

Claimant Debt recovery

1. Starting your claim.

Upon receipt of your instructions we will review your papers including any contracts, invoices, and correspondence with the debtor. Following a full review we will send a letter before action to the debtor demanding payment be made. For a commercial debt that letter will also include a claim for interest, late payment charges and where possible recovery costs.

Our initial letter will give the debtor 7 days to pay. If payment is not received within those 7 days a Final Demand Letter will be sent and a follow up telephone call will be made.

Any letter sent will go by first class post and if we have an email address the letter will also be sent by email.

The **minimal charge** for dealing with above will be £50.00 plus VAT.

If the debt is settled in full at this point including interest and late payment charges and where we are able also include a claim for recoverable costs as per our commercial recovery agreement, we will deduct our fees from those recoverable sums and pay the debt to you.

Should payment be made to you direct from a debtor rather than to ourselves please advise us immediately and we will send our final invoice.

Should you, the client, accept a sum less than we claim i.e. if you are happy not to be paid interest and other charges then we will invoice you our standard letter charge of £50.00 plus VAT.

We are able to offer our commercial recovery agreement to clients who are chasing commercial debts. This service includes us working on the basis that we will take a percentage of the value of the debt to cover our charges or alternatively the interest and late payment charges.

Often debtors will look to go into a payment plan, should an offer of a payment plan be forthcoming we will review the matter, the financial status of a debtor and advise you accordingly. We are happy to collect the monthly payments in order to monitor the payment and forward these to you on a monthly basis. Charges may be included for this service depending on the length of the payment agreement. Our fees for this are likely to be in the region of £15.00 plus VAT per month. This sum will include us chasing the debtor to ensure that the monthly agreement is being met and advising you throughout.

Entitlement to claim interest and late payment charges.

For a commercial debt – i.e. business to business under the Late Payment of Commercial Debts (Interest) Act and the various Late Payment Regulations - you may be able to recovery statutory interest for late payments of debts. Interest under this legislation is set at a rate of 8% above the Bank of England Base Rate. We will include a claim for statutory interest at the rate set under the legislation or the rate set on your own invoices and agreement.

Under the legislation we will also aim to recover a fixed sum to compensate you for the late payment. These charges are:-

£40.00	for a debt up to £1000.00
£70.00	for a debt of £1001.00 - £10,000.00
£100.00	for a debt of over £10,000.00

Disputed Matters

Should a debtor raise a dispute upon receipt of our letter before action we will review the matter and their response and advise accordingly. Should you wish to enter into further correspondence in order to resolve the dispute our fees for this will be in the region of £150.00 plus VAT.

2. Issuing a claim.

Prior to issuing any claim we will review your documents and ensure that we have everything that is likely to be required. We will carry out checks on the debtor to ensure they have funds to pay the debt and have means to pay. If necessary a trace can be carried out on the debtor and the fee for this will be in the region of £50.00 plus VAT.

We will prepare the particulars of claim and other documents for you. The costs of this will depend on the amount we are looking to recover and we will endeavour on all occasions to recover those costs from the debtor as part of the overall claim.

If the claim is complex we may need to instruct a barrister and will advise you on that as and when we feel it is necessary.

We will, where possible, use the Money Claims online service which is quicker and the court fees are less. If it is not possible due to the complexity of the issue, we will advise you of this.

If the claim is less than £10,000.00 and likely to be in the small claims track our fees for drafting and issuing the claim form will be approximately £200.00 plus VAT. If the value is more than £10,000.00 our fees are likely to be in the region of £1000.00 plus VAT but we will advise on this in more detail at the time and once we have had the opportunity to review your papers.

Court fees are payable in advance on all matters. Court fees start at £35.00 for a debt of less than £300.00 and go up to £455.00 for a debt of £5-10,000.00. For any debt over £10,000.00 the court fee will be 5% of the total amount claimed. We will advise prior to issue on the exact court fee payable.

We are able to offer our commercial recovery agreement to clients who are chasing commercial debts. This service includes us working on the basis that we will take a percentage of the value of the debt to cover our charges or alternatively the interest and late payment charges, this will be agreed with you prior to us starting the collection process. Prior to the issue of proceedings we will review our commercial recovery agreement with you as we may be able to offer this service further at the issuing proceedings stage.

Disputed Matters

Should the debtor dispute the sums owed and file a defence our charges will be based on our standard hourly rate of £146.00 per hour. In small claims matters being those below £10,000.00 we aim to limit our fees where possible.

If the debt is disputed and defence is filed we will advise you in full on the process.

3. Obtaining Judgment

Should the defendant not respond to the claim form in the required time frame we will look to obtain judgment promptly and as soon as timescales allow. If payment is received for the full amount of the Judgment and paid direct to us we will hold the funds in our client account to deduct our fees and pay the balance over to you. Should payment come to you direct we would ask you advise us immediately.

Once the Judgment is obtained and if payment is not forthcoming we can take steps to enforce the judgment using a number of options which include:-

Options	Our fees and any court fee
Enforcement through a High Court Enforcement officer	£50.00 plus VAT and a court fee of £66.00. If collection is not made a further fee will be payable to the enforcement company.
Enforcement through County Court Bailiff	£70.00 plus VAT and court fee of £77.00
Service of a Statutory Demand	£250.00 plus VAT and process server fee of around £100.00
Attachment of Earnings	£30.00 plus court fee of £110.00 and a potential advocacy charge TBA
Charging Order	£500.00 plus VAT and court fee of £110.00 – plus potential other fees TBA
Bankruptcy Petition	A full quote will be provided if you wish to take this step setting out fees and court fees in full.
Winding up Petition.	A full quote will be provided if you wish to take this step setting out our fees and court fees in full

Where possible we will deal with these on a fixed costs basis so that you are fully aware of all potential costs.

4. Defending Debt Recovery

We also offer a full service 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 wish to look to set up a payment plan.

If you are served with a court claim form or a Statutory Demand you need to act promptly and within the time scales set out.

At any first meeting we will happily provide you with an estimate of our costs in order to act for you in defending a debt recovery matter.

Who will be dealing with your case

Our debt recovery team is experienced in dealing with this type of work and is headed up by Philippa McDonald who is the Head of our Debt Recovery and Dispute Team. If Philippa is absent from the office Connie Moulding will be in a position to answer any queries you may have.

Please note that the fees set out may vary and we will always at the start of every issue provide you with the best possible quote on our fees. We will use our fixed fee process where possible, however not all eventualities can be listed and should matters vary we will advise you. These fees only cover the situation stated and anything over and above those listed will be charged at our standard hourly rate.