

PEOPLEPERHOUR Dispute Resolution Process

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Introduction

THIS DISPUTE RESOLUTION POLICY HEREBY INCORPORATES BY REFERENCE ALL TERMS, CONDITIONS, RULES, POLICIES AND GUIDELINES ON THE SITE INCLUDING THE TERMS & CONDITIONS.

This Dispute Resolution Policy is effective as of 1st August 2010 and your continued use of the Site after that time signifies your acceptance of this Dispute Resolution Policy.

It is very important to read and understand this document, as it describes in detail the PeoplePerHour Dispute Resolution process.

How to avoid disputes

Most of the disputes arise when the communication breaks down between the parties or because of a misunderstanding and can usually be resolved amicably once constructive communication is restored. To avoid disputes, we recommend the following:

- Take the time at the beginning of the job to clearly define and agree with each other the deliverables expected, the timescales and payment schedule. Take the

time to include these in a document and upload this on the private messaging board for the job so that both parties can refer to it at a later date.

- When agreeing timescales for the delivery of the work, always allow for enough time to iron out any potential issues that might be there when the work is first delivered.
- Ask for the other party's working hours/days and response times and be clear about your expectations.
- Communicate frequently and agree on regular status updates so that any issues can be resolved in a timely way.
- Always try to resolve any issues in an amicable way to ensure that all the work is delivered properly and all the payment is received – disputes can take a long time to resolve and as the outcome more often needs compromise, it's not usually ideal for either party.

How to stay protected

For Freelancers

- Request as much deposit upfront as possible. We recommend you do not start a job with less than 50% of the Job value in Escrow at all times.
- Set milestones from the start and once you reach them we recommend you invoice for the work you've completed up to that point before proceeding and request the Client pre-funds their Escrow for the next milestone/tranche of work
- Never release final works (eg designs, code, a translated document etc) without the full funds being in Escrow
- For Hourly or Commission jobs submit regular Invoices (we recommend weekly) and daily updates in the Private Messaging Board detailing the hours worked. You can also upload timesheets in the Private Messaging Board but in the very least we recommend a simple status update
- If you suspect a possible dispute arising STOP WORKING and contact our Customer Care team immediately

For Clients

- Never pay the Freelancer directly or accept to part pay the job outside the site. Aside of this being a violation of our **Billing & Payment Policy** it also leaves you exposed and unprotected if there is a dispute with the Freelancer

- Make sure you get all the work from the Freelancer (e.g. design work, code, writing etc) before you release your funds from Escrow. To keep the Freelancer assured you should deposit all the funds in Escrow on completion, then request the deliverables be sent and then release the funds
- The underlying Service Contract between Client and Freelancer is as set out in **Clause 3 of our Terms & Conditions** - however, it is always a good idea to request from the Freelancer an SLA (Service Level Agreement) that will define specifics of the Job like deliverables, timescales, penalties (if applicable for delay) and any other commercial agreement made by you and the Freelancer with regards to the Job. We recommend you get the SLA signed by the Freelancer and have it attached in the Private Messaging Board
- Your IP is protected within the remit of the underlying Service contract as per **Clause 3 of our Terms & Conditions, however, as per the above, we recommend you specify any specific IP assignment be defined in the SLA.**
- If you suspect a possible dispute ask the Freelancer to STOP WORKING and contact our Customer Care team immediately

Outline of Dispute Resolution Process

Our dispute resolution process is devised such that – in the unfortunate event that a dispute does arise - the process of reconciling a fair solution is as painless as possible.

