

Debt Recovery Fees

Our debt collection service for business debts is suitable for routine debt recovery up to and including enforcement of a County Court judgment. We set out below our typical fees for dealing with a routine matter, from sending initial pre-action correspondence through to taking enforcement action.

Stage 1: Letter Before Action

Before commencing proceedings we send pre-action correspondence to the debtor with a view to obtaining payment at an early stage. Our typical fees for this stage would be between £80.00 and £210.00 plus VAT and include:

- Taking your instructions and reviewing documentation;
- Undertaking appropriate searches;
- Sending a letter before action;
- Where the debt is paid, receiving a payment and sending it on to you.

Our fees depend on several factors, for example the amount of the debt; whether a case is particularly complex or the debt disputed; or cases where there is a considerable amount of documentation.

Stage 2: Issuing a claim

Our typical fees for dealing with a straight-forward debt recovery matter, for example where an invoice remains unpaid and the debt is not disputed, are detailed below. If the other party disputes your claim we will discuss any further work required and where necessary provide you with revised information about costs. Generally, where a claim becomes defended or where Judgment is not satisfied and it is necessary to take enforcement action, work would be charged in accordance with our hourly rates which range from £160.00 plus VAT (solicitor) to £210.00 plus VAT (director) and depending on experience.

In addition to the above costs, court fees are also payable. We will discuss at the outset whether the claim will be issued at Court or rather via Money Claims Online. Claims issued online attract a slightly lower Court fee, however the online service is only suitable for very straightforward claims. Should the claim be defended it will be transferred out to a local County Court.

Debt value	Our costs of issuing claim	Our costs of Judgment	Court fee to issue proceedings	Court fee if issued via Money claims online
Up to £300	£105	£42	£35.00	£25.00
£300 - £500	£105	£42	£50.00	£35.00
£500 - £1,000	£126	£52	£70.00	£60.00
£1,000 - £1,500	£126	£52	£80.00	£70.00
£1,500 - £3,000	£168	£63	£115.00	£105.00
£3,000 - £5,000	£168	£63	£205	£185.00

£5,001 - £10,000	£189	£84	£455.00	£410.00
£10,000 - £15,000	£189	£84	5% of the value of the claim	4.5% of the value of the claim
£15,000 - £50,000	£336	£126	5% of the value of the claim	4.5% of the value of the claim
£50,001 - £100,000	£756	£189	5% of the value of the claim	4.5% of the value of the claim

For debts in excess of £100,000 please contact us for a quote.

Please note that our costs are **exclusive** of VAT. In addition to our fees, we may also require you to pay disbursements. Disbursements are costs related to your matter that are payable to third parties, such as the fees of a tracing agent. We handle the payments of disbursements on your behalf to ensure a smoother process.

In cases involving commercial debts, unless instructed otherwise, we routinely include a claim for interest and a fixed sum for costs pursuant to the Late Payment of Commercial Debts Regulations 2002. You should be aware that interest and compensation may take the debt into a higher banding, with a higher cost, and we would discuss this with you prior to issuing proceedings.

Our fees for Stage 2 include the following:

- Preparing the Claim Form and issuing the claim;
- Taking instructions from you and, where the debtor does not acknowledge the claim or pay the debt, applying for Judgment in Default;
- When Judgment in Default is received, writing to the other side to request payment.
- If payment is not received within 14 days, providing you with advice on next steps and likely costs.

Matters usually take 2 - 8 weeks from receipt of instructions from you to receipt of payment from the other party, depending on whether or not it is necessary to issue a claim. This is on the basis that, if a claim is issued, the other side pays promptly on receipt of Judgment in Default. If enforcement action is needed, the matter will take longer to resolve.

Stage 3 – Enforcement

Enforcement by Bailiff / High Court Enforcement Officer

Our debt collection service is suitable for routine debt recovery up to and including enforcement of a County Court judgment by the Court Bailiff. We do however recommend that your case is transferred to the High Court for enforcement purposes where the judgment debt is in excess of £600. For debts over £5,000, any enforcement has to proceed through the High Court. Where we need to consider any other enforcement method other than by Bailiff or High Court Enforcement Officer we will provide you with a revised costs estimate based on our applicable hourly rates.

Debt value	Our costs of instructing bailiff/HCEO	Court fee for instructing bailiff/HCEO
£25 - £600	£63	County Court bailiff - £77.00 - £110.00 Judgments from £600.00 transfer to High Court - £66.00
£601 - £1,000	£84	
£1,001 - £5,000	£105	
£5,001 - £15,000	£126	
£15,001 - £50,000	£189	
£50,001 - £100,000	£273	

Charging Orders

This will potentially enable a creditor to obtain security over the judgment debtors assets, such as land. If a charging order is granted, a charge in the judgment creditor's favour is registered at the Land Registry enabling them to obtain payment upon the sale of the property (assuming there is sufficient equity).

An application is dealt with in two stages. The first being an Interim Order which will take approximately 14 days. This can be registered against the property pending the making of the Order final. The final order will be received within a further 6 weeks subject to any objection being filed by the debtor.

Our typical fee is £210.00 plus vat and there is a court fee of £110.00, a £40.00 registration fee and an £11.00 search fee.

Attachment of Earnings

If the judgment debtor is employed, an attachment of earnings order can be made against their wages, with their employer being ordered by the court to make regular payments from their salary into court.

This method of enforcement usually takes in the region of 12-16 weeks depending upon the level of cooperation by the debtor and/or the employer.

Our typical fee is £210 plus vat and there is a court fee of £110.00.

Third Party Debt Order

By third party debt orders, sums owed to a judgment debtor that are in the hands of a third party, such as a bank, are frozen and seized for the benefit of the judgment creditor.

This method of enforcement usually takes in the region of 12 weeks.

Our typical fee is £420 plus vat is the application is not opposed and there is a court fee of £110.00.

Our debt recovery department is headed up by James Carley, Director (*include link to JPC profile here*). James is supported by Natalie Abbott, solicitor (*include link to NAA profile here*).

Discounted rates may be available upon request for repeat or bulk instructions subject to approval. Please contact us on 0115 851 1666 or by email at jamesc@massers.co.uk.