

Top 3 Contract Risks SMEs Overlook (and how to spot them early)

A quick guide to protecting your business from hidden risks in everyday agreements.



Risk 1

“The contract doesn’t reflect how your business actually operates”

- Is it a template or copied from somewhere else?
- Does it cover your real processes (delivery, timelines, payment triggers)?

Why it matters: Generic documents may not protect your business properly and can miss critical protections.



Risk 3

“No protection for your confidential information or IP”

- Are you sharing pricing, processes or ideas?
- Is there a confidentiality clause in place?
- Is ownership of work clearly defined?

Why it matters: Without proper protections, valuable business information can be exposed or misused.



Risk 2

“Unclear payment, liability or responsibility terms”

- Who is responsible if something goes wrong?
- When exactly does payment become due?
- Are there consequences for late payment?

Why it matters: Unclear terms can lead to disputes, delays, or unrecoverable losses.

What to do next

A simple sense-check before you sign (or continue using) any contract:

- ✓ Does this reflect how we actually operate?
- ✓ Are payment terms and risks clearly defined?
- ✓ Are we protected if something goes wrong?

If you'd like a clear view on whether your contracts are protecting your business properly, we can review them and highlight any risks in plain English. Contact a Legal Adviser in our Company Commercial team: