

Debt Recovery - Fees and costs

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 a letter before action to debtor providing them with 14 days or 30 days depending on legal status to make payment;
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.

Our pre-action costs are:

debts under £15,000	£50 plus VAT fixed cost
debts over £1,000 up to £15,000	5% recovery fee on a "no recovery, no fee" basis
debts over £15,000	2% recovery fee on a "no recovery, no fee" basis

Please note, our Stage 1 services does not include:

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

These services will be reviewed separately by our Dispute Resolution team under a revised charging structure or other service alternatives will be discussed with you.

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

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

Amount of claim	Court fee (£)	Fixed costs on claim (£)
0-300	35	50
300.01 – 500	50	50
500.01 – 1,000	70	70
1,000.01 – 1,500	80	80
1,500.01 – 3,000	115	80
3,000.01 – 5,000	205	80
5,000.01 – 10,000	455	100

Amount of claim	Court fee (£)	Example values (£)	Example fees (£)	Fixed costs on claim (£)
10,001 - 200,000	5% of the claim	20,000	1,000	100
		50,000	2,500	100
		100,000	5,000	100
		150,000	7,500	100
		195,000	9,750	100

Amount of claim	Court fee (£)	Fixed costs on claim (£)
200,001 +	10,000	100

Stage 3 fixed costs on judgment

All charges under this section may be recoverable from the debtor if the claim is successful. However, they remain your liability if the claim is not successful or if the debtor does not pay them.

In default of Acknowledgement:		
	£25 - £5,000	£22
	over £5,000	£30
In default of a defence:		
	£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	100 - 300	110	110
Attachment of Earnings	100	110	
Application to obtain information from a debtor 2	100	55	
Writ of Control - High Court Enforcement Officer	50	66	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 (£)
Application to court 3	100	255
Consent Order 3	150	100
Proof of Debt form	25	
Statutory demand	500	100 service fee
Company reports / credit scores	10	

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 we monitor instalments for a period in excess of 3 months, and whether or not legal proceedings have been issued, a data process fee of 5% will be charged on the amount collected.

These amounts are exclusive of VAT. They are not recoverable from the debtor but instead will be deducted from the sums that we recover for you.

1. This charge does not include Counsel / Advocate fees for attendance at court hearing, which are approx £100 - £200 plus VAT. There will also be Land Registry costs
2. There is also a charge for process servers' fees
3. This charge is for standard applications on Debt Recovery Unit files only

Stage 6 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, Jason Wainwright 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.

For further information please contact **Beverley Oliver** on **0191 211 7953** or **email:** beverley.oliver@muckle-llp.com

Muckle LLP

Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF | DX 61011

Tel: 0191 211 7777 | Fax: 0191 211 7788 | muckle-llp.com