

# Debt Collection

## Guide to Price and Service

### Fixed Fee Small Business Debt Recovery

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.

### Letter before action

We charge a fixed fee of £35 plus VAT (£7) to send a letter before action to your debtor.

### Chasing

Unless you have instructed us otherwise, on the expiry of the letter before action, we will automatically chase the debtor for payment via either telephone, email or letter. We will charge a fixed fee of £15 plus VAT (£3) for each time we chase. We will not normally make more than 2 to 3 attempts.

### Issuing a claim

Debt	Our Fee	VAT	Court Fees <sup>1</sup>		Estimated Cost <sup>2</sup>
			Online	Paper	
Up to £300	£150	£30	£25	£35	£205
£300.01 to £500			£35	£50	£215
£500.01 to £1,000			£60	£70	£240
£1,000.01 to £1,500	£250	£50	£70	£80	£370
£1,500.01 to £3,000			£105	£115	£405
£3,000.01 to £5,000			£185	£205	£485
£5,000.01 to £10,000	£350	£70	£410	£455	£830
£10,000.01 to £100,000	£500	£100	4.5%	5%	£1,050 - £5,100
£100,000.01 to £200,000	£750	£150	n/a		£5,900 - £10,900
More than £200,000	£1,200	£240		£10,000	£11,440

### Requesting judgement

For debts up to £5,000, we charge a fixed fee of £50 plus VAT (£10) to request judgement.

For debts over £5,000, we charge a fixed fee of £75 plus VAT (£15) to request judgement.

Anyone wishing to proceed with the claim should note that:

- The VAT element of our fee cannot be reclaimed from your debtor if your own business is registered for VAT.
- Interest and compensation for late payment 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.
- The costs quoted are to pursue one debtor. Where there is more than one debtor in relation to the same debt, our costs will be higher than those set out above.

Our fees include:

- Taking your instructions and reviewing documentation.
- Undertaking appropriate searches.
- Sending a letter before action.

<sup>1</sup> Court fees correct at 27/11/2018

<sup>2</sup> Actual total dependent upon value of claim and whether claim issued online or by post

- Receiving payment and sending onto you, or if the debt is not paid, drafting and issuing a claim.
- When no Acknowledgement of Service or Defence is received, applying to the court to enter Judgement in default.
- When Judgement in default is received, writing 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.

Matters usually take 8-12 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 or a Defence has been entered, the matter will take longer to resolve.

#### Representative example:

Undisputed debt of £3,800 <sup>3</sup>	Legal Fees	VAT	Court Fee	Total Cost
Letter before action sent	£35	£7		£42
2 x chasing payment	£30	£6		£36
Claim form issued	£250	£50	£185	£485
Judgment in default of Defence	£50	£10		£60
<b>Total Cost</b>	<b>£365</b>	<b>£73</b>	<b>£185</b>	<b>£623</b>
Costs recoverable from Defendant <sup>4</sup>	(£105)		(£185)	(£290)
VAT recovery (if VAT registered)		(£73)		(£73)
<b>Net cost to you<sup>5</sup></b>	<b>£260</b>	<b>£0</b>	<b>£0</b>	<b>£260</b>

#### Our team

We are a small but very experienced Litigation Team who can assist and guide you through the process. We utilise up-to-date online legal resources and technology to be able to deliver an efficient and modern service, whilst at the same time, offering a personal and bespoke experience for our clients.

#### David Hitchman LLB (Hons) – Partner

David is a specialist litigation and dispute resolution Solicitor. David qualified in 1997, became a Partner in 2002 and is Head of Litigation. He has expertise across a broad range of civil and commercial litigation. In recent years David has gained significant experience defending directors of companies in claims for breach of duty and fraud.

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#### Jodie Jessop LLB (Hons) – Associate Solicitor

Jodie qualified as a Solicitor in 2005. Prior to that she attended the University of Birmingham, where she studied law and graduated with honours before completing her Legal Practice Course, with commendation, at The College of Law. Jodie has been undertaking litigation and dispute resolution work since qualification and joined our Litigation Team in 2017. Jodie is particularly skilled at dealing with high value claims for both Claimants and Defendants.

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<sup>3</sup> Assumes payment is made following Judgment being entered.

<sup>4</sup> The Court will award fixed costs on issuing a claim and on entering judgment. The actual sum depends upon a number of factors including the value of the claim and the stage it has reached when judgment is requested.

<sup>5</sup> We would also expect to recover interest and compensation for late payment.