



YOUR GUIDE TO

Reducing no-shows and protecting income

Making it easy to collect deposits or charge cancellation fees with Timely



Let's talk no-shows

Cash flow is king in business.

A good cash flow keeps everything running smoothly, making it easy to pay your overheads and operating costs, as well as turn a profit. But if you're getting pesky no-shows and cancellations, these can create unexpected ups and downs in your cash flow, causing you a real financial headache

Sound familiar? Well, take a deep, cleansing breath, because the good news is we're here to help.

No-shows can cost you up to **\$10,000** or **£5,000** per year.



Collecting deposits or charging cancellation fees is the tried-and-true method for reducing customers who cancel their appointment at the last minute, or simply don't show up. As well as improving your cash flow situation, this could save you thousands in lost income every year.

This guide will take you through all the whys and hows of taking deposits and charging cancellation fees with Timely.

It's designed to make it super-easy for you to protect your income and create a more consistent cash flow, so you can set your business up for financial success.

Our research shows you can reduce your no-show rate by a whopping 45 percent.



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5 reasons why

Let's quickly run through the key reasons to set up deposits or cancellation fees with Timely.

1.

Reduce your no-shows by 45%

Clients are far more likely to attend an appointment if they've paid a deposit in advance or know that there's a cancellation fee, because there are consequences for their actions.

2.

Protect your income and even out your cash flow

Taking deposits up-front means you'll have regular instalments of money coming in every time a booking is made, allowing you to spread out your costs and create a more consistent cash flow. And with both deposits and cancellation fees, you'll get paid something to cover your costs even if the client doesn't show up.

3.

Build a fantastic client base

Putting a cancellation policy in place allows you to weed out flaky clients who frequently don't turn up and build a loyal, reliable client base who you'll love doing business with.

Clients who pay a deposit spend up to 20% more on the day of their appointment, (hello upsell!)

4.

Create a professional brand

Deposits and cancellation policies show clients that you take your business seriously. It helps people understand the value of your time and shows them the importance of communicating any change of plans with you ahead of time, and not at the last minute.

5.

Set some boundaries for yourself

At Timely, we're all about putting you in control of your business. Reducing your no-shows and cancellations also means you'll reduce any nagging temptation to slot in a bit of overtime or work extra days to make up for lost income. So, you get to dictate the hours you work and remain in control of your schedule.



“
Now, even if we do get a last-minute cancellation, it means we still make money for those free time slots. This means we know our cash flow for those times will allow us as a business to keep going.”

JASON DONNELLY
Founder of Asylum Hair and Beauty

Here's how

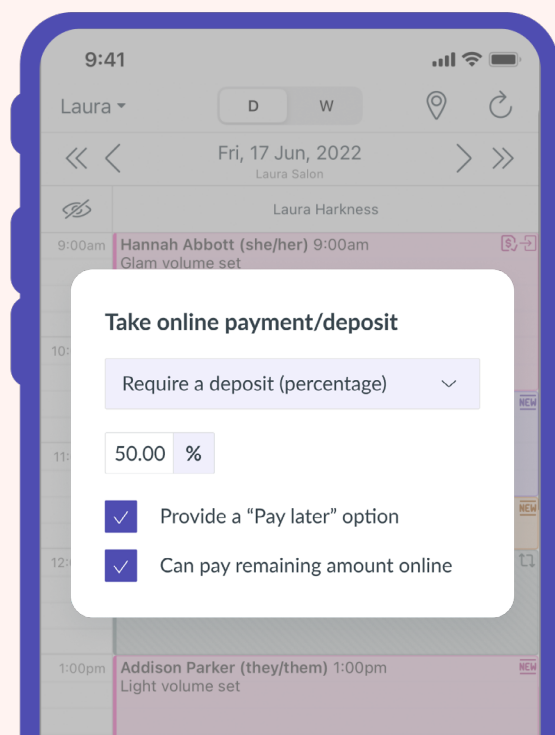
You can choose between taking deposits or charging a cancellation fee, or even use both, depending on what's right for your business. So let's dive into how it all works.

Collecting deposits

Your clients will pay a deposit up-front when they make their booking online. The deposit is a portion of their appointment cost, and the amount is up to you – it can be a percentage, or a dollar or pound amount.

For help on deciding how much to charge, take a look at our guide [Creating your booking policy](#).

After the client's appointment, they'll pay the remaining balance – the deposit amount is automatically deducted at checkout. But if they don't show up to their appointment, you can keep the deposit to cover at least some of the cost of your time.



#TIMELYTIPS

You can choose to collect deposits only on specific treatments, for instance, only on treatments that cost over \$100 or that take over an hour to complete.

Charging cancellation fees

Using the cancellation fees feature, you'll ask clients to add their card details into the system when they book, and they'll need to agree to a cancellation policy that you set.

It's up to you how you want to set up the window of time that clients can no longer cancel their appointment – you could make it within 24 hours of the appointment, for instance.

If they don't show up or they cancel too close to their appointment time, you can charge their card in line with your cancellation policy.

You'll find more help on writing your policy as well as some handy templates you can use in our guide [Creating your booking policy](#).

#TIMELYTIPS

Something to note is that cancellation fees rely on your client having enough money in their account when you go to charge their card, so it can be less reliable for you as a business than taking a deposit.

I hear time and time again from salon owners that no-shows and last-minute cancellations are their biggest challenge. We're a service-based industry, meaning we trade time and expertise for money, so we need to protect that time.



JESSICA CRANE, Specialist in salon success

Additional features

Because you're using Timely payments to set up deposits and cancellation fees, you'll also get these awesome features and benefits.

