

## **DEBT RECOVERY COSTS**

This page sets out the range of fixed fees for businesses with undisputed debts up to a value of £100,000. These costs apply only where the claim is for an unpaid invoice, which is not disputed and no enforcement action is needed. They only apply where the Debtor is based in England and Wales. Please note, if the other party disputes the claim at any point we will provide you with details of the revised costs which are likely to be based on an hourly rate of £200 plus VAT.

### **Stage 1: Pre-action**

To prepare and send a letter before action for an undisputed invoice - £100 plus VAT.

Our standard letter before action requires the debtor to pay within 30 days. If the debt is disputed we will discuss the matter and cost implications with you further.

Please note, there may be 3<sup>rd</sup> party disbursements payable in addition to the above such as HM Land Registry searches. We will advise you of these if they are applicable to your circumstances.

Each subsequent letter before action is charged at £20 plus VAT

### **Stage 2: Issuing legal proceedings**

If there is no response to the letter before action the next step is to issue a claim with the Court. Our costs for preparing the Claim Form would be £175 plus VAT. There will also be a fee to pay to the Court, the amount payable depends on the value of the debt (including interest and late payment fees). We will advise you of the amount required or you can find information on the Court website by searching Civil and Family Court fees.

Once the Claim is served on the Debtor they have 14 days to respond. If they file a Defence we will need to discuss the cost position with you further.

### **Stage 3: Requesting Judgement**

If the Claim is not Defended or the Defendant fails to file an Acknowledgement of Service, we can apply for Default Judgement. The cost of doing so would be £50 plus VAT.

We can also apply for certain fixed costs to be paid by the Debtor which we will discuss with you. We can usually apply for Judgement within 48 hours of receiving your instructions to do so.

**Anyone wishing to proceed with a claim should note:**

The above fees do not include any costs associated with enforcing the Judgement should the Debtor fail to pay. We can discuss this with you in more detail if it becomes necessary.

The above fees do not apply to contested debts.

VAT cannot be reclaimed from the Debtor if you are VAT registered.

We will require payment of our fees on account

There may be other disbursements payable to 3<sup>rd</sup> parties such as process server fees, payment of which would be required on account

If a claim is uncontested the timeframe from our instruction to obtaining Judgement is typically 10 to 12 weeks. This is on the assumption that there are no delays in instructing us to proceed with each stage. This timeframe can however change significantly especially if the Debtor enters into communication or negotiations. Please note, the above estimates do not cover the costs of negotiating and corresponding with the Debtor

