

Debt Recovery Our Fixed Costs Programme

Letter before action

It is our recommendation that a letter should be sent in every case. It is usual to give seven days to pay. This is not a legal requirement but it can be very successful and Courts will generally expect this step to have been taken. Should proceedings subsequently be issued, a court may restrict the costs which can be recovered if such a letter has not been sent. This letter can also help us identify at the earliest possible stage, whether the debt is disputed, and on what basis. This helps us manage the risk and legal costs for your business. We charge £10 plus VAT for this service.

Issuing Court proceedings

If the debt has not been collected, or a settlement concluded, following the initial correspondence, we will generally issue all claims under £50,000 in the County Court and all matters over £50,000 in the High Court. We will claim interest on your behalf at the court rate of 8% or, if you notify us, under the Late Payment of Commercial Debts Act or under your terms and conditions of trading.

Claims under £5,000 are 'small claims', where usually only the Court fee and a fixed sum for legal costs are recoverable. In all other cases, we will seek an order that the debtor pays your costs, but the award of costs is always at the discretion of the Court so that there can be no guarantee.

Fixed fees are charged (see tables below), which are recoverable from your debtor if we make a successful recovery. This means that in some circumstances your outlay on legal costs will be recovered in full.

Service of proceedings

We will ask the Court to effect service by post directly on your debtor, unless you request otherwise.

Entering Judgment

If the debtor fails to acknowledge service or defend the claim, we will automatically apply for a judgment in default. It will therefore be important to notify us if you receive any money from the debtor. The following table sets out the fixed cost we will charge for entering judgment in default, which is recoverable from the debtor. Again, this means that the proceedings could cost you nothing.

Enforcement

If the debtor has not paid voluntarily following judgment, we are able to offer fixed costs for a range of enforcement procedures (see below). There are various methods of enforcement, which we can tell you more about at the appropriate time and help you to select the most appropriate method. However, we recommend that we instruct Court enforcement officers to seize goods of the debtor so that these can be sold to discharge the judgment.

Defended Cases & Insolvency

We have traditionally offered a fixed costs programme for undefended debt claims. However we are now able to offer fixed legal costs in relation to **defended** debt claims where the value of the debt is less than £15,000 excluding interest.

Further details of our fixed costs programme for debts which become defended are available on request.

We are also able to offer fixed costs for insolvency proceedings in respect of debt recovery claims and further details are also available upon request.

Debt Recovery

Our Fixed Costs for Undefended Claims

STANDARD TARIFF (all sums exclude VAT)			
PREACTION			
Confirming status of Defendant business and registered office			£15
Letter before action			£10
ISSUING COURT PROCEEDINGS			Where we recover costs in full before Judgment
DEBT	OUR COSTS	COURT FEE	YOU RECOVER
< £300	£50	£35	£80
£301-500	£50	£50	£95
£501-1000	£70	£70	£135
£1,001-1,500	£80	£80	£155
£1,501-3,000	£80	£95	£165
£3,001-5,000	£80	£120	£188
£5,001-15,000	£100	£245	£325
£15,001-50,000	£100	£395	£460
£50,001-100,000	£100	£685	£730
£100001-150000	£100	£885	£910
£150,001-200,000	£100	£1,080	£1,090
£200,001-250,000	£100	£1,275	£1,270
£250,001-300,000	£100	£1,475	£1,450
£300,001 +	£100	£1,670	£1,630
For additional time recorded corresponding with the debtor and you, in an undisputed case, you will be charged no more than £100 at the rate of £100 per hour			

JUDGMENT IN DEFAULT OF ACKNOWLEDGEMENT			Where payment is voluntarily paid in full after Judgment
DEBT	OUR COSTS	COURT FEE	YOU RECOVER
< £5,000	£22	£0	£22
£5,001 +	£30	£0	£30

ENFORCEMENT			
Warrant*			Where payment is received in full after Judgment
DEBT	OUR COSTS	COURT FEE	YOU RECOVER
£0-125	£0	£35	£35
£126-600	£0	£100	£100
£601 +	£60	£60	£101.75
<p>For additional time recorded corresponding with the debtor/enforcement officer and you, you will be charged no more than £100 at the rate of £100 per hour</p> <p>* In the event of an unsuccessful execution, there is also an abortive fee of £60 per address visited.</p>			

OTHER METHODS OF ENFORCEMENT	OUR COSTS	COURT FEE (High/County Court)
Charging Order up to and including first hearing (excluding disbursements and agent to attend hearing)	£400	£100/100
Attachment of Earnings	£200	£100
Third Party Debt Order up to and including first hearing (excluding disbursements and agent to attend hearing)	£400	£100/100
Application to Obtain Information	£250	£100/100
<p>For additional time recorded corresponding with the debtor and you, you will be charged no more than £100 at the rate of £100 per hour</p>		