

DEBT RECOVERY

Range of fixed fees for recovery of a debt that is undisputed

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 basis if more extensive work is needed.

Stage 1 Letter Before Action

The first stage is to issue the other party with a letter before action. Our fixed fees to issue a letter before action are as follows:

Debt Value	Our fee (inc VAT)
Up to £3000	£200 (£240)
£3001 to £5000	£400 (£480)
£5000 +	£600 (£720)

Our fee includes:

- Initial telephone or email advice from experienced staff on the recovery of your debt
- Taking your instructions and reviewing documentation
- Insolvency check on the debtor
- Calculation of contractual interest payable (subject to your terms and conditions) and/or statutory late payment interest and/or compensation
- Sending a letter before action

Stage 2 Commence Proceedings

If the other party does not respond to the letter of claim the next step is to commence proceedings at Court. Our fixed fees to commence a claim at Court, payable in addition to the fixed fees set out at Stage 1 above, are as follows:

Debt Value	Court fee	Our fee (inc VAT)	Total (inc VAT)
Up to £999	Up to £70	£150 (£180)	£250
£1,000 - £1,499	£80	£175 (£210)	£290

£1,500 - £2,999	£115	£200 (£240)	£355
£3000 - £4,999	£205	£250 (£300)	£505
£5,000 - £9,999	£455	£350 (£420)	£875
£10,000 - £24,999	5% value of the Claim	5% value of the Claim starting from £500	Dependent on value of Claim
£25,000 +	5% value of the Claim up to a maximum of £10,000	5% value of the Claim starting from £1,250	Dependent on value of Claim

Anyone wishing to proceed with a claim should note that:

- The VAT element of our fee usually 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.

Our fee for Stage 2 includes:

- Drafting and issuing claim
- Where no Acknowledgment of Service or Defence is received, applying to the court to enter Judgment in default
- When Judgment in default is received, writing to the other party to request payment
- If payment is not received within 28 days, providing you with advice on next steps and likely costs

How long will it take?

Matters usually take 1 to 3 months from receipt of instructions from you to receipt of payment from the other party, 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.

Defended Claims

Once a claim falls outside of the fixed fees above and becomes defended, we will discuss our charges with you on a case by case basis. Unless otherwise agreed our charges will be based upon the amount of time we spend on your case and our rates are dependent on the level of experience of the individual undertaking the work:-

Level of Experience	Hourly rate plus VAT
Head of Disputes & Litigation – Associate, Solicitor	£270
Solicitor	£200
Paralegal / Trainee Legal Executive	£180

Defended debt claims can take such a wide variety of forms it is very difficult to provide an average cost. However, to provide an example, for a straightforward debt recovery claim in the small claims track, pursuing a debt of up to £10,000, we would anticipate that our charge up to and including the hearing would be £3,500 plus VAT (total cost £4,200) plus a Court fee of up to £455. Unless you have a contractual entitlement to full recovery of costs incurred in recovering a debt you should note that any costs order made in your favour would be limited to recovery of the Court fee paid and a very limited contribution towards your legal costs under Civil Procedure Rule 45.

Disbursements

In some circumstances additional costs, known as disbursements (a cost we incur on your behalf) will apply. This could include the cost of instructing an outside agent to trace a debtor (usually between £100 and £200 plus VAT), taking enforcement action or if significant photocopying is required when submitting your claim. We will always advise you in advance if a disbursement is deemed necessary and will always seek your approval before incurring any disbursements.