



## **DEBT RECOVERY LEGAL FEES & COSTS**

Our Debt recovery service can help your business to recover unpaid invoices of up to £50,000.00

This service and fee scale set out below applies to invoice debts which are not disputed and enforcement action is not needed. If at any point the other party disputes the claim, we will discuss any further work required and provide you with revised advice about costs if necessary which could be on a fixed fee or at the hourly rate.

This service and fee scale will not be appropriate for all debts, however we will be happy to discuss the circumstances with you to achieve a more relevant fee estimate where the debt recovery does not fit our standard structure.

### **Standard Structure**

#### **1. Pre-action stage 1**

Registering the debt on our system, drafting the initial letter before action to the debtor and calculating the level of compensation due. The cost of this is £125 plus VAT.

#### **2. Pre-action stage 2**

If a response is not received within the given time frame, we move onto the second stage of work which involves drafting a further letter to the debtor. The cost of this is £75 plus VAT.

#### **3. Issuing Court proceedings**

If the above pre-action letters do not resolve matters, we would then advise on the next steps and the likely costs. Should you wish us to do so, we can issue proceedings on your behalf. The costs for issuing an undisputed debt are as follows:

Debt value	Court fee	Our fee (incl. VAT)	Total
Up to £5,000	£25 - £185	£250	£275 - £435
£5,001 - £10,000	£410	£450	£860
£10,001 - £50,000	4.5% value of the claim	£450	TBA

*The above fees are subject to change in line with advice from HM Courts and Tribunals Service*

### **What is included in the Standard Structure?**

- Taking your instructions and reviewing documentation
  - Undertaking appropriate searches
  - Sending a letter before action
- Receiving payment and sending onto you, or if the debt is not paid, drafting and issuing claim
- Where no Acknowledgment of Service or Defence is received, applying to the court to enter Judgement in default
  - When Judgement in default is received, write once to the other side to request payment
- If payment is not received within 14 days, providing you with advice on next steps and likely costs to be on the hourly rate set out below:

Director / Consultant	£275 to £350 plus VAT
Solicitor	£150 plus VAT
Trainee Solicitor / Paralegal	£100 plus VAT

### **Anyone wishing to proceed with a claim should note that:**

The VAT element of our fee cannot be reclaimed from your debtor.

Interest and compensation may take the debt into a higher banding, with a higher cost.

The costs quoted above are not for matters where enforcement action, such as the bailiff, is needed to collect your debt.

### **How long is my case likely to take on the Standard Structure?**

If proceedings are not needed, matters usually take around 3 to 4 weeks from receipt of instructions from you to receipt of payment from the other side, depending upon the conduct of the debtor. If a claim is issued and the matter proceeds without being defended, this matter will take a further 6 weeks or so to judgment. If the claim is defended, we would give you details of the likely timescale and cost when it is clearer what issues are involved.