Customer Onboarding Checklist

Before You Open an Account

Getting onboarding right is the single biggest lever a credit team has over future collection headaches. This guide walks through each step of bringing a new customer onto your ledger, from the first credit application to the first order, so nothing slips through.

Step 1: Credit Application

Start with a signed, complete credit application. Incomplete applications are a red flag in themselves, and an unsigned one is worth nothing legally.

Your application should capture, at minimum:

- Full legal name of the entity (not a trading name alone)
- NZBN or company number
- Registered and trading address
- Directors' or principals' full names and contact details
- Bank account details for direct debit (if applicable)
- Trade references, at least two, with contact details, and any consent or identifying information needed to run a credit check

If you are dealing with a sole trader or small partnership, collect the individual's full name, date of birth, and home address. These are needed for personal credit checks and for enforcement if things go sideways later.

Set a policy on how long you will wait for a complete application before closing the file. Two weeks is reasonable. Do not open accounts on the basis of a half-filled form and a phone call.

Step 2: Identity and Entity Verification

This step is not optional. Confirming you are actually dealing with who you think you are dealing with prevents fraud and keeps you on the right side of AML/CFT obligations if they apply to your business.

For companies, **search the New Zealand Companies Register** (companiesoffice.govt.nz) and confirm:

- The company is registered and in good standing (not struck off or in liquidation)
- Directors match the names on your application
- Registered address is consistent

For individuals or sole traders, collect a copy of photo ID (driver's licence or passport) and verify it against the application. Note the document type and expiry in your records.

Where your business is a reporting entity under the AML/CFT Act, you will have additional Customer Due Diligence (CDD) obligations. Make sure your onboarding process is aligned with your AML/CFT programme.

Step 3: PPSR Search, Credit Checks and Trade References

Before setting a limit, find out what else is already on the customer.

Run a Personal Property Securities Register (PPSR) search on the entity and any key directors. This tells you whether secured creditors already have a general security agreement (GSA) or specific security interest over the customer's assets. If a bank or major supplier holds a GSA, your unsecured position in any insolvency is poor. Factor this into your limit decision.

Run a credit check as well. A bureau report will not make the decision for you, but it gives you another data point on payment history, defaults, insolvency markers and whether the story on the application lines up with the external record. If the report shows recent defaults, judgments or other obvious stress, do not ignore it just because the customer wants to trade urgently. Escalate it and adjust the proposed limit or terms if needed.

For trade references, actually call them. Emailed references are easy to fabricate or cherry-pick. When you speak to a reference, ask:

- How long have you traded with them?
- What is the credit limit you extend?
- Do they pay within terms, and if not, how late?
- Would you extend credit to them again?

A reference that hedges or gives a non-answer is a soft no. Treat it accordingly. If both references come back clean and prompt, note that in the file. It matters when you are reviewing the account later.

Step 4: Setting the Credit Limit

Your credit limit should reflect what the customer needs and what they can realistically service, not what they asked for.

A simple starting point: look at the average monthly purchase volume they are projecting, apply your payment terms, and size the limit to cover one cycle with a buffer. If a customer projects $20,000 a month and your terms are 20th of the following month, a $25,000-30,000 limit is sensible. Do not open with a limit higher than you would be comfortable writing off.

Where a customer's financials, payment history, credit check or PPSR search gives you pause, open at a lower limit and review it after three to six months of trading. You can always increase. Decreasing a limit damages the relationship and can signal distress to the market.

Step 5: Terms of Credit Sign-Off and Account Setup

Your terms of credit are the legal foundation of the relationship. They need to be signed before the first order ships, not after.

Make sure your terms cover:

- Payment terms and due dates
- Interest on overdue accounts
- Your right to charge collection costs
- A retention of title (Romalpa) clause if you supply goods
- Consent to credit checks and reporting
- Personal guarantee (where your policy requires one for the entity type or limit)

Email a copy with a clear instruction to sign and return before trading commences. Keep the signed copy on the account file. If you have a credit portal, use it to generate a signed record with a timestamp.

On the account setup side, confirm the billing contact, preferred invoice format, and any purchase order requirements. Getting this wrong causes unnecessary disputes and late payment.

First-Order Review

The first order is a checkpoint, not just a transaction. Before approving it, confirm:

- The order value sits within the approved limit
- Signed terms are on file
- Any personal guarantee has been received (if required)
- Any required credit check has been completed and any issues resolved or approved
- The delivery address matches what is on the application

After the first invoice is issued, flag the account for a 30-day follow-up to confirm payment is on track. Early contact, before anything is overdue, builds the relationship and catches any billing issues before they compound.

Quick Checklist

- Signed, complete credit application received
- Entity verified on Companies Register, ID verified for individuals
- PPSR search and credit check completed and documented
- Two trade references called (not just emailed) and notes on file
- Credit limit set based on projected volume and risk assessment
- Signed terms of credit (including personal guarantee if applicable) on file before first order ships
- First-order review completed and 30-day payment follow-up diarised