higher cost digital marketing opportunities
- Loss of "green" benefits/credits

It's important to choose a payment processor that saves you money. Bill4Time Payments, for example, offers industry-low fees with a [2.95% fee for all cards, zero hidden fees and chargeback assistance.](link)

Objection #2: Online payments will be complicated.

If you're setting online payments up for the first time, you'll need to go through a certain amount of transitional pain to get things up and running. However, two reasons explain why this objection doesn't bear much weight.

1. **The work is front-loaded.** Once things are set up, the effort that's required to maintain your online payment solution is managed by your provider. You provide them with the information needed to get started, but once you're set, it's mostly automated.
2. **Integrated payment processing.** Most of the set up is done for you with practice management solutions like Bill4Time. You're able to simply monitor the flow of cash into your accounts as clients self-manage and provide you with the payments you need.

Objections #3: I can't maintain IOLTA compliance if I accept credit cards.

According to ABA [Rule 1.15](link), you'll need to ensure you deposit client funds in the appropriate trust account. How do you accomplish that with credit cards?

"(a) A lawyer shall hold property of clients or third persons that is in a lawyer's possession in connection with a representation separate from the lawyer's own property. Funds shall be kept in a separate account maintained in the state where the lawyer's office is situated, or elsewhere with the consent of the client or third person. Other property shall be identified as such and appropriately safeguarded. Complete records of such account funds and other property shall be kept by the

lawyer and shall be preserved for a period of [five years] after termination of the representation."

To address this, legal practice management software like Bill4Time offers a solution that [streamlines online payments](#) while ensuring compliance with IOLTA guidelines. By integrating credit card processing directly within the software, it eliminates the need for third-party processors and ensures that client funds are directly deposited into the correct trust accounts, maintaining clear separation from the lawyer's own funds.

This simplifies the payment process and provides peace of mind that compliance with IOLTA regulations is maintained. Discover how this all-in-one payment solution can support your firm by watching the video below.

Outlook on Law Firm Credit Card Processing

The legal industry has been slow to adopt online payments, lagging behind other industries, niches, and service providers. At first glance, this doesn't seem like a serious issue for law firms until you realize that *not* using online payments is a source of revenue leakage.

Utilizing a built-in payment processor like, Bill4Time Payments, is a great way for businesses to offer ePayments that are compliant and allow them to collect more on the dollar. [Bill4Time Payments is ready in Bill4Time user accounts and easy to activate.](#) Streamlining your payments and getting paid faster has never been easier!

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