

### Costs information – Debt recovery for businesses with debts up to the value of £100,000

In accordance with the SRA's Price Transparency Rules, this document summarises costs information for businesses who are considering instructing us to advise on the recovery of debts up to £100,000.

Debt recovery matters are handled by our debt recovery team and are supervised by Karl Williams, Head of Debt Recovery. Details of the members of our team are set out in the ["How we can help"](#) pages of our website.

#### Court claims

Our illustrative costs for debt recovery via the County Court are set out below. These costs apply where your claim is in relation to an unpaid invoice which is not disputed and enforcement action is not needed.

Debt amount (£)	Our fee for sending a letter before action (£)	Court issue fee (£)	Our fee for issuing court proceedings (£)	Our fee for entering judgment (£)	Total (£)
25 – 125	10	25	50	22	107
125 – 300	10	25	50	22	107
300 – 500	10	35	50	22	117
500 – 1,000	20	60	70	22	172
1,000 – 1,500	20	70	80	22	192
1,500 – 3,000	20	105	80	22	227
3,000 – 5,000	20	185	80	22	307
5,000 – 10,000	30	410	100	30	570
10,000 – 50,000	30	4.5% of Claim Value	100	30	TBC
50,000 – 100,000	30	4.5% of Claim Value	100	30	TBC

- All the above sums exclude VAT. VAT is payable on our fees but not on the Court issue fee.

- Interest and compensation may take the debt into a higher banding, with a higher cost.
- The costs quoted above exclude the cost of enforcement action, such as the instruction of the County Court bailiff, if this is needed to collect your debt.
- The court fees quoted above are correct as at 1 December 2018 and relate to the costs of issuing claims electronically. Court fees will be higher if the court issues the claim. The Ministry of Justice reviews court fees periodically. The current fees can be found online here: <https://www.gov.uk/court-fees-what-they-are>

Our fees include:

- Taking your instructions and reviewing documentation
- Undertaking appropriate searches
- Sending a letter before action
- Receiving payment and sending onto you, or if the debt is not paid, drafting and issuing a claim
- Where no Acknowledgment of Service or Defence is received, applying to the court to enter judgment in default
- When judgment in default is received, write to the other side to request payment
- If payment is not received, providing you with advice on next steps and likely costs

Matters usually take 1 to 4 weeks from receipt of instructions from you to receipt of payment from the other side, depending on whether or not it is necessary to issue a claim. This is on the basis that the other side pays promptly on receipt of judgment in default. If enforcement action is needed, the matter will take longer to resolve.

If the other party disputes your claim at any point, we will discuss any further work required and provide you with further advice about costs, which could be on a fixed fee (e.g. if a one off letter is required), or an hourly rate if more extensive work is needed. Our hourly rates range between £100 and £300 depending upon the experience of the team member who is working with you.

#### **Other options, including statutory demands, bankruptcy and winding up petitions**

Payment of unpaid invoices can also be pursued using insolvency proceedings. Our illustrative fees are:

- Issuing a statutory demand: £120 plus VAT
- Issuing a winding up or bankruptcy petition: £500 plus VAT

Our fees include:

#### **Issuing a Winding Up Petition**

- Taking instructions and issuing a 72 hour letter threatening winding up proceedings
- Undertaking a company search
- Preparing the winding up petition and statement in support
- Attending the court to issue the petition
- Instructing agents to serve the petition
- Filing the service documents at the court
- Preparing the advertisement notice and liaising with agents re publication
- Where payment is made, preparing an application to withdraw the petition
- Attendance at the court on the hearing of the petition and any adjourned hearings

Disbursements are costs relating to the case and may include our expenses or sums paid to third parties. We handle the payment of disbursements to third parties on your behalf to ensure a smoother process. The cost of disbursements may increase as they are reviewed periodically by third parties including the Ministry of Justice and the Official Receiver. The disbursements you could incur include:

- Petition fee: £280
- Official Receiver's deposit: £1,600
- Process server's fees: £95 - £190 plus VAT
- Advertisement fee: £84.60 plus VAT
- Fee for an application to withdraw the petition: £25

### **Bankruptcy Proceedings**

- Taking instructions and preparing a statutory demand
- Instructing an agent to serve the demand
- Undertaking a bankruptcy search and prepare the bankruptcy petition
- Issuing the petition at the court
- Instructing agents to serve the petition
- If required, preparing an application for substituted service of the petition
- Instructing agents to attend the bankruptcy hearing and any subsequent adjourned hearings

Disbursements are costs relating to the case and may include our expenses or sums paid to third parties. We handle the payment of disbursements to third parties on your behalf to ensure a smoother process. The cost of disbursements may increase as they are reviewed periodically by third parties including the Ministry of Justice and the Official Receiver. The disbursements you could incur include:

- Process server's fee for serving the statutory demand: £95 - £190 plus VAT
- Petition fee: £280
- Official Receiver's deposit: £990
- Process Server's fees for serving the petition: £95 - £190 plus VAT
- Application for substituted service of the petition: £25
- Agent's fee (per hearing): £85 plus VAT

**For further information about debt recovery services please [contact us](#)**