

DEBT RECOVERY
(Business to Business Debts)

The following costs apply where your claim relates to an unpaid invoice which is not disputed by the recipient, and no enforcement action is needed.

Value of Claim	Court fee *	Our Fees exclusive of VAT	VAT payable on Our Fees	Total Payable (Our Fees inclusive of VAT plus Court fee)
Up to £5,000.00	£35.00 - £205.00	£550.00	£110.00	£695.00 - £865.00
£5,001.00 - £10,000.00	£455.00	£950.00	£190.00	£1,595.00
£10,001.00 - £100,000.00	5% of claim value	12.5% of claim value	VAT at 20% on 12.5% of claim value	12.5% of claim value plus VAT plus Court fee of 5% of claim value

If the other party disputes your claim at any stage, we will discuss any further work required and provide you with revised advice and information regarding the costs of assisting and advising you in a defended action.

Such additional fees may be charged on a fixed fee basis (e.g. if a one-off letter is required) or on an hourly rate if more extensive work is needed. All of our legal costs are subject to VAT at 20%.

* Court fees are on a scale depending on the claim value. Court fees can increase from time to time. A list of the current Court Fees can be found here:

<https://www.gov.uk/government/publications/fees-in-the-civil-and-family-courts-main-fees-ex50> . No VAT is payable on Court fees.

Any business wishing to proceed with a claim should note that:

- The VAT element of our fee cannot be reclaimed from your debtor;
- Interest and compensation may take the debt into a higher banding, with a higher cost;
- The costs quoted above are not for matters where enforcement action is needed to collect your debt i.e. Bailiff action. We are happy to provide advice on the options for enforcement.

Our fee includes:

- Taking your initial instructions and reviewing documentation relating to the debt;
- Undertaking appropriate searches;
- Preparing and sending a Letter Before Action;

- Providing payment instructions to your debtor to pay you directly, or if the debt is not paid preparing and issuing your claim at Court;
- Where no Acknowledgement of Service or Defence is received, applying to the Court to enter Default Judgment;
- When Default Judgment is received, we will write to the other party to request payment;
- If payment is not received within 14 days (or within such time specified within the Judgment Order), we will advise you on your options for recovery and enforcement and the likely costs involved.

Matters usually take between 1 - 6 months from receipt of your instructions to receipt of payment from the other party, depending on whether or not it is necessary to issue a claim at Court. This time estimate is given on the basis that the other party pays promptly on receipt of the Default Judgment. Timescales can also vary in accordance with the demands placed on the Court system. If enforcement action is needed, the matter will take longer to resolve.

If the other party files a Defence to your claim, our costs will be charged on a time spent basis at our standard hourly rates, which range from £190.00 - £290.00 per hour exclusive of VAT depending on the legal advisor assigned to your matter. Your matter will always be supervised by a Director of this firm, with the day to day conduct of your case being allocated to a member of the team as shown in the 'About Us' section of our website and as advised to you upon instructing us.

As a matter of course, we will provide you with an estimate of the likely costs for a defended claim at the start of your matter so that you are aware of the potential costs of all outcomes. We will review that estimate with you if a Defence is filed and confirm whether any revisions are required. As a guide, a defended claim can cost between £5,000 - £30,000 exclusive of VAT and disbursements, depending on the complexities of the case and the stage at which it is resolved. Some disbursements, such as Barristers' fees and Land Registry documents for example, attract VAT.

Before commencing a claim, we advise you to check whether you have any legal expenses insurance available to you which may meet the costs of your claim.

You should also consider that in claims with a value of less than £10,000.00 you are unlikely to recover your legal costs against the other party as the case will fall into the Small Claims Track in which very limited costs are recoverable.