Step 1: Raising a Dispute

Here's how it works:

- If the delivery is not going according to plan you should first try to resolve it amicably with the other party following our guidelines set above. **Mediation can be a lengthy and expensive process and should be avoided where possible.** Most disputes can be resolved with a little good intent, compromise and communication. PeoplePerHour will not mediate a dispute unless the party raising the dispute can demonstrate that effort was made to resolve it, and the extent of the effort made will be used in your favour in the Mediation process if it comes to that.
- If you are unable to amicably resolve the dispute, you should immediately stop working if you are a Freelancer or if you are a Client you should ask the Freelancer to stop working. The Freelancer should raise an invoice for the work done up to that point. **There cannot be a dispute without an invoice raised.**

- If the Client is disputing part of the amount we recommend you raise an invoice for the amount that is not Disputed and request payment from Client, and then raise a separate one for the disputed amount
- When an invoice is raised the Client will choose to either pay the invoice or dispute it. When the invoice is disputed a notification is sent to the Customer Support team at PeoplePerHour.
- If the invoice is not disputed, the Client will have a set period of 15 Days for Fixed Price Jobs and 7 Days for Hourly and Commission based Jobs to settle it as stipulated in [Section 4.9 of our Terms & Conditions](#). Failure to do so will result in the release of Client funds held in Escrow for that Job.
- If a Dispute is raised PeoplePerHour will send out a Dispute resolution form to both parties within 15 days of the dispute being raised. This must be completed within 7 days from the day it is sent out and sent back to us. If either party fails to send this back the dispute will rule against them and they will be liable to pay the disputed amount.

Step 2: Getting back on Track

Most disputes can be resolved amicably before they go to mediation. To assist in this, once a Dispute is raised in accordance with the above process PeoplePerHour will hold a conference call between the two parties to try to get the job back on track.

Notification of the number and time to call will be sent by PeoplePerHour within 15 days of both parties returning the dispute resolution form.

The purpose of the call is primarily to identify where things have gone wrong and propose mutually agreed actions to put things right and successfully complete the job. In most cases an amicable solution can be found as long as both parties display willingness to resolve the situation.

We strongly advise you to enter the call with a positive attitude and think beforehand what would make things right for you and what compromises you would be willing to make. Willingness to find a resolution to the issues (or lack of it) will be taken into account should things need to be escalated to a Mediation.

Step 3: Mediation

If following the call the two parties STILL do not agree and want the dispute to be progressed, then the Dispute will go to Mediation.

The Mediator will in most cases be a suitably trained PeoplePerHour employee but in few cases where more specialist skills are needed and/or for large disputed amounts, PeoplePerHour reserves the right to suggest appointing an external independent Mediator (an Arbitrator) qualified to deal with the dispute. In such cases the cost of the Arbitrator will be advised to both parties.

Either party can also suggest the use of an external Arbitrator; in such cases the other party and PeoplePerHour will need to agree before proceeding with an external mediation.

Mediation can be a lengthy, time-consuming and costly process so we strongly advise both parties to try to avoid reaching this point

Mediation Guidelines

There are two types of Mediations: Fast Track and Standard mediations. The procedure followed for each differs in accordance with respective guidelines as outlined below

Fast Track Mediation guidelines

Fast Track is for jobs where less than £100.00 is held in Escrow deposit for that Job. These automatically fall into the Fast Track as the time and cost needed to resolve them may exceed the amount that is practically recoverable.

Please note: The Freelancer has the authority to dictate the amount of deposit required before they proceed with the work, so we advise that they choose it wisely.

For Fast Track Cases, **the Mediator will take a binding decision following the conference call without further mediation.** For Fast Track the following rules will generally hold:

1. ONLY correspondence and deliverables sent through the PPH Private Messaging board will be reviewed and taken into account in the Mediation. No additional evidence (e.g. email correspondence, phone calls etc) will be taken into account.
2. In most cases where the dispute is over a subjective element like 'design style/quality' the funds will be returned to the Client unless the Freelancer can prove beyond reasonable doubt that they have delivered exactly to the Client's specifications or point #3 below holds. However, in most cases, Clients will be expected to give at least one chance to the Freelancer to put things following the delivery of the first version of the work done.
3. If the Client has used any of the work delivered by the Freelancer (even after modifying it) the mediation will be ruled to the Freelancer's favour. If work is not done to a satisfactory level the Client must either ask the Freelancer to amend it and put things right or reject the work altogether.
4. Where the dispute is over the timescales of delivery, the following rules will be applied: if a clear, agreed deadline that was set by the Client at the beginning is missed by the Freelancer, the funds will be returned to the Client. If a clear deadline was not set by the Client and the Freelancer has successfully delivered

the work within a reasonable timeframe, then the Freelancer will be entitled to get paid for the work done.

