

## **Costs & Fees Information**

There are various debt recovery agents and Solicitors. A Solicitor can deal with the whole recovery process including any potential court proceedings and enforcement.

This document outlines the costs involved in recovering an outstanding debt in a simple way at each stage of the process. A payment on account of fees is required before we act.

### **Stage One**

#### **Pre-Issue – Letter of Claim**

##### **My debtor is a limited company/partnership**

The start of the recovery process is to send a letter of claim to the debtor, which requests payment within 7 days. If both you and your debtor were acting in the course of business, you can claim the principal debt together with interest, compensation and your reasonable debt collection costs pursuant to the Late Payment of Commercial Debts (Interest) Act 1998.

|                                   |                 |
|-----------------------------------|-----------------|
| Letter before action to a company | £10.00 plus VAT |
|-----------------------------------|-----------------|

##### **My debtor is an individual/sole trader**

To start the recovery is to send a letter of claim is sent to the debtor, which requests payment within 30 days. The Pre-Action Protocol for Debt Claims does not allow a shorter period

Letter before action to an individual                      £20.00 plus VAT

If the debt is paid in full at this stage, there are no additional fees payable.

### **Stage Two**

#### **Commencing Court Proceedings**

Claims for money under £100,000 start in the County Court Business Centre.

| <b>Value of Claim*</b>                  | <b>Our Costs (plus VAT)</b> | <b>Recoverable Fixed Costs</b> | <b>Court Fees</b> | <b>Total**</b> | <b>LTD Company Recovery</b> | <b>Individual/Sole Trader Recovery</b> |
|---|-----------------------------|--------------------------------|-------------------|----------------|-----------------------------|--|
| Does not exceed £300                    | £75                         | £50                            | £35               | £125           | £115                        | £75                                    |
| Exceeds £300 but does not exceed £500   | £80                         | £50                            | £50               | £146           | £131                        | £85                                    |
| Exceeds £500 but does not exceed £1,000 | £100                        | £70                            | £70               | £190           | £180                        | £130                                   |

|  |      |      |       |              |                        |                        |
|--|------|------|-------|--------------|------------------------|------------------------|
| Exceeds £1,000 but does not exceed £1,500    | £140 | £80  | £80   | £248         | £238                   | £150                   |
| Exceeds £1,500 but does not exceed £3,000    | £150 | £80  | £115  | £295         | £273                   | £185                   |
| Exceeds £3,000 but does not exceed £5,000    | £160 | £80  | £205  | £397         | £365                   | £265                   |
| Exceeds £5,000 but does not exceed £10,000   | £180 | £100 | £455  | £671         | £602                   | £510                   |
| Exceeds £10,000 but does not exceed £200,000 | £200 | £100 | 5%*** | £240 + 5%*** | £240 and the court fee | £100 and the court fee |

\* This is calculated by the court and will include any claim for interest. This may put the value of the claim into the next bracket

\*\* Total is the amount you pay regardless of whether the debt is paid at this stage or not.

\*\*\* of the value of the claim

### **What you get**

Once we receive your instructions and payment on account, we will acknowledge receipt of those instructions and prepare your case to issue. We aim to issue proceedings on the day we receive your instructions and payment.

We will check the information and evidence you have supplied and will email you for clarification if necessary. We will email you to confirm we have issued the claim.

The Court will notify us that the claim has been issued and we will write to the debtor with details of the claim.

If the debtor makes payment to us, we will pay this into our client account. We will email you and the debtor to confirm receipt. We will then send this to you by BACS or bank transfer.

If you receive payment from the debtor, you must inform us immediately so that we can inform the court. If the debtor does not pay the full sum, we will write to the debtor to make payment of the balance.

### **Defence or acknowledgment of service**

If we receive an acknowledgment of service or a defence we will email you with a copy of what we have received and your options. It may be at this point we refer you to our litigation team who will charge an hourly rate. You will be notified before any charges are incurred.

### **Timescales**

The debtor has 14 days from the date of service of the claim form to make payment or file an acknowledgment of service. If the acknowledgment of service states the debtor intends to defend the claim, a defence must be filed within a further 14 days.

