

Information

Our debt recovery service/fees for undisputed debt claims up to £100,000

At Mills & Reeve, we understand that unpaid invoices can severely impact your cash flow and even threaten the future of your business. We help you recover overdue payments quickly and professionally, so you can focus on your business.

Our team of specialists is here to help you convert invoices into cash and take the burden of managing that process off your shoulders to recover the money owed.

Note: the debt recovery service is suitable for the recovery of fixed sums (for example unpaid invoices or statutory fees). It is not suitable for claims for general damages or compensation. The fees provided below are for debt recovery matters where the debt is undisputed.



Debt Recovery Process – Key Stages

The debt recovery process generally follows these steps:

- **Stage 1: pre-action** – taking your instructions and reviewing the documents, undertaking appropriate searches, and then preparing a Letter Before Action (**LBA**). The LBA will detail the debt, demand payment, and warn the debtor that Court action may be commenced if payment is not made. The LBA will be sent by us on your behalf.
 - Where the debtor is a **company**, payment will generally be requested within 7 to 14 days.
 - Where the debtor is an **individual**, payment will generally be requested within 30 days.

One of the key benefits of sending a LBA is that it serves as a highly effective and persuasive tool for encouraging payment of the debt.

- If the debtor engages with the LBA, we may be able to agree terms of repayment without the need to commence formal Court proceedings.
- **Stage 2: Issuing Court proceedings** – if payment of the outstanding invoice is not received, then a claim can be filed on Money Claim Online, and the following process will occur:
 - Once the claim form is issued, the debtor has 14 days to acknowledge receipt and a total of 28 days to file a defence in accordance with the Civil Procedure Rules (**CPR**).
 - Failure to acknowledge receipt and/or file a defence means we can apply for judgment in default on your behalf.
- **Stage 3: Request for judgment** – If the debtor fails to respond or submit a defence, we can apply for a County Court Judgment (**CCJ**) on your behalf. We will claim fixed costs for this process from the debtor, as permitted under the CPR. The process for obtaining a CCJ is as follows:
 - Judgment can be obtained in 1-2 weeks after the response period ends, although this depends on the Court.
 - Once judgment is entered, the judgment debt is payable immediately. There is no automatic grace period after a default judgment is obtained.
 - If the debtor pays the judgment in full:
 - within one calendar month of the date of judgment, the CCJ can be removed from the Register of Judgments, Orders and Fines; or

- after one month it will remain on the register for six years, marked as “satisfied”.
- **Stage 4: Enforcement** – once a judgment has been obtained, if payment is not made, the next step is to pursue enforcement action. This can be done in a number of ways, including:
 - **Warrant of Control:** Authorises Bailiffs/High Court Enforcement Officers to seize goods to the value of the judgment. Initial enforcement action usually occurs 2 to 6 weeks after instruction.
 - **Charging Order:** Secures the debt against property. Securing a final charging order usually takes around 8 to 12 weeks, although it can be longer if the application is contested.
 - **Third-party Debt Order:** Freezes funds held by others (e.g. banks). An initial application is made without notice to the debtor, and then a final order will be made. This usually takes around 4 weeks but depends on the Court.
 - **Attachment of Earnings Order:** directs an employer to deduct money from the individual's salary to settle the debt. Obtaining an order usually takes between 4 and 8 weeks depending on the Court.

Our Pricing for Debt Recovery (undisputed claims)

Our Fees

- The fees below are indicative of our typical costs for undisputed debt recovery matters up to a value of £100,000. We will provide a specific fee estimate at the start of the matter.
- The fees below have been calculated based on our current hourly rates (details of which are also set out below). Fees are estimated and charged on a time spent basis. We review our rates each year (with any changes applying at the beginning of June). If we are instructed on an estimated costs basis, the increase in hourly rates may affect the total estimate of costs.

Stage 1 – Pre Action (Letter Before Action)

- Sending a LBA to an individual or a business: our fees will be in the region of £275 to £500 (plus VAT¹).
- Negotiation/Payment Plan: our fees will be in the region of £2,500 to £5,000 (plus VAT).
- Our fees will depend on the volume of information that we need to review, the degree of correspondence required, and the extent of negotiation needed.

Stages 2 & 3 – Issuing Court proceedings and requesting judgment

- **Undisputed claim:**
 - Our fees will be in the region of £800 to £3,200 (plus VAT) depending on value, the volume of information that we need to review, and the amount of correspondence required.
- **The issue fee will depend on the value of your claim**

Value of your claim	Court fee (these do not attract VAT)
Up to £300	£35
£300.01 to £500	£50
£500.01 to £1,000	£70
£1,001 to £1,500	£80
£1,500.01 to £3,000	£115
£3,000.01 to £5,000	£205
£5,000.01 to £10,000	£455
£10,000.01 to £100,000	5% of the claim

- The above Court fees and the enforcement fees (detailed in the table below) are payable on account and are in addition to Mills & Reeve's fees.

Stage 4 – Enforcement

- Once judgment has been obtained, we can consider the most appropriate enforcement options with you, and advise you on the likely costs, which will be based on our hourly rates.

¹ VAT is charged at the prevailing rate. Currently this is 20%.

Disbursements for various forms of enforcement action

Enforcement action	Fee (these do not attract VAT)
Sealing of warrant of control	£80
Attachment of earnings order	£135
Application for a charging order	£135
Application for a third party debt order	£135

Our standard hourly rates are currently as follows:

- Paralegal/Apprentice Paralegal: £215, plus VAT
- Senior Chartered Legal Executive: £275, plus VAT
- Senior Associate: £370, plus VAT
- Partner: £580, plus VAT

Your liability for our fees and disbursements

You will be responsible for paying the firm's fees and disbursements regardless of the outcome of the litigation. This is the case irrespective of any amount that you may recover, or could potentially recover, from the debtor. We have provided below further information about the costs that may be recoverable.

Capped costs: in the small claims track (claims under £10,000), the CPR impose capped costs, meaning that even if you win, you can only recover very limited legal costs from the losing party. Generally, you cannot recover your solicitor's hourly charges, even if you win. Exceptions exist for undisputed claims for Court fees (being the issue fee) and limited fixed costs for issuing the claim.

Fixed Recoverable Costs: since 1 October 2023, most claims up to £100,000 are subject to the Fixed Recoverable Costs (FRC) regime, which limits costs recoverable from the opponent. This does not affect the fees we charge you, which will be agreed in advance.

The Debt Recovery Team – qualifications and experience

Undisputed claims will be handled on a day-to-day basis by Lynne Lawn, Senior Chartered Legal Executive, working under the oversight and direction of either a Senior Associate (usually Catherine Noble) or a Partner, such as Rachel McDonnell. Lynne will be your main point of contact throughout the case and will guide you through the legal process, advising on your options and strategy. Where appropriate, Lynne will be assisted by paralegals/apprentice paralegals in the firm's Litigation Services Team.

If a claim becomes defended, it will be dealt with by a fee earner in our Commercial Litigation Team, with support from Lynne.

Lynne qualified as a Chartered Legal Executive in 2012, and Catherine qualified as a Solicitor in 2018.



For further information regarding any of the team members, please see their profiles on Mills & Reeve LLP's website [Looking for legal advice in the UK | Mills & Reeve](#)

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