Please be aware that for Fast Track cases which do not clearly fall into one of the above rules, PeoplePerHour will decide on the fairest possible split of the funds held in Escrow given the evidence available. This will no doubt be a compromise for both parties as can be expected in such cases.

Standard Mediation Guidelines

Every mediation is different and the exact process and facts considered will differ from case to case— just like in a court case – at the discretion of the Mediator (acting as the judge) . However, the process and action taken by the Mediator and PeoplePerHour will normally be in accordance with the below guidelines:

1. Disputed Amount

If the disputed invoice amount is greater than the funds held in the Escrow for the Job and the result of the mediation is in favour of the Freelancer, PeoplePerHour will release all funds held in the Escrow for the Job to the Freelancer and the Client will be liable to pay any outstanding amount to fully settle the invoice.

Failure to pay any outstanding amount might result in PeoplePerHour using other Client funds held at its discretion to settle the outstanding amount.

PeoplePerHour cannot guarantee that such outstanding amount will be successfully recovered, therefore it is the Freelancer's responsibility to ensure that, before doing any work, sufficient funds are held in the Escrow account.

2. Evidence submitted for disputes

If there is a dispute, the data that you enter on the Site and the contents of the Private Messaging Board will constitute the sole and exclusive record of facts and evidence for resolution of the dispute. For hourly and commission Jobs, please make sure that you clearly detail the hours worked and what was done on the invoice raised.

Any messages or documentation exchanged outside of the site will only be held as evidence in exceptional cases and at the sole discretion of the mediator.

3. Considerations for different types of Jobs

- (i) **Fixed-price Jobs:** for Fixed-price Jobs, it is important to have a mutually agreed contract/work agreement in place before starting the Job which details the deliverables and key dates for the project. At the very

minimum, please ensure that the deliverables, timescales and payment schedule are clearly documented and uploaded to the Private Messaging Board.

Mediations in these cases will be decided based on the initial agreement/contract, unless subsequent revisions to the agreement were mutually agreed. **ALL agreements/contracts MUST BE uploaded to the Private Messaging Board as soon as agreed** for the Job to be taken into account by PeoplePerHour.

If there is no valid agreement/contract in place, the 'agreed' deliverables and key dates will be determined by the Mediator after looking at the communication available and will be at the Mediator's discretion.

For Fixed-Jobs, any subjective elements of the work like the work quality (e.g. whether a logo design is good enough) will be normally deemed to be met **based on the Client's satisfaction when the deliverables were delivered** unless it can be clearly demonstrated that the Client had unreasonably expectations or that the requirements were met e.g. if the Client was not happy with the design of a logo design, the Job will not be deemed as successfully completed. If a deliverable does not meet the Client's expectations, **the Client is responsible for giving a reasonable chance to the Freelancer to put things right** by providing him with adequate feedback in order for the issues to be resolved.

(ii) Hourly Jobs: for hourly contracts where a Freelancer is hired and paid on a 'per hour' basis (or other time-based basis), it is the Client's responsibility to ensure that the work done by the Freelancer is up to the standard required.

Hourly Job disputes will not normally factor in subjective elements (e.g. design quality), since the Client can ask to review the progress at any time and can also terminate the agreement at any time (unless agreed otherwise), if not happy with the progress made by the Freelancer.

Any hours worked and approved up to the point of Termination will have to be paid for and it is the Freelancer's responsibility to submit a weekly timesheet/invoice for the Client's approval, as described in our Terms and Conditions.

