

DEBT RECOVERY FIXED FEES

Bright offer a range of fixed fee options for Business to Business debt as well as business to consumer debt that is undisputed and remains unpaid.

If the other party disputes your claim at any point we will notify you and discuss any further work required and provide you with revised costs updates as the claim proceeds. This will be charged on a time spent basis.

The estimates provided below are in connection with undisputed matters only. Matters which are disputed will be quoted or on a case by case basis.

STAGE 1 – LETTER BEFORE ACTION

Business to Business

The first stage is to issue the other party with a Letter Before Action.

Our fixed fee includes:-

- Taking your initial instructions and providing advice and merits on your claim and on the recovery of your debt based on the information you have provided.
- Reviewing any documentation you might have (typically T&Cs, a straightforward contract, invoices and correspondence between you and the debtor.
- Undertaking Company searches to ascertain information about the debtor and its assets.
- Reporting to you on those searches
- Drafting and sending a Letter Before Action (LBA) to the debtor giving them a period of time (usually 7 or 14 days) to pay the debt in full upon failing which proceedings will be issued against them (See stage 2).

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

We estimate our fees for stage 1 to be between £250 - £375 plus VAT at 20% based on it taking 2 to 3 hours of Emma Milner's time which is charged at her hourly rate of £125 plus VAT at 20%.

Business to Consumer

In the course of business dealings you may supply goods/services to the general public (consumers) rather than to a business. The first stage is to issue the other party with

a Letter Before Action. There are different rules to follow when writing to a consumer for the first time and we will ensure our letter is compliant with these rules.

We estimate our fees for stage 1 to be between £250 - £500 plus VAT at 20% based on it taking between 2 to 4 hours of Emma Milner's time charged at her hourly rate of £125 plus VAT at 20%.

This work will include all of the steps mentioned above in the business to business section but the letter of claim will be what is known as Pre-Action protocol Compliant.

This LBA must give 30 days to the consumer to respond before taking further action.

STAGE 2 – ISSUING COURT PROCEEDINGS

If a debtor does not respond positively or at all to the Letter before Action or Letter of Claim within the required time scales, you may wish to take the next step and issue Court proceedings or a Statutory Demand.

If you decide to issue a Statutory Demand, a separate quote for this will be provided as it falls outside the scope of these fixed fee prices.

The second stage is to issue proceedings with the County Court.

We estimate our fixed fees to issue a claim, will be between £250 and £625 plus VAT at 20% based on it taking Emma Milner 2 to 5 hours of her time and depending on the complexity of the claim and whether separate Particulars of Claim will be required. Her usual hourly rate is £125 plus VAT at 20%.

This will include: -

- Receiving instructions from you;
- Preparing a Claim Form and Particulars of Claim in line with the amount claimed in Stage 1;
- Calculating late payment interest based on the amount of debt with reference to both the contract and the statutory base interest rate;
- Advising you on the recoverability of costs including whether you are entitled to seek recovery of costs and managing your expectations on any amount of the same;
- Lodging the Claim Form and Particulars of Claim with the appropriate court for you with the appropriate issue fee;
- Receiving Notice of Issue from the Court, noting deadlines and date of Hearing.

This excludes disbursements and costs the firm may incur when issuing a Claim in the County Court. A Court Fee is payable upon issuing a claim and will be required on account of costs before commencement of Stage 2.

Anyone wishing to pursue a claim should note that interest and any other cost may take the debt into a higher band and will be associated with a higher court fee and cost. We can discuss our fees on the same if it becomes necessary. The small claims limit is £10,000.

If a claim is defended by the other side we will discuss our charges with you on a case by case basis. These rates will vary dependant on the level of experience of the individual undertaking the work within the team.

Court fees payable on account upon instruction to commence Stage 2:-

Value of Claim	Court issue fee
Up to £300	£35
More than £300 but no more than £500	£50
More than £500 but no more than £1,000	£70
More than £1,000 but no more than £1,500	£80
More than £1,500 but no more than £3,000	£115
More than £3,000 but no more than £5,000	£205
More than £5,000 but no more than £10,000	£455
More than £10,000 but no more than £100,000	5% of the value of the claim

VAT will not be payable on the above Court fees.

We will require payment of the Court fee on account of costs before issuing the claim.

Stage 3

If your claim is uncomplicated i.e. does not include a claim for costs that is not previously specified on the Claim Form, the Defendant has to respond to it by filing an Acknowledgement of Service or a Defence within strict deadlines. If the Defendant does not do so you are entitled to apply for a Judgment in Default, which means your claim is automatically successful and made “by default”.

Once we have issued proceedings in the court we are unable to control the time the court may take to issue and provide default judgment. This usually takes between 1 to 4 months.

Stage 4

If payment is not forthcoming following a judgment we can discuss further steps to enforce the judgment and the costs associated with the same.

What if the claim is defended?

When receiving a Defence it will be outlined whether the case is being partially or fully defended. We can then discuss next steps with you at the time on a case by case basis.

My business requires more than one instruction

We offer a retainer service for businesses that are tailored to its credit control needs.

To discuss your businesses individual needs please contact Emma Milner on 01752 968463 or email disputes@brightllp.co.uk.