

Debt collection for businesses

Defined in the transparency rules as:

Debt recovery up to the value of £100,000.

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| <p>Whether any fees or disbursements attract VAT and if so the amount of VAT they attract.</p> | <p>Our own charges attract VAT at 20%, payable in addition to the charges quoted.</p> <p>Any disbursement that attracts VAT is identified below, and includes VAT at 20%.</p> |
| <p>The total cost of the service or, where not practicable, the average cost or range of costs. The basis for our charges, including any hourly rates or fixed fees.</p> | <p>Our charges for debt recovery are based on the amount of time spent on the work by the lawyer conducting the case. Typical hourly rates for our solicitors are £250 to £300.</p> <p>If the debt is not disputed, and is paid or settled without court proceedings, then our charges would typically be between £250 and £500. If proceedings are issued but are not defended, our charges would typically be between £400 and £1,200.</p> <p>A large defended claim which goes to a full trial would typically require between 40 and 100 hours of solicitors' time at a cost of up to £30,000.</p> <p>These estimates do not include any charges for acting in an appeal against a judgment.</p> <p>Proceedings to enforce a judgment require varying amounts of solicitors' time in addition.</p> |
| <p>A description of, and the cost of, any likely disbursements, and where the actual cost of a disbursement is not known, the average cost or range of costs.</p> | <p>The main likely disbursements are court fees payable to HM Courts and Tribunals Service at various stages during the case.</p> <p>For claims between £10,000 and £100,000 the issue fee is 4.5% of the claim. For smaller claims the issue fee is based on a scale rising from £25 for a claim of £300 or less to £410 for a claim between £5,000 and £10,000.</p> <p>A hearing fee is payable when a claim is set down for trial. The scale of hearing fees runs from £25 for a claim of £300 or less to £545 or £1,090 (depending on the complexity of the case) for a claim of more than £10,000.</p> <p>A court fee of £100 or £255 is payable if a court order is applied for in advance of the trial.</p> <p>The court fee on an application to enforce a judgment is usually £110, occasionally less.</p> <p>Barristers' fees may also be incurred, if a barrister is instructed to give specialist legal advice in connection with the claim or to represent you at a hearing. Barristers' fees for advice are usually based on hourly rates similar to or higher than solicitors' rates. Barristers' fees for appearing at a hearing are often at an agreed flat rate regardless of the length of the hearing or the time spent waiting for the hearing to start. VAT is payable at 20% on barristers' fees, unless the barrister's fee turnover is too low to require registration for VAT.</p> |

Details of what services are included in the price displayed, including the key stages of the matter and likely timescales for each stage, and details of any services that might reasonably be expected to be included in the price displayed but are not

Debt recovery begins with a formal demand by us to the debtor for payment, including notification that failure to pay may lead to court proceedings. This may result in payment, or in an offer or agreement to pay by instalments. The debtor may admit the debt but deny being able to pay it, or may dispute the debt or put forward a counterclaim against you.

The next step is to start court proceedings by completing a claim form and ending it to the court. An issue fee is payable to the court, based on the amount of the debt. The court sends the claim form to the debtor. The debtor may then pay the debt, or send a defence saying why the debt is wholly or partly disputed, with or without a counterclaim against you.

If the debtor fails to send a defence to the court in time, we can apply for judgment in default. This is a court order requiring the debtor to pay the debt, together with interest (sometimes), the issue fee and a contribution to your legal costs.

If the claim is defended, there may eventually be a trial when judge will decide whether the claim is proved and give judgment accordingly, unless the claim is withdrawn or settled by agreement in the meantime.

Along the way, we and the defendant may have to comply with orders made by the court for relevant documents to be disclosed or for more details of the claim or the defence or any counterclaim to be given, or for witness statements to be drawn up and exchanged, or for expert evidence to be obtained. If the debtor fails to comply with any court order or this sort, we may apply to the court for judgment to be given without a full trial.

At all stages we will spend time meeting you or corresponding with you to keep you informed of progress and get your instructions about the running of the case. Time will be spent in drawing up documents for the court and in considering and advising you about documents received from the court or the debtor, or the debtor's lawyer, or liaising with any barrister engaged for part of the work.

If you win the case and get a judgment, it may have to be enforced if the debtor does not pay. Enforcement may be by having the debtor's belongings seized and sold, for example, or by applying for an order to take the money from the debtor's bank account or from the debtor's employer by attachment of earnings. If the debtor owns a house or flat the court may make a charging order over it to secure the judgment debt and you may eventually get an order for sale. If the debt is large enough we can apply to make the debtor bankrupt.

How long the process takes depends on whether the debt is defended and how much it is. The debtor may pay up on receiving the initial demand, before court proceedings are issued. If proceedings are issued and not defended, a default judgment may be obtained within a month or two. If the proceedings are defended, then the final hearing of a small claim may be within 6 or 12 months after issue, or for a larger claim it may take up to 18 months or two years to reach trial.

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| | Enforcement proceedings if a judgment debtor does not pay voluntarily can then take between 3 and 9 months. |
| The experience and qualifications of anyone carrying out the work, and of their supervisors | Details of the lawyers who do this kind of work can be found in <i>Our people</i> . Civil litigation work, including debt recovery, is supervised by Christopher Cook, who is a partner. |
| If we use conditional fee or damages based agreements, we are required to tell you the circumstances in which clients may have to make any payments themselves for our services (including from any damages). We do not use these agreements in debt recovery work. | |