

Debt recovery: Range of fixed fees

We offer an initial free 15-minute consultation either in person or over the telephone, to discuss your Debt Recovery matter with you and how to proceed.

(N.B In addition to Debt Recovery we also offer advice on Possession Claims (Landlord & Tenant and Mortgages), disputes between co-owners and many more contentious property issues).

Value Added Tax (VAT)

We are registered for VAT. Our fees are therefore subject to VAT at the current rate of 20%.

A full breakdown of any other fees and expenses incurring VAT at the current rate will be given in our client care letter and during the course of your matter once this information became available.

Key Stages of Debt Recovery

Letters before action sent to a business other than a sole trader usually require the debtor to pay within 14 days, but letters to individuals (including a sole trader) require much more information and documents to be provided and give an initial 30 day period in accordance with the Pre-Action Protocol laid down by the court which can be found at <https://www.justice.gov.uk/courts/procedure-rules/civil/pdf/protocols/debt-pap.pdf>

We will then report to you with the debtor's response if any and, if payment not made, obtain your instruction as to whether to proceed to Stage 2. We will refer requests for information or to pay instalments to you.

There are three main key stages to the debt recovery process:

1. Letter before Action
2. Court Proceedings
3. Enforcement

Letter before Action

We cannot offer a debt recovery service for debts less than £1,000 at an economic price and we suggest that you claim them without incurring solicitors fees by using the Court Service Money Claim on line service <https://www.moneyclaim.gov.uk/web/mcol/welcome>.

Once you have provided us with copies of unpaid invoices, we shall send a letter to your debtor letting them know that you have asked us to assist you in the recovery of the monies owing. The debtor will be given a reasonable time to respond, usually 14 days.

Sometimes this "solicitor's letter" is all that is required for the debtor to pay what is owed and that is the end of the matter.

We charge the following Fees for the Letter before Action:

Debt	fee (non-protocol debtor)	fee (protocol debtor)
£1000-£5000	£450 plus £90 VAT = £540	£550 plus £110 VAT = £660
£5,000.01-£10,000	£600 plus £120 VAT = £720	£700 plus £140 VAT = £840

£10,000.01-£50,000
£50,000.01-£100,000

£750 plus £150 VAT = £900
2% of claim plus VAT

£800 plus £160 VAT = £960
2% of claim plus VAT

Letters for debts in excess of £100,000 may cost more according to their complexity.

This service includes:

- Taking your instructions and reviewing documentation
- Drafting the Letter before Action for your approval
- Sending the Letter before Action to the debtor

If the debtor pays in full, we will charge a further £100.00 plus VAT for recovering the debt and accounting to you.

It is often the case for the debtor to offer to settle the debt by way of regular instalments. We can advise you on this and, if you agree to a payment plan, we can collect the monthly payments in order to monitor that regular payments are being made.

We shall charge £50.00 plus VAT on the first instalment, followed by £25.00 plus VAT per instalment for the remainder of the term of the plan to receive the payments and forward them to you.

If the debt remains unpaid, or instalments dry up we shall advise you as to the next steps should you wish to proceed to a claim through the Court.

Claiming Interest and Late Payment Charges

For a business-to-business debt, the Late Payment of Commercial Debts (Interest) Act means that you may be able to recover statutory interest for late payment of debts, with the rate of interest set at 8% above the Bank of England Base Rate.

This legislation also allows us to apply to recover a sum to compensate you for the late payment. The charges are fixed as follows:

Debt Amount	Sum
Up to £1,000.00	£40.00
From £1,001.00 to £10,000.00	£70.00
Over £10,000.00	£100.00

Court Proceedings

If the debtor does not respond to the Letter before Action within the time limit, it may be necessary to start Court proceedings.

If instructed, we would then prepare court papers; send them to you to approve and lodge them with the court service together with the court fee.

Once the court has served the claim a debtor has 14 days in which to file a defence or enter an acknowledgement. If they do neither, once the 14-day period has expired, we will apply to the court for judgment to be entered. The court normally takes 2-3 weeks to do that. If a defence is lodged, then we will send you a copy.

There are various things to consider at this stage, for example:

1. Legal Fees are what we charge for doing the work
2. Court Fees/Court Costs are what we have to pay the Court at various stages on your behalf
3. Other Fees/Costs can be payable to Third Parties such as Enquiry Agents, Search Fees and Barristers (these are also known as “Disbursements”).
4. It is assumed throughout that the Debtor and its assets are based in England & Wales. If based in Scotland or Ireland or abroad, other Legal Fees may apply to work in other jurisdictions.

Where is the debtor?

In order to commence Court proceedings, we need to know the debtor’s whereabouts. If you do not know, you may wish us to instruct a private investigator to seek out information on your debtor.

Does the debtor have sufficient funds to repay the debt?

If you do not know your debtor’s financial circumstances, there are certain steps we can take to find out. We can check at the Land Registry to see if they own any property, or we can instruct a tracing agent to locate them. In addition to our Legal Fees, the tracing agent will also charge a finder’s fee.

If you instruct us to begin Court proceedings without knowing the financial status of your debtor you should bear in mind that they may not be able to satisfy any judgement you get from the Court.

