

Debt recovery for a business to business debt that is undisputed up to £100,000



There are normally two methods of seeking to recover debts, and the most appropriate method will be discussed with you and agreed upon our receiving your instructions.

1. Court claims

These costs apply where your claim is in relation to an unpaid invoice or other debt which is not disputed, and where enforcement action is not needed. If the other party disputes your claim at any point or should the basis of your claim require detailed legal advice then, we will discuss any further work required and provide you with revised advice about your likely further costs, which might be on a fixed fee basis, or on an hourly rate if more extensive work is required.

Debt value	Court fee	Our fee (incl. Vat)	Total
Up to £300	£35	£480	£515
Up to £500	£50	£720	£770
Up to £1,000	£70	£900	£970
Up to £1,500	£80	£960	£1040
Up to £3,000	£115	£1080	£1195
Up to £5,000	£205	£1,200	£1,405
Up to £9,999	£455	£1,800	£2,255
Up to £14,999	5% of value of claim	£2,400	£2,900–£3,150
Up to £49,999	5% of value of claim	£3,600	£4,350–£6,100
Up to £100,000	5% of value of claim	£6,000	£8,500–£11,000

VAT is charged at 20%

Anyone wishing to proceed with a claim should note that:

- The VAT element of our fee at 20% cannot be reclaimed from your debtor. In addition, any Judgment in Default will only entitle you to recover the Court fee, and for claims above £10,000 a limited amount towards your legal fees.
- Interest may take the debt into a higher banding, with a higher cost.
- The costs quoted above are not for matters where enforcement action, such as the bailiff, is needed to collect your debt.
- We shall require a payment on account upon receiving your instructions, which will be 75% of our quoted fees above, together with any Court fee.

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Our fees includes:

- Taking your instructions and reviewing documentation
- Undertaking a letter before action
- Receiving payment and sending onto you, or if the debt is not paid, drafting and issuing 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, writing to the other side to request payment
- If payment is not received within 14 days, providing you with advice on next steps and likely costs
- The only other cost (and disbursement) will be our AML/ID electronic verification search at a cost of £25 plus VAT at 20%

Matters usually take between 2-10 weeks from receipt of instruction from you to receipt of payment from the other side depending upon whether or not it is necessary to issue a claim. This is on the basis that the other side pays promptly on receipt of our letter before action or if proceedings are issued, upon judgment in default. If enforcement action is needed, then the matter will take longer to resolve.

2. Statutory demand

This again applies where your claim is in relation to an unpaid invoice or other debt which is not disputed, and where enforcement action is not needed. This method of debt recovery does not involve Court proceedings, and if your claim is ignored following service of the Statutory Demand, then your next step will either be the issue of Court proceedings or the issue of a Winding-Up Petition. With regard to the latter, we will advise you further as to the likely cost of presenting a Winding-Up Petition and attending Court to obtain the Winding-Up Order, but commonly your costs will be in the region of £6,000 plus VAT at 20%. If the Statutory Demand needs to be served upon an individual that will require personal service by a process server. The costs of such service are commonly between £250-£450 plus VAT.

Our costs for preparing and arranging the service of a Statutory Demand upon your Debtor will on average be within the region of £600-£750 plus VAT.

Matters usually take up to 4 weeks from receipt of instruction from you to receipt of payment from the other side, failing which you will then have to decide whether to issue Court proceedings or to present a Winding-Up Petition.

3. Conditional fee arrangements

We do not undertake debt recovery on a conditional fee agreement or damages-based agreement basis.

4. Our debt recovery team

Please log on to www.downslaw.co.uk/our-people/dispute-resolution/

Our hourly charging rates vary between £250 per hour for a trainee solicitor and £350 per hour for a partner, plus VAT at 20%.

We are Downs

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