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Debt Recovery Fee Transparency

Presented by
Scott Bailey LLP



Debt Recovery Fee Transparency

When it comes to bad debt, Scott Bailey's key focus is on resolving the matter simply, quickly and cost effectively. We are committed to providing you with clear and transparent costs information from the outset. We have the breadth of experience you need to provide you with the quality of service you are looking for. We would be happy to discuss our fees with you further.



Azmi Quraishie

Azmi is our Partner in charge of Dispute Resolution and Litigation. Azmi was admitted as a Solicitor Advocate in 2010 and has extensive practice including general civil litigation matters including high value debt recovery. Azmi is also an ADR Accredited Civil and Commercial Mediator.

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If your business needs a commercial debt recovery service to help you recover multiple debts, we are happy to work with you to discuss how we can best help your business to improve your credit control and ensure that we have the best chance of recovering the debts that are owed. We are happy to visit your premises if that would be helpful and can offer a fixed fee of up to 45 mins to discuss the issues and possible solutions. Our initial fixed fee appointment is used as a fact-finding exercise and the fee is £350 plus VAT (£420). Following this appointment, we can offer a bespoke tailored service utilising our hourly rates detailed further below. All charges are subject to VAT at 20%.



Undisputed Debt Claims:

We also have a range of fixed fees for collection of an undisputed debt. These costs apply where your claim is in relation to an unpaid invoice where there is no dispute and before enforcement action is needed. In addition to our fees, there are fees to pay to the Court to start Court proceedings. These are updated from time to time. The current fees to start Court proceedings to recover a debt can be found at: www.gov.uk/court-fees-what-they-are and are tiered depending on the value of the claim.

There are various stages to a debt recovery claim for uncontested and invoice based claims that fall within our fixed fee structure as follows: we have set out below our fees by reference to the value of the claim (up to £100,000) for each stage of the process.

We have also set out at the end of this guide, details of costs for enforcing a Judgment which would be in addition.



Stage 1

Letter of claim:

Before commencing formal action, we will write to the debtor demanding payment of the outstanding sums owed to you. This initial Letter of Claim will set out the basis of the debt and require payment within a specified timeframe. It will also warn that Court proceedings may be issued if payment is not made.

The amount of our fees for writing the initial letter, including obtaining detailed instructions from you, depends on the value of the debt owed to you. Details are set out below:

Amount Owed	Our Fee	VAT	Total
Up to £1,000	£200	£40	£240
£1,001 to £3,000	£400	£80	£480
£3,001 to £10,000	£600 to £800	£120 to £160	£720 to £960
£10,001 to £100,000	£2,000	£400	£2,400



Stage 2

Issuing County Court Proceedings against your Debtor

At this stage we will arrange to start County Court proceedings against the debtor. We will file with the Court a Claim Form and Particulars of the amount owed and the reasons why it is owed. The Court will then arrange service on the debtor.

Debt Owed	Our