Claim Form

Once you have instructed us to issue Court proceedings, we shall draft a claim form on your behalf. We will send this to you for approval and signature and then onto the Court with the relevant Court fee. Court fees are payable by you in advance on all matters.

The Court will issue the claim and the claim form will be served on the debtor (who is now referred to as the Defendant), who will have 14 days in which to file an Acknowledgement of Service or a Defence. If the Defendant files an Acknowledgement of Service, they will have a further 28 days from the service of the Claim Form in which to file a Defence.

If the Defendant files a Defence, we shall advise you on how to proceed from this point onward. This may include instructing a Barrister, especially if the claim is complex. We will advise you should this become necessary. There will be additional fees payable to the Barrister.

If the Defendant fails to respond within the time limit, we can apply to the Court for a Judgement in Default. This means the Court will order a Judgement without the need for a trial.

The table below sets out the costs involved where your claim is in relation to an unpaid invoice **which is not disputed, and enforcement action is not needed.**

In the table below we set out fees that are paid to the court (these may be changed by the Government) and our fees and the contribution that the debtor will be ordered to make if we obtain a County Court judgment (CCJ).

<u>Debt</u>	<u>Court fee</u>	<u>Our fee</u>	<u>Total (incl VAT)</u>	<u>Debtor Pays</u>
£1,000.01 - £1,500	£80	£500 plus £100 VAT	£680	£182-215
£1,500.01 - £3,000	£115	£600 plus £120 VAT	£835	£217-250
£3,000.01 - £5,000	£205	£700 plus £140 VAT	£1045	£307-340
£5,000.01 - £10,000	£455	£800 plus £160 VAT	£1415	£585-625
£10,000.01 - £100,000	5% of claim	10% of claim plus VAT	£X	£X

We will charge these Legal Fees whether or not the debt is recovered but credit will be given for all costs actually recovered from the debtor, up to this amount.

Anyone wishing to proceed with a claim should note that:

- The VAT element of our Legal Fees cannot be reclaimed from your debtor.
- Interest and compensation may take the debt into a higher banding, with a higher cost.
- The Legal Fees quoted above are not for matters where enforcement action, such as the bailiff, is needed to collect your debt.
- The Legal Fees do not include work done on hearings of any kind.

Our fee for issuing Court proceedings includes:

1. Undertaking appropriate searches (N.B. tracing agents, search fees and the like will be charged for in addition)
2. Drafting and issuing the claim
3. Where no Acknowledgement of Service or Defence is received, applying to the court to enter Judgement in default.
4. When Judgement in default is received, writing to the debtor or their legal representative to request payment.
5. If payment is not received within 28 days, providing you with advice on the next steps and likely costs.

Matters usually take from 6 – 12 weeks from receipt of instructions from you to receipt of payment from the debtor, depending on whether or not it is necessary to issue a claim. This is on the basis that the debtor pays promptly on receipt of Judgement in default.

Enforcement

Once Judgement has been granted by the Court, it will be registered. This is a County Court Judgment (CCJ) and will have an effect upon the Defendant's credit record if the Defendant fails to pay what is owed within 28 days.

If the debtor has still not paid and you wish us to continue to act, we can offer additional services for which we will make a proposal to you for our fees depending on the particular situation.

There are various methods of enforcement, and these are detailed in the table below. We can advise you as to which action is likely to be successful in each individual case, but if the debtor is insolvent, there may be nothing to show for all the work and expense.

If enforcement action is needed, the matter will take longer to resolve and there will be additional Legal Fees and court fees to pay, which will be explained to you at the relevant time.

Options:

- Enforcement through a High Court Enforcement officer
- Enforcement through County Court Bailiff
- Service of a Statutory Demand
- Attachment of Earnings
- Charging Order
- Bankruptcy Petition
- Winding up Petition

Disputed Claims

If the other party disputes your claim at any point, we will discuss any further work required and provide you with revised advice about costs, which could be on a fixed fee basis or an hourly rate if more extensive work is needed.

Defending Debt Recovery

We can also help you if you or your company are being chased for payment of a debt where you do not agree that you owe some or all of the money, or you do agree but are unable to pay the full amount at once and wish set up a payment plan.

We offer an initial 30-minute consultation during which we will give you an estimate of our Legal Fees together with all other costs and disbursements (expenses payable to third parties, such as the Court fee).

You only have a certain amount of time to act if you are served with a Court Claim form or a Statutory Demand so, please get in touch with us.

Alternatively, please call to make an initial appointment with our Debt Recovery specialist Simon Browner. Simon is a Solicitor who qualified in 1981. Like all our Solicitors, he is a Grade A banding with many years' experience in dealing with Debt Recovery and Civil Litigation matters.

Please note that the fees set out above may vary but we will always aim to provide you with the best possible information regarding our Legal Fees at the start of every matter and which will be based upon the information you initially provide to us. We cannot foresee every eventuality therefore anything outside the scope of the services listed will be charged at our standard hourly rate. Please see the link to our current hourly rates [here](#).

Our team:

The fee-earners who work in this department are:

- [Richard Griffiths](#) (Senior Partner / Solicitor)
- [Simon Browner](#) (Consultant Solicitor)

Please click on the fee earner to find out more about their level of experience and click [here](#) to see their [hourly rates](#).

Simon Browner is supervised by Richard Griffiths (Senior Partner).