

debt recovery – fees and costs

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Thank you for asking us to collect your outstanding debts. We are delighted to be working with you, and please contact us if you have any queries.

Debt collection has a number of stages that need to be considered throughout the process.

Stage 1 pre-action

Will include:

1. taking instructions and reviewing documentation;
2. checking legal status of debtor;
3. calculating any contractual interest that may be due based on your terms and conditions, if this doesn't apply, advising on statutory interest. If you decide to add interest and compensation* to the debt as per the rules of the late payment act, this will more than cover our fees. The options will be discussed with you;
4. sending an initial 7 day letter and then a 14/30 day letter before action if no response is received;
5. chasing payment via our payment strategy of emails and telephone calls;
6. collecting payment;
7. updating you throughout the matter and sending balance of payment due; and, if required
8. advising on the next action should payment not be made.

*You are entitled to charge interest and receive compensation under the Late Payment of Commercial Debts (Interest) Act 1998, Late Payment of Commercial Debts Regulations 2002 and 2013.

We offer a number of pricing models and it's up to you to decide which one best suits your business depending on the legal status of the debtor.

For further information please contact Colin on the details below:

Colin Churchward
Partner

Dispute Resolution

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Stage 1 pre-action

| | |
|-----------------------------------|--|
| Debts up to £1,000 | £50 plus VAT fixed cost per letter |
| Debts over £1,000 up to £10,000 | Option of £50 plus VAT fixed cost or 5% recovery fee on a “no recovery, no fee” basis plus VAT |
| Debts over £10,000 up to £100,000 | 2% recovery fee on a “no recovery, no fee” basis plus VAT |

Debts of £100,000 and over, we will charge a fixed fee of £250 plus VAT. VAT is charged at a rate of 20%. If we then collect the debt, we will charge our 2% recovery fee and will deduct our fixed fee which you will have already been charged.

Please note, our Stage 1 services does not include:

1. reviewing your contractual or legal position; or
2. dealing with any dispute existing or subsequently raised by the debtor.

These services will be reviewed separately by our defended Debt Recovery team under a revised charging structure.

Please contact a member of the Debt Recovery team for a bespoke package if you are sending bulk instructions of 20 or more.

Stage 2 start of proceedings

We will charge £250 plus VAT to draft a claim.

These costs fall into two categories: county court fees and solicitors' fixed costs. The fixed costs that are recoverable from the defendant if your claim is successful are listed below. VAT added where appropriate.

| Amount of claim (£) | Court fee (£) | Amount recoverable from the debtor (£) |
|---------------------|---------------|--|
| 0-300 | 35 | 85 |
| 300.01 – 500 | 50 | 100 |
| 500.01 – 1,000 | 70 | 140 |
| 1,000.01 – 1,500 | 80 | 160 |
| 1,500.01 – 3,000 | 115 | 195 |
| 3,000.01 – 5,000 | 205 | 285 |
| 5,000.01 – 10,000 | 455 | 555 |

| Amount of claim (£) | Court fee (£) | Our fee plus VAT (£) | Amount recoverable from the debtor |
|---------------------|----------------------|----------------------|------------------------------------|
| 10,000 - 14,999.99 | Available on request | 1,500 | Available on request |
| 15,000 - 19,999.99 | Available on request | 1,500 | Available on request |
| 20,000 - 24,999.99 | Available on request | 2,000 | Available on request |
| 25,000 plus | Available on request | 2,500 | Available on request |

Stage 3 fixed costs on judgment

Debts of £100,000 and over, we will charge a fixed fee of £250 plus VAT. VAT is charged at a rate of 20%. If we then collect the debt, we will charge our 2% recovery fee and will deduct our fixed fee which you will have already been charged.

| In default of Acknowledgement | | |
|-------------------------------|--------------|-----|
| | £25 - £5,000 | £22 |
| | over £5,000 | £30 |
| In default of Acknowledgement | | |
| | £25 - £5,000 | £25 |
| | over £5,000 | £35 |
| By acceptance | | |
| | £25 - £5,000 | £40 |
| | over £5,000 | £55 |

Stage 4 enforcement

If judgment has been obtained, but payment is still not forthcoming from the debtor, there are various enforcement actions that can be taken. Only the fixed costs and county court fee are recoverable from the defendant if your claim is successful.

We charge the following:

| Enforcement action | Administration Fee (£) | Court Fee (£) | Fixed Costs (£) |
|---|------------------------|---------------|-----------------|
| Warrant of Control | 50 | 110 | 2.25 |
| Charging Order 1 | 300 | 119 | 110 |
| Attachment of Earnings | 250 | 119 | |
| Application to obtain information from a debtor 2 | 500 | 59 | |
| Writ of Control - High Court Enforcement Officer | 250 | 71 | 51.75 |

The High Court Enforcement Officer charges a fee of £75 if the warrant is not successful.

| Further services and charges | Administration Fee (£) | Court Fee (£) |
|---------------------------------|------------------------|-----------------|
| Proof of Debt form | 25 | |
| Statutory demand | 500 | 100 service fee |
| Company reports / credit scores | 10 | |

| Miscellaneous charges | Administration Fee (£) |
|---|------------------------|
| Trace agent's fee - £75 | 75 |
| Personal service of document - £80 - £100 | 75 |

If you have chosen the option of no recovery no fee at the pre-action stage and the debtor makes payment after a claim has been issued, judgment entered or payment method had taken place, the recovery fee will be charged.

Stage 5 recovery charges

If proceedings have been issued and we recover the debt for you, a recovery charge of 5% will be paid by you to us. If a debtor would like to enter a payment plan after a claim has been issued, our fees for negotiating the payment plan will be £150 plus VAT. We can collect and monitor instalments on your behalf for an initial admin fee of £100 plus vat and a 6 monthly admin fee at £50 plus VAT.

Stage 6 Defendant Action

Most defended actions are charge on hourly rates. However, certain steps have fixed charges in order to keep you fees to a minimum. We will detail them separately.

Stage 7 standards

We aim to work to a very high standard and to provide you with the best advice and service we possibly can. If you ever feel that we fall short of these standards please let us know and we will do our very best to resolve any problems or concerns that you have. If you would prefer to raise this with someone else at Muckle LLP you can contact our Managing Partner, Anthony Evans at any time. If you don't feel that we are achieving the standards you expect or you are unhappy with any aspect of the service provided to you, have a right to complain to the Legal Ombudsman. Any complaints have to be made within six months of your last contact with us.



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