Fast payment, low fees

With Timely there are no hidden costs, you simply pay our [low processing fees](#).

Choose whatever schedule suits you to receive payments into your bank account – daily, weekly, monthly, or pause and save up your balance.

When customers pay with a gift voucher they spend 50% more.



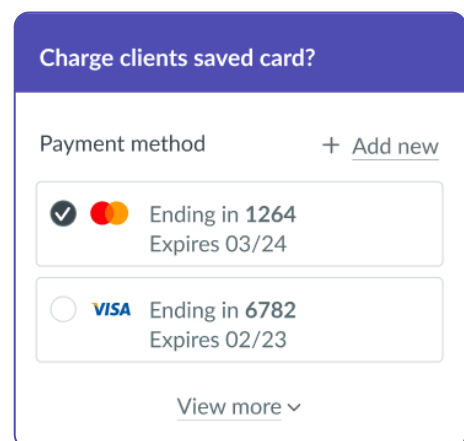
Gift vouchers

You'll be able to start offering gift vouchers to your clients online, which they can redeem in-salon.

You'll create a new source of income, plus your clients will be referring their friends and family to your business – marketing doesn't get any easier!

Cardless checkout

At the end of an appointment, you can settle your client's account by simply using their stored card details (saved when they paid their deposit or accepted your booking policy) – that way they can remain in their blissful bubble of relaxation and simply walk out of the door without even touching their wallet.



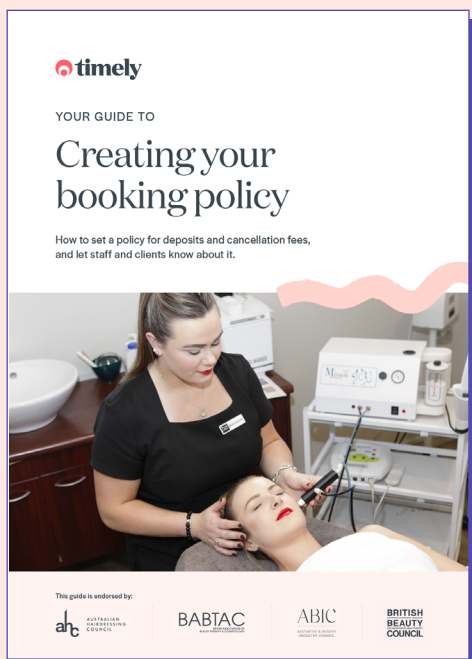
Getting started

When you're ready to start collecting deposits or charging cancellation fees, you'll need to create a booking policy and then enable TimelyPay.

We've got two guides designed to help you with those next steps.

Creating your booking policy

This guide steps you through how to write your booking policy. It has a handy policy template to get you started, plus tips and ideas on how to get staff onboard and let your clients know.



Your guide to getting started

Make sure getting set up for deposits and cancellation fees goes as smoothly as possible with this handy checklist, plus a guide for setting up Timely payments.



FAQs

Will I scare all my clients away when I ask them to pay a deposit in advance?

People are really familiar with paying deposits because many businesses use them, so it's actually nice and simple to explain to your clients. We hear that our customers often sell deposits to their clients as 'a little less to pay on the day'. If you're looking for more advice on how to tell your clients about your new policy, take a look at our guide [Creating your booking policy](#) for our tips and ideas.

Is it legal for a deposit to be non-refundable?

Yes, you're 100% in your rights to keep a deposit to cover any losses and costs incurred by a client failing to show or cancelling too late – so that's lost profit and any products you now can't use, for instance. You do need to outline the specific scenarios that would lead to a deposit not being refunded in your policy. Take a look at [Creating your booking policy](#) for more guidance and check with your lawyer or relevant industry association if you have any concerns.

Should I call deposits 'booking fees'?

Feel free to call it a 'deposit' or 'booking fee', it's up to you. Bear in mind that you can't actually change the name within Timely, but if you do choose to refer to it as a 'booking fee', remember to make it clear to your customers that the money paid up-front will come off the total cost of their treatment when you check them out at the end of their appointment – so they pay a little less on the day!

Can I set up both deposits and cancellation fees?

You sure can – you set up cancellation fees first and then go through and set up a deposit on each individual service you want. It's up to you which services you choose to set up deposits for, you can do it across all your services, or only specific high-value ones – whatever works best for you.

So, what's better – deposits or cancellation fees?

If you have a problem with customers not turning up to their appointments, set up deposits to discourage no-shows. But if you have chronic reschedulers who keep chopping and changing their appointments, then use cancellation fees to discourage last-minute changes. Or, you may want to use both if you want to enforce a tight cancellation policy to really protect your income.

What if my client doesn't have enough on their card to pay the cancellation fee?

This is where using deposits is preferable to cancellation fees. With deposits, the payment has already been accepted, so you don't have to worry about making any additional charges to the card, you simply keep the deposit the client has forfeited, in line with your policy.

What if a customer deletes their card so I can't charge the cancellation fee?

Don't worry – we've taken steps to ensure that customers aren't able to delete their card details, so you won't have this problem.

Am I going to be stung by a whole lot of unexpected fees using Timely payments?

No, you'll find taking payments through Timely is very transparent. While other online payment solutions like PayPal charge all sorts of extra fees (for American Express processing, international payment processing, card authorisation, micropayments less than \$10, and so on) with Timely you simply pay our [low processing fees](#) per transaction. Nice and simple.

Where to now?

Take a look at our other guides for your next steps:

- [Creating your cancellation policy](#)
- [Your guide to getting started](#)

If you need additional support from us, reach out via the website:

[Get support](#)