### **Stage Three**

#### **Post Issue – Apply for Judgment**

If a defence or an acknowledgment of service is not received, we will ask the court to enter judgment against your debtor. We will email you to confirm that you have not received a reply from your debtor and to confirm your instructions to apply for judgment.

| <b>Judgment amount</b> | <b>Our Costs (plus VAT)</b> | <b>Recoverable Judgment Costs</b> | <b>Total*</b> |
|------------------------|-----------------------------|-----------------------------------|---------------|
| Up to £300             | £25                         | £22                               | £30           |
| £300 to £500           | £25                         | £22                               | £30           |
| £500 to £1,000         | £25                         | £22                               | £30           |
| £1,000 to £1,500       | £30                         | £22                               | £36           |
| £1,500 to £3,000       | £30                         | £22                               | £36           |
| £3,000 to £5,000       | £30                         | £22                               | £36           |
| £5,000 to £10,000      | £45                         | £30                               | £54           |
| £10,000 to £15,000     | £45                         | £30                               | £54           |
| £15,000 to £50,000     | £45                         | £30                               | £54           |

\*Total is the amount you pay regardless of whether the debt is paid at this stage or not

### **Enforcement**

If the judgment is not paid then there are different ways to enforce your judgment against the debtor.

#### **1. Instruction of a County Court Bailiff**

If the debt is for less than £600, only a County Court Bailiff can be instructed.

| <b>Action</b> | <b>Judgment Amount</b> | <b>Our Costs (plus VAT)</b> | <b>Court Fees</b> |
|---------------|------------------------|-----------------------------|-------------------|
| Bailiff       | Up to £600             | £65.00                      | £83.00            |

## 2. Instruction of a High Court Enforcement Officer (HCEO)

If the debt is over £600 a HCEO can be instructed, if the debt is for more than £5,000, only a HCEO can be instructed.

| Action | Judgment Amount | Our Costs (plus VAT) | Court Fees | Recoverable Costs | Total*  |
|--------|-----------------|----------------------|------------|-------------------|---------|
| HCEO   | £600 +          | £80.00               | £71.00     | £51.75            | £167.00 |

## 3. Other Enforcement Options

For other enforcement options including attachment of earnings and charging orders, please contact the Debt Recovery & Enforcement Department on 029 2022 9716.

## Insolvency Proceedings

If a company owes you a sum greater than £750, that sum is not disputed and is a liquidated sum, i.e. a fixed or determined sum such as the cost of goods supplied, you may wish to consider a winding up petition.

If an individual owes you a sum greater than £5,000 and, as above, it is not disputed and is a liquidated sum, you may wish to consider a bankruptcy petition.

If the debt is, in any way disputed, whether or not that dispute is substantial, the insolvency route cannot be used as, to do so, would be an abuse of the Court process and could leave you liable for an adverse costs order.

An indication of our costs are below, however, these are subject to change depending on the instructions received. If you are considering insolvency, please contact the office and speak with Kayleigh to discuss the matter further. We will not act upon your instructions without first speaking with you.

|   |                             |                            |
|---|-----------------------------|----------------------------|
| Drafting and serving a statutory demand | <b>Our Costs (plus VAT)</b> | <b>Process Server Fees</b> |
|   | £250.00                     | TBC*                       |

|  |                             |                   |                                  |                       |                      |
|--|-----------------------------|-------------------|----------------------------------|-----------------------|----------------------|
| Presenting a bankruptcy petition on a Debtor | <b>Our Costs (plus VAT)</b> | <b>Court Fees</b> | <b>Official Receiver Deposit</b> | <b>Process Server</b> | <b>Advocate fees</b> |
|  | £500.00                     | £302.00           | £990.00                          | TBC*                  | TBC*                 |

|  |                             |
|--|-----------------------------|
| Drafting of a notice before commencement of winding up proceedings | <b>Our Costs (plus VAT)</b> |
|  | £150.00                     |

|                                     |                             |                            |                        |                                  |
|-------------------------------------|-----------------------------|----------------------------|------------------------|----------------------------------|
| Presenting of a winding up petition | <b>Our Costs (plus VAT)</b> | <b>Court Fees</b>          | <b>Companies House</b> | <b>Official Receiver Deposit</b> |
|                                     | £750.00                     | £302.00                    | £35.00                 | £1,600.00                        |
|                                     |                             | <b>Process Server Fees</b> | <b>London Gazette</b>  | <b>Advocate Fees</b>             |
|                                     | TBC*                        | £63.50                     | TBC*                   |                                  |

\*These fees are to be confirmed depending on the level of service required.

## Defended claims

If a claim is defended, we will discuss your alternatives. The time spent on the matter will be charged at our standard hourly rates. These range from £120 per hour for paralegals and trainee solicitors, £200 for solicitors and FCILEx, and £250 for directors.

In discussing your alternatives, we will endeavour to identify anticipated costs and where possible provide a fixed fee.