

Costs information for the provision of services relating to an uncontested debt recovery up to a value of £100,000

If you are a small business with no more than 49 employees and wish to provide our services to recover an uncontested debt up to a value of £100,000 where the debtor is not insolvent, we will charge for our services on the basis set out below. We refer to these charges as “fees”. Our fees will always be subject to VAT. As part of the work carried out for you we may have to pay on your behalf the charges rendered by external service providers or government institutions some of which will be subject to VAT. We refer to these payments as disbursements on our bills (invoices).

Our fees are charged on an hourly basis according to the time spent working on your matter.

Our fees in respect of the recovery of a debt up to a value of £100,000 are likely to be as set out in 1 below with disbursements as indicated in the table at 2 below.

1. Fees

Typically the recovery of a debt will have up to three phases.

The first phase involves our considering your file on the matter, clarifying with you any point arising from our reading of your file which is not clear to us and writing a letter of demand to the debtor. At this stage we shall consider whether the debt is contested, or whether there is a potential defence, or whether the debtor is insolvent. If any of those scenarios applies, the following will not apply and we shall consider whether we wish to take the case and, if so, on what terms. If we decide to take the case, the cost of this is estimated to be in the range £1,500 and £2,500. If the debtor pays in response to the letter of demand, the matter will have been successfully concluded and there will almost certainly be no need for anything further to be done. The first phase will probably take four to six weeks.

If the debtor fails to respond to the letter of demand, the second phase involves our preparing and filing your claim with the appropriate court. The cost of this is estimated to be in the range £2,000 and £5,000. In addition, a fee will be payable in respect of filing your claim. Please refer to the table at 2 below to ascertain the fee payable. If the debtor pays the amount claimed and any amount applicable to fixed costs in response to the service of proceedings, the matter will have been successfully concluded and, apart from notifying the court that the matter has been concluded, there will almost certainly be no need for anything further to be done. The second phase will probably take six to eight weeks.

If the debtor neither pays nor acknowledges service of the proceedings, judgment in default will be taken. This is the third phase. The cost of entering judgment in default is estimated to be in the range £2,000 and £3,000. In addition, a fee will be payable in respect of entering judgment in default. Please refer to the table at 2 below to ascertain the fee payable. The third phase will probably take eight to 10 weeks.

If, after service, the debtor intimates or produces a defence to the claim, then the debt will no longer be uncontested and the fees charged will be on a bespoke arrangement thereafter and this fee estimate shall not apply.

If the debtor fails to pay in response to the judgment in default, we will advise you in relation to what enforcement options are available to you and the likely cost. If, on the other hand, the debtor acknowledges service of the proceedings and indicates an intention to contest the claim, we will advise you on the merits of applying to the court for summary judgment and the likely cost.

The estimates of our fees have been calculated on the basis of the following hourly rates: partner £300 - £320, associate solicitor £190 - £215 and paralegal £120 - £150.

The work will generally be carried by a junior solicitor who is not a partner or a trainee solicitor. All work will be supervised by a partner.

2. Disbursements

Please see below for the details of the typical disbursements that you should expect to pay.

TYPICAL DISBURSEMENTS

Court fee payable on issuing proceedings

<https://www.gov.uk/government/publications/fees-in-the-civil-and-family-courts-main-fees-ex50>

Court fee payable on entering judgment in default of acknowledgment of service of proceedings

<https://www.gov.uk/government/publications/fees-in-the-civil-and-family-courts-main-fees-ex50>