

Terms of Service for SAAS Companies

If you want to be technical about it, a SaaS business doesn't legally need to have a Terms of Service for their product. However, ignoring this would be an enormous mistake. Whether you call them Terms of Service, Terms of Use, or Terms and Conditions, establishing these ahead of time is essential for protecting your clients, your product, and your business.

The basic purpose of these guidelines is to clearly establish for users the different rules that they have to abide by when using your SaaS product. Part of what this includes is some **basic information** to help you clearly demarcate what your service does, as well as letting your users know what type of company you are and what the technical requirements are for them to use your service.

Describing these factors in your Terms of Service helps to protect your company legally in case a user is upset about an issue that is out of your control. For example, many SaaS platforms are used worldwide, even if the platform company is only based in one country. This is why you want to make it clear where you are based and explain to customers that the agreement is subject to the laws where you live, not where they live. In addition, taking the time to explain your service in your Terms of Service can help protect you from any claims of false advertising.

There are other clauses that you want to account for in your Terms of Service as well. For example, you should clearly establish any service charges as well as the basis for those charges in your Terms of Service so that users are not surprised or react negatively when asked to pay. Similar things that need to be accounted for are clauses referring to renewal and termination. For example, there may be questions about what will happen to users' data after they terminate an agreement. All of these things should be answered here to reduce the risk of entering murky legal areas. The Terms of Service typically work hand in hand with your Privacy Policy, which is another critical document.

As a final note, when you establish your SaaS terms of service, you want to make sure that you put a plan in place to make changes to those terms as needed. Regulations and issues change, and you want to work with your lawyer to make sure that you include language that covers this. Most companies use a combination of reserving the right to modify at any time and notifying users or even giving them the ability to review and accept the new Terms of Service for more significant changes.

When you put together the Terms of Service for your SaaS company, you're making a step towards improving the legal stability of both your product and the company. To avoid the many potential issues that can arise, trust an experienced attorney to guide you.