

## The importance of having a written agreement

It may not always be obvious, but people enter into agreements or contracts in many aspects of life. Everyday activities often involve a contract, such as buying a train or movie ticket, paying to park your car or visiting the doctor. These are not usually put in writing as everyone understands what their obligations are.

### Reasons to put an agreement in writing

While a verbal agreement can be just as legally binding as a written one, verbal agreements may be difficult to prove. Additionally, people can have different memories of what has been said and may have differing interpretations of what was said. Verbal communication can sometimes be misleading and confusing. Therefore, as far as possible, it is best practice to have written contracts for most agreements especially where agreements are of special significance. This may be particularly important where there is a substantial sum of money involved, the issue is particularly complex, the other side is 'unreliable' or there is the possibility of a dispute in the future.

### Types of written agreements

Some examples of written agreements vary from simple contracts to buy/sell goods to more complex agreements including: **partnership agreements** where a business owner may want to form a partnership with another person or people; **parenting plans** for parents who have separated or divorced; **shareholder agreements** between shareholders in a company; **employment agreements** between employers and employees; and **binding financial agreements** which may be made at any time between de facto couples, soon to be married couples or couples who are already married.

### Legal advice

It is a good idea to seek legal advice when entering into a written agreement as a lawyer can advise about each party's obligations and any pitfalls that may be present. A lawyer may be aware of matters that should be included that may not otherwise be obvious. For those considering entering into a written agreement, Lyttletons Lawyers have a wealth of experience in this area.

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