



Association of
Translation Companies
DEFINING STANDARDS OF EXCELLENCE

Client Due Diligence Quick Guide

2024



Quick Guide to Client Due Diligence

In the language services industry, ensuring a prospective client's credibility can safeguard your business from risks such as late payments, non-payment, or fraudulent activities. Simple yet essential steps in due diligence can prevent issues and potential financial or legal troubles further down the line.

This ATC quick guide on client due diligence covers practical steps for verifying new clients and handling interactions with caution.

1. Verify online presence and essential details

Website and contact information

Check if the client has a professional website. A legitimate company usually has a comprehensive site with detailed contact information, including a registered address, email (ideally with a domain name), and phone number. Be wary of companies with only a mobile contact number.

Company registration details

For companies based in the UK, check registration status through [Companies House](#). Review information on active versus dissolved companies, and assess the people involved, including directors and their locations. Other countries typically have similar registration bodies, many of which can be found on the GOV.UK [Overseas registries](#) page.

2. Check the company's online reputation

Social media and industry presence

An established business is likely to have an active online presence across LinkedIn, industry forums, or social media channels. Positive engagement and client testimonials can serve as an initial gauge of credibility.

Customer reviews and forums

Use platforms such as Google Reviews, Trustpilot, or industry-specific forums to assess the company's reputation and client satisfaction. If the client's website includes review platform widgets, be sure to click and verify them. Some sites use static images of these platforms, which lead nowhere when clicked, potentially indicating fabricated reviews. Translation groups or communities may also have valuable insights into known bad actors within the industry.

3. Research financial stability and payment history

Payment terms and past financial health

If a potential client is registered, financial filings (available through Companies House in the UK) can provide a snapshot of their financial status. Smaller companies might not disclose extensive financial details, but available data can still provide insights into their stability and payment history.



You may also wish to consider running a company credit check with a commercial provider such as [Creditsafe](#).

4. Take cautionary steps for new or high-risk clients

Upfront payment or deposit

For high-value projects or clients with minimal online presence, ask for 50% payment upfront, especially if the client is new to you or doesn't have a verified track record in the industry. This is a standard precaution that reputable clients will understand.

Contractual safeguards

Always outline your payment terms and project scope in a contract of engagement, signed by both parties. This document serves as legal reassurance and aligns both parties on expectations.

5. Additional tips and red flags

Email domain and correspondence

Verify that emails are coming from a business domain rather than a free email provider (e.g., Gmail, Yahoo). This detail may reveal whether they're a professional entity or potentially less established.

Registered address

Check if the business has a physical address. Lack of a registered address, especially for companies with limited information, may signal a higher risk.

Establishing a proactive approach

Client verification is a critical step for any language service provider aiming to establish long-term relationships with trustworthy clients. If a prospective client's website displays the logos of any professional or trade associations, visit their member directories to confirm their membership status. Additionally, check for any ISO certifications, as these indicate adherence to industry standards. Validating these details, along with conducting other due diligence checks, allows you to operate confidently, reduce risk, and maintain the professional integrity of your business.

The ATC Quick Guide to Client Due Diligence was created by the ATC's Honorary Treasurer Carina Balbo from My Language Hub.