

Debt Recovery Price Transparency

We understand that incurring further costs when recovering a debt can be a further frustration.

The first step in recovering a debt is often sending the debtor a Letter Before Action. However, before doing so we would always wish to meet with you to ensure that we understand the nature of the debt together with checking that it is legally enforceable together with assessing the commercial viability.

The first steps

The consultation fees are as follows:

1. Solicitor £325.00 plus VAT
2. Trainee Solicitor £150.00 plus VAT

When booking an appointment, you can either make the selection at that time or give our experienced staff some information regarding the level of the debt or the complexity so that they may assist you in selecting the right solicitor. If need be, we will be able to accommodate you changing solicitor if circumstances develop which requires such a change.

Our Letter Before Claim charge will be as follows: Number of debtors	Fee
One to ten debtors	£150 plus VAT
Ten plus debtors	£75 plus VAT per letter

Negotiations with Debtors

Often upon receiving a Letter Before Action, a debtor may contact us to discuss the possibility of either negotiating a settlement or making a payment proposal. These negotiations can vary substantially due to the complexity or affordability of the matter. In these instances, we would charge between £500 - £1,500 plus VAT.

If the matter were to escalate to court then the parties will have been expected to have taken certain steps to avoid issuing a claim. The steps that should be undertaken must be assessed on a case by case basis. Example template (Range of fixed fees) for a business to business debt that is undisputed

Taking Stock

As a result of this engagement with the debtor, further issues may have arisen. Furthermore, we may have to consider elements of disclosure which may undermine or assist the case. We would always look to undertake this exercise before advising on whether a claim should be issued in the court. The costs that you are likely to incur for this stage is £450 - £1,1500 plus VAT based on the hourly rate of the solicitor you instruct.

Issuing a Claim

In certain circumstances, a debt will not be recovered unless a claim is issued.

The cost in relation of drafting a claim when applying for default judgment on an undefended case would be:

Court Claims

These costs apply where your claim is in relation to an unpaid invoice which is ***not disputed*** and enforcement action is not needed. If the other party disputes your claim at any point, we will discuss any further work required and provide you with revised advice about costs if necessary, which could be on a fixed fee (e.g. if a one off letter is required), or an hourly rate if more extensive work is needed. Please also note that there may be a need to instruct a barrister on your behalf. Where that is necessary their fees will be in addition to those set out below and VAT will be applicable.

Debt Value	Court Fee (please note that these are subject to change on an annual basis)	Our Fee	Total of Court Fee & Our Fee
Up to £5,000	£205	£850 plus VAT	£1,225.00
£5,001 - £10,000	£455	£1350 plus VAT	£2,075.00
£10,001 - £100,000	5% of the value of the claim	£3,000 plus VAT or 8% of the claim whichever is the greater	£3,000 plus VAT or 8% of the value of the claim along with 5% of the value of the claim.

Anyone wishing to proceed with a claim should note that:

1. The VAT element of our fee cannot be reclaimed from your debtor.
2. Interest and compensation may take the debt into a higher banding, with a higher cost.
3. The costs quoted above are not for matters where enforcement action, such as the bailiff, is needed to collect your debt.

Our fee includes:

1. Taking your instructions and reviewing documentation
2. Undertaking appropriate searches
3. Sending a letter before action
4. Receiving payment and sending onto you, or if the debt is not paid, drafting and issuing claim
5. Where no Acknowledgment of Service or Defence is received, applying to the court to enter Judgement in default
6. When Judgement in default is received, write to the other side to request payment
7. If payment is not received within the days demanded by the Court Order, providing you with advice on next steps and likely costs

Matters usually take 6-12 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 Judgement in default. If enforcement action is needed, the matter will take longer to resolve.

Matters in Dispute

Where a matter becomes disputed then our charges will be based on time spent in line with our hourly rates applicable at the time of the work is undertaken, VAT will also be chargeable. Again if there is a need to instruct a barrister then their fees will be in addition to those set out below and VAT will be applicable.