



## **Services and Costs Debt Recovery**

### **Business to Business undisputed debt recovery costs**

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 basis (e.g. if a one-off letter is required), or an hourly rate basis if more extensive work is required.

#### **Stage One – Letter of Claim**

Before any court action can begin, the Civil Procedure Rules require you to follow the Pre-Action Protocol for Debts. The creditor is required to send a letter of claim to the debtor and allow 30 days for the debtor to respond. If no letter of claim is sent, the creditor may be penalised on costs. An hourly rate will apply to the preparation of a letter of claim. Where agreed and where the circumstances of the debt are simple, a fixed fee may be applied.

#### **Stage Two - Court Action**

If the debtor fails to respond to the letter of claim within 30 days, the creditor is able to issue court proceedings. The creditor must pay the Court Fee, Our Fee, VAT and any Disbursements incurred on their behalf. The creditor must bear in mind that for claims up to £10,000 they will only recover the Court Fee and the Fixed Recoverable Solicitor Costs detailed below.

Once the claim has been issued the Defendant may admit the debt and pay upon receipt of the Claim Form, or the Defendant may Defend the Claim. The Defendant will be given 14 days to acknowledge the Claim and a further 14 days to file a Defence. If no Acknowledgment of Service or Defence is filed, you will be able to apply for Judgment in Default. If payment is not received, enforcement action will need to be considered.



**Claims issued at the County Court Money Claims Centre**

<b>Debt Value</b>	<b>Court Fee</b>	<b>Fixed Recoverable Solicitor Costs</b>	<b>Our Fee (excluding VAT)</b>	<b>Total</b>
Up to £300	£35.00	£50	£140 per hour	£225.00+
£301 - £500	£50.00	£50	£140 per hour	£240.00+
£501 - £1,000	£70.00	£70	£140 per hour	£280.00+
£1,001 - £1,500	£80.00	£80	£140 per hour	£300.00+
£1,501 - £3,000	£115.00	£80	£140 per hour	£335.00+
£3,001 - £5,000	£205.00	£80	£140 per hour	£425.00+
£5,001 - £10,000	£455.00	£100	£140 per hour	£695.00+
£10,001 - £200,000	5% of Debt Value		£220 per hour	Court Fee + Our Fee + VAT + Disbursements
Greater than £200,000	£10,000		£220 per hour	Court Fee + Our Fee + VAT + Disbursements

**Our Fee includes:**

1. Taking your instructions and reviewing documentation.
2. Undertaking appropriate searches.
3. Sending a letter of claim.
4. Receiving payment and sending it onto you, or if the debt is not paid, drafting and issuing a claim form and particulars of claim.



5. Where no Acknowledgment of Service or Defence is received, applying to the court to enter Judgment in default.
6. When Judgment in default is received, writing to the Defendant to request payment.
7. If payment is no received within 21 days, providing you with advice on next steps and likely costs.

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

1. All solicitors' costs are subject to VAT. The VAT element of Our Fee cannot be reclaimed from the debtor.
2. Interest and compensation may take the debt into a higher banding, with a higher cost.
3. The costs quoted above are not for matters where enforcement action is needed to collect your debt.
4. These costs are in respect of preparing the Claim Form and Particulars of Claim only and issuing the same at Court. All additional work, once proceedings have been issued, will be charged at an hourly rate of £220.00 plus VAT.

**Stage Three – Enforcement**

There are various methods of enforcement available if it is required. The options and costs will be provided if necessary.