

## **Debt Recovery (Less than £100,000)**

VAT is charged at the normal 20% rate on all work done.

### **Initial Work**

Depending on the value of the debt, our fees range from £150 to £400 plus VAT for the following items of work:

- Initial meeting to take instructions
- Reviewing relevant documentation
- Preparing a letter before claim and sending it to the client for approval
- Sending a finalised letter before claim to the debtor (no more than 2 sides of A4)
- Receiving payment from the debtor and accounting to the client

Time estimate for this stage: 1 – 6 weeks.

### **Debtor Investigation**

If the debtor does not pay following the initial letter, the cost of investigating the debtor's ability to pay will be around £100 to £200 plus VAT plus disbursements.

Disbursements may include:

- Bankruptcy searches cost - £2 per name
- Office copies of Land Registry titles - £3 each
- Private Investigator's fee for obtaining details of the debtor's assets – in the region of £50 - £300 plus VAT, depending on the work required.

Time estimate for this stage: 1-3 weeks.

### **Court Proceedings**

The cost of preparing court proceedings depends on the value of the claim and the complexity of the facts. Our fees for:

- preparing the claim form
- drafting particulars of claim
- issuing proceedings at Court
- requesting judgment in default

would usually be between £250 and £1,000 plus VAT plus disbursements.

Disbursements include:

- If the matter is particularly complex, a barrister may be instructed to prepare the particulars of claim at a cost of around £750 to £1,500 plus VAT
- Court issue fees vary, depending on the stated value of the claim on the form. Fees begin at £35 for claims of value up to £300 and rise to £455 for claims with a value of between

£5,001 and £10,000. Claims over £10,000 attract a fee of 5% of the value of the claim. Full details of the applicable court fees can be found in Form EX50 on the HMCTS website [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/728133/ex50-eng.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728133/ex50-eng.pdf)

Time estimate for this stage: 2 – 8 weeks.

## **Enforcement**

Once Judgment has been obtained, it will be necessary to evaluate the most appropriate enforcement methods available to the client. Enforcement costs range from £100 to £2,000, depending on the method of enforcement selected.

Disbursements range from £90 for basic High Court Enforcement fees to a £1,880 court fee for a company Winding-up Petition.

The above estimates are based on the following assumptions:

- Any initial meeting with the client lasts no more than 30 minutes
- The documentation which must be reviewed prior to preparing proceedings is no more than 50 pages of A4
- The debtor does not seek to make payment in instalments through our firm over a number of months
- The debtor either pays upon receipt of the first letter or does not acknowledge the letter
- The debtor does not defend or respond to the claim served up them
- Personal service upon the debtor is not required
- The debtor is not a foreign national, their assets are in the UK and they have a service address within the UK
- No additional applications are made in proceedings by either party
- The claim is for debt only. It does not include any dispute regarding property, construction, estates or any other non-monetary dispute

If the debtor defends proceedings, applies to set aside judgment in default or makes any other interim application, then further significant cost is likely to be incurred.

If the matter proceeds to a final hearing before a Judge, the time estimate for court proceedings will increase to 9 – 18 months, depending on the complexity of the facts of the matter and its value.