

Debt Recovery Fees 2024/25

Our fees for claims for payment of unpaid debts which are not disputed and under £100,000 in value are set out below. Please contact us to discuss our fees for recovery of bulk debts or debts of over £100,000.

Stage 1 - Letter before claim

This is the first stage in the debt recovery process. For business-to-business debts, we send a letter demanding payment within 7-days, after which court proceedings may be issued.

Where appropriate, we will add statutory late payment interest, compensation and debt recovery costs to the debt. In most cases, our fees are equivalent to the amount of compensation and costs.

| Debt | Our fees* | Late payment compensation | Debt recovery costs | Net cost to you** |
|--------------------|-----------|---------------------------|---------------------|-------------------|
| £0-£999 | £40 | £40 | £nil | £nil |
| £1,000 to £9,999 | £70 | £70 | £nil | £nil |
| £10,000 to £24,999 | £150 | £100 | £50 | £nil |
| £25,000 to £49,999 | £250 | £100 | £150 | £nil |
| £50,000 to £99,999 | £350 | £100 | £250 | £nil |

* Plus VAT

** If late payment compensation and debt recovery costs are recovered

In some cases it may be appropriate to serve a statutory demand as a precursor to insolvency proceedings (winding-up or bankruptcy), in addition to, or as an alternative to a letter before claim (see Stage 3 – Enforcement for details of our fees for a statutory demand).

FAQs

What can be claimed?

- For business-to-business debts, the debt plus contractual interest or statutory late payment interest (8% over base rate), late payment compensation for each invoice, and (where appropriate) reasonable debt recovery costs

What will we pay?

- The net cost to you set out above is our fee less recoverable late payment compensation and debt recovery costs, but our fee is payable whether or not the debt and any interest, late payment compensation and debt recovery costs are recovered in part or in full

What is included?

- Taking your instructions and reviewing any relevant documents
- Preparing and sending a letter before claim
- Advising on further steps if payment is not made

What is not included?

- Additional work (such as follow up letters) will be charged at an hourly rate of £175 plus VAT
- Disputed debts will be referred to our litigation team for further advice on next steps and any additional costs.
- Debts owed by individuals (including sole traders) – these claims are covered by the Pre-Action Protocol for Debt Claims and we charge a fixed fee of £200 plus VAT

Who will carry out this work?

- All work will be undertaken by a qualified solicitor, trainee solicitor or paralegal supervised by a partner or associate level solicitor.

How long will it take?

- For company debts, we will usually give 7-days for payment before further action
- For individuals (including sole traders), we must give at least 30-days under the Pre-Action Protocol for Debt Claims

What if a debt is disputed?

- If a debt is disputed, it can be referred to our litigation team, who will be able to advise on next steps and any additional costs.

Stage 2 – Legal proceedings

If payment isn't made following a letter before claim, the next stage is to issue court proceedings for a court judgment (or CCJ) which can then be enforced against the debtor. If a claim is undefended, judgment can be obtained in default.

We will claim payment of the debt, plus any contractual or late payment interest and compensation, and costs.

| Claim | Our fees* |
|---------------------------|--|
| £0-£999 | £250 |
| £1,000 to £9,999 | £250 or 5% of the claim value (whichever is greater) |
| £10,000 to £99,999 | 5% of the claim value (capped at £2,500) |

* Plus VAT

You will also need to pay a court fee, which is a fixed sum of between £35 and £455 for claims up to £10,000 and 5% of the claim value for claims over £10,000.

If your claim is successful, you will usually be entitled to recover the debt, plus the court fee, plus any contractual or late payment interest and compensation, and fixed costs.

Examples

| Claim | Our fees* | Late payment compensation | Fixed costs | Net cost to you |
|----------------|-----------|---------------------------|-------------|-----------------|
| £500 | £250 | £40 | £75 | £135 |
| £1,000 | £250 | £70 | £95 | £85 |
| £5,000 | £250 | £70 | £105 | £75 |
| £7,000 | £350 | £70 | £135 | £145 |
| £10,000 | £500 | £100 | £135 | £265 |
| £15,000 | £750 | £100 | £135 | £515 |
| £25,000 | £1,250 | £100 | £135 | £1,015 |
| £50,000 | £2,500 | £100 | £135 | £2,265 |
| £75,000 | £2,500 | £100 | £135 | £2,265 |

FAQs

What will we pay?

- This is payable whether or not payment is recovered before or after judgment is entered or a claim is defended
- We will deduct this from any payment received from the debtor, whether or not the judgment debt is paid in full

What is included?

- Taking your further instructions and advising on issuing proceedings
- Preparing a claim form and any particulars of claim
- Issuing the claim in court
- Dealing with service of the claim
- Where appropriate, applying for judgment in default of an acknowledgement of service or defence to the claim
- Advising on any further steps if payment is not made

What is not included?

- Investigating or advising on the debtor's ability to pay – a credit search or report can be obtained by you or by us at additional cost
- Additional work (such as advising on proposals to pay or settlement terms) will be charged at an hourly rate of £175 plus VAT

How long will it take?

- It typically takes between a few days and a few weeks for the court to issue a claim
- Once a claim is issued, it will be served on the debtor
- The debtor has 14-days from service to admit the claim (in whole or part) and make proposals to pay or to acknowledge the claim and confirm its intention to defend the claim or contest the court's jurisdiction
- If the claim is acknowledged, the debtor will usually have 28-days from service to file a defence
- If the debtor does nothing, judgment may be entered in default after 14 or 28-days

What if the claim is defended?

- If a claim is defended, it can be referred to our litigation team, who will be able to advise on next steps and any additional costs.

Stage 3 - Enforcement

If payment still isn't made, there are a number of ways in which a money judgment (or CCJ) can be enforced, including by instructing a court bailiff or High Court Enforcement Officer to take control of goods, a charging order over property, a third party debt or attachment of earnings order, or by insolvency proceedings (company liquidation or bankruptcy).

The most common method of enforcement is to instruct a court bailiff or High Court Enforcement Officer to attend at a debtor's premises and take control of and sell a judgment debtor's goods or assets if payment is not made.

Our fees for this type of enforcement are a fixed fee of £350 plus VAT to instruct and deal with the bailiff or High Court Enforcement Officer.

Our fees for other enforcement routes vary and may be charged at a fixed fee or an hourly rate of £175 plus VAT.

Our fee to prepare and serve a statutory demand on a company or individual debtor are £200 plus VAT. This does not include any fee for personal service by a process server (typically around £100 plus VAT).

For winding-up and bankruptcy petitions, we typically charge a fixed fee including all disbursements as follows:

| | Our fees and other disbursements* | Court fee | Official Receiver's Deposit | Total |
|-------------------|--|------------------|------------------------------------|--------------|
| Winding-up | £1,598** | £302 | £2,600 | £4,500** |
| Bankruptcy | £1,698** | £302 | £1,500 | £3,500** |

* including process server's fees, advertisement fees and any counsel's fees for one hearing

** plus VAT where applicable

Where necessary, we can also provide tracing services and due diligence reports on businesses and individual debtors. We do this using third party investigators. Fees for these services vary but tracing services are usually provided on a 'no trace, no fee' basis from around £65 plus VAT and due diligence reports range from around £150 to £1,250 plus VAT depending on the level of report.