

Debt Recovery

We offer a debt recovery package which is ideal when you have various debtors. The first stage is to send a court compliant letter of claim to the debtor requesting that they pay within a stipulated period.

The initial letter of claim

For unpaid and undisputed invoices the costs for our letters are straightforward. Letters to debtors cost just £10.00 plus VAT, with a minimum charge of £100.00 plus VAT over a six month period. Where appropriate we include claims for statutory interest and compensation at no extra charge, and if we recover these then those extra sums are for you to keep. This can often more than pay for the cost of the letter.

If it is just the one debtor you are having issues recovering money from then we charge £75.00 plus VAT for one initial letter of claim.

If the matter becomes disputed then our fees will be charged at an hourly rate plus VAT.

Issuing Court proceedings

We find that most debtors pay once they have received our initial letter, but if this is not the case then we can discuss taking this matter further and look at issuing proceedings against the debtor. We always carry out a credit check first to see if it is commercially viable for you to continue, and this is included in our fixed fee service.

Just like with our first letter, we also claim statutory or contractual interest and/or compensation for you and we can often recover more for you than the original debt. Up to and including applying for the County Court Judgment we limit our charges to those that the Court will order the Defendant to pay. These are detailed in the table below.

If the debtor pays the amount on the Judgment we will have recovered your costs for you and you receive the amount of the debt plus the balance of any interest and compensation.

Debt	Court fee	Our fee (incl. VAT)	Total
Up to £5,000	£35.00 - £205.00	£72.00 - £102.00	£107.00 – 307.00
£5,001 - £10,000	£455.00	£130.00	£585.00
£10,001 - £50,000	5% value of the claim	£130.00	£630.00 – 2,630.00

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.

Hourly rate for disputed matters

If the debtor defends the claim, then any further work in relation to the claim will be charged at an hourly plus VAT. These costs are detailed below:

Solicitors and Chartered Legal Executives with over eight years post qualification experience including at least eight years litigation experience, depending on seniority

- £230.00 + VAT of £46.00 (a total of £276.00) to £300.00 + VAT of £60.00 (a total of £360.00)

Solicitors and Chartered Legal Executives with over four years post qualification experience including at least four years litigation experience, depending on seniority

- £175.00 + VAT of £35.00 (a total of £210.00) to £250.00 + VAT of £50.00 (a total of £300.00)

Other solicitors and legal executives and fee earners of equivalent experience, depending on seniority

- £135.00 + VAT of £27.00 (a total of £162.00) to £190.00 + VAT of £38.00 (a total of £228.00)

Trainee solicitors, paralegals and other fee earners, depending on seniority

- £110.00 + VAT of £22.00 (a total of £132.00) to £150.00 + VAT of £30.00 (a total of £180.00)

If the debtors fail to pay after the letter, and after they have received the Judgment then we will of course go through the enforcement options available to you. Every case is different and we will ensure that you receive the right, commercially effective, advice.

Matters usually take 8-10 weeks from receipt of instructions from you to receipt of payment from the other side, depending on whether or not it is necessary to issue a claim. This is on the basis that the other side pays promptly on receipt of Judgment in default. If enforcement action is needed, the matter will take longer to resolve.