Where necessary the Client may ask for, and the Freelancer shall where possible deliver, reasonable evidence for the amount of hours billed, including but not limited to: time logs, email correspondence, phone call logs, details of appointments/ meetings conducted, breakdown of all work done in that timescale, receipts of sales or purchases, logs of any other form of communication like Instant messaging.

(iii) Commission Jobs: if there is an agreed Base Fee for the Job, then the Base Fee will be treated in the same way as an Hourly Job for the purposes of the Dispute.

The Commission element of the disputed amount will be again treated in the same way and the Client will be required to pay for any results (e.g. sales made) achieved by the Freelancer up to the date of Termination.

Where necessary the Client may ask for, and the Freelancer shall where possible deliver, reasonable evidence for the amount of hours billed, including but not limited to: time logs, email correspondence, phone call logs, details of appointments/ meetings conducted, breakdown of all work done in that timescale, receipts of sales or purchases, logs of any other form of communication like Instant messaging.

Cost of Mediation

Mediation is a costly and time-consuming process and should be avoided if possible.

Following Step 2 above if the Dispute goes into mediation a cost will be charged and split equally between the two parties. PeoplePerHour will try to provide an accurate estimate of the Mediation cost upfront although for lengthy mediations this can increase.

The cost of mediation will be as follows:

1. For Fast Track disputes: no cost charged, unless the dispute is escalated out of Fast Track (at the sole discretion of PeoplePerHour) and follows a full Mediation process
2. Where an Internal Mediation is held; a minimum of £35
3. Where an external Arbitrator is used: the cost of the 3rd party Arbitrator

You agree by entering into a Mediation that PeoplePerHour will charge your account for the amount of the Arbitrator's fees owed by you in accordance with the foregoing. If there are no sufficient funds in your PPH account, you will be asked to pay the mediation fee using another method of payment prior to the start of the mediation. Failure to pay the fee will result to the mediation being ruled in favour of the other party unless a different agreement is reached by all parties involved.

Important Deadlines

For Clients

Deadline for disputing an unpaid invoice: if a Freelancer creates an invoice for you that you are not happy to pay, you will need to dispute this invoice from your PeoplePerHour Account within 30 days of the invoice being due for Fixed Price

Projects, and 15 Days for Hourly And Commission projects. If an invoice is not disputed in this timescale PeoplePerHour may at its discretion release the funds held in Escrow to the Freelancer as stipulated in Section 4.9 of our **Terms & Conditions**.

Please note that the invoice is not considered disputed until you complete and return the Dispute Form.

Failing to dispute the invoice in accordance with this clause will be taken to mean that you agree to pay the outstanding invoice and you will no longer be able to dispute the invoice after the deadline has passed.

PeoplePerHour reserves the right to use funds held in your account to settle the overdue invoice if you fail to pay or dispute it within the timescales in Accordance with Section 14 of our **Terms and Conditions**.

For Freelancers

Deadline for creating an invoice: it is important to raise an invoice timely to avoid Escrow funds being returned to the Client. If a client requests a withdrawal of Escrow funds, our Customer Support team will contact the Freelancer to ascertain the status of the Job. If we cannot reach you an email will be sent to you giving you a reasonable time to respond. Failure to do so will result in funds released to the Client irrevocably.

It is the Freelancers responsibility to ensure that an invoice is raised in timely fashion even if the work delivered is being disputed. Freelancer must raise an invoice immediately on completion regardless of the client disputing or not, and **no later than 60 days** after the initial estimated completion date of the Job. If an invoice is not raised within this timescale it will not be eligible for dispute and the Client will be returned any funds held in Escrow once requested.

Deadline for completing the Dispute Form:

If a Client disputes one of your invoices, you will receive an email with the Dispute Form and you will have 7 days from the date the email was sent to complete and return to us the completed Dispute Form. If you do not respond within this timescale the Dispute may result in favour of the Client and any funds held in Escrow returned to the Client.