

Our debt recovery fees

This note sets out the likely costs involved when pursuing an overdue debt.

Unpaid invoices can dramatically damage your cash flow and even jeopardise the future of your business. We can help you turn invoices into cash using a simple, effective, fixed fee collection service.

At a glance

- We are experts in debt recovery and enforcement of Judgments.
- We charge a fixed fee for simple, undisputed debts.
- Complex debt recovery and disputed debts are charged on an hourly rate basis.

Our fees

The table to the right lists the work we undertake under our fixed fee collection service, and the charges associated with each type of work.

To take advantage of the fixed fee service you need to provide us with all the details that we require to draft a formal letter before action. The fixed fee for a letter before action includes drafting and sending the letter and forwarding any payment received from the debtor.

If we are required to undertake any additional work prior to or after sending the letter before action e.g. reading papers or obtaining further information from you or extended liaison with the debtor, or where the claim is complex and/or may be disputed, this work will be charged on an hourly rate basis, the rates for which are set out below.

If payment is not made by the debtor within the timescale set out in the letter before action, we can consider issuing County Court proceedings. A fixed fee package is offered for undefended claims. The fee includes:

- Drafting and issuing a claim.
- Requesting judgment in default.
- Instructing the bailiff or High Court Enforcement Officer to attend at the Defendant's premises with a warrant for the removal of goods.
- Communicating with you throughout.

Debt Recovery Fixed Fee Package

(fees applicable to simple, undisputed claims only)

Description of Work Undertaken	Charge
Standard letter before action	£60 + VAT
Letter before action where your terms of payment include an entitlement to interest on outstanding invoices	£70 + VAT
Claims up to £600: issue of County Court proceedings, including obtaining Judgement and Issuing a Warrant of Execution (instructing the Bailiff)	£250 + VAT
Issue of County Court proceedings, including obtaining Judgement and Issuing a Warrant of Execution (instructing the High Court Enforcement Officer)	
Claims between £600 and £3,000	£300 + VAT
Claims between £3,000 and £5,000	£500 + VAT
Claims between £5,000 and £10,000	£700 + VAT
Claims between £10,000 and £15,000	£900 + VAT
Claims between £15,000 and £20,000	£1,100 + VAT
Claims between £20,000 and £25,000	£1,300 + VAT
Claims between £25,000 and £100,000	£1,500 +VAT

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In addition to our fixed fee, you will also have to pay court fees. County Court issue fees are currently as follows:

Value of your claim	Court fee (no VAT Payable)
Up to £300	£35
More than £300 but no more than £500	£50
More than £500 but no more than £1,000	£70
More than £1,000 but no more than £1,500	£80
More than £1,500 but no more than £3,000	£115
More than £3,000 but no more than £5,000	£205
More than £5,000 but no more than £10,000	£455
More than £10,000 but no more than £15,000	5% of the value of the claim
More than £15,000 but no more than £50,000	
More than £50,000 but no more than £100,000	
More than £100,000 but no more than £150,000	
More than £150,000 but no more than £200,000	
More than £200,000	£10,000

Please note that interest and compensation may take the debt into a higher banding, with a higher court fee.

If we need to issue a warrant of execution you will need to pay additional court fees as follows:

Enforcement Costs	Court fee (no VAT Payable)
Warrant of Execution (instructing the Bailiff)	£110
Warrant of Execution (instructing the High Court Enforcement Officer)	£66

In addition to the above, there may be other disbursements to be paid such as land registry fees of up to £46 and title searches of approximately £7 each.

Timescales

Depending on whether it is necessary to issue a claim, matters usually take 2 to 12 weeks from receipt of instructions to receipt of payment. This is on the assumption that the defendant pays promptly upon receipt of Judgment in Default. If enforcement action is needed, the matter will take longer to resolve.

Non fixed-fee work

Should the claim be defended, or we are involved in negotiation, or arranging / administering repayment schedules, or liaising with the bailiff / High Court Enforcement Officer beyond initial instruction, or arranging alternative means of enforcement, this work will be charged on an hourly rate basis.

Our current hourly rates for the people who are typically involved in this work are:

Paralegal / legal executive:
£140 to £185

Associate / senior associate:
£185 to £325

We review our rates each year and notify our clients of any changes.

If Counsel is to be instructed this will be in the region of £300 to £500 per hour plus VAT.

For claims exceeding £10,000 in value, a successful party is usually entitled to recover the majority of its legal costs from the losing party. However, some proportion of the successful party's costs is likely to be irrecoverable (the proportion is not fixed and is in the court's discretion but you should expect that at least 40% of your costs will be irrecoverable). If a claim is defended and you are not successful, you may be liable for the successful party's fees.

Billing

We will bill you in respect of fees and disbursements and other charges once all the work carried out on a fixed fee basis has been completed.

On work that is charged on an hourly rate basis we usually bill on a monthly basis and on completion of each matter. Wherever possible, we provide a best estimate of the costs that are likely to be incurred as soon as details are available, and revised estimates if and when circumstances change.

Meet our experts

The majority of your debt instructions will be dealt with by Lynne Lawn. Lynne is a highly experienced Chartered Legal Executive within the Commercial Disputes team. She is involved in all aspects of the debt recovery process from pre-litigation matters through to straightforward defended claims and is experienced in the enforcement of judgments as well as obtaining settlement by negotiation.

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More complex defended claims will be handled by other members of the Commercial Disputes team depending on the complexity of the case. The debt recovery team is supervised by Senior Associate, Harriet Wells who has practised as a litigation solicitor for over 30 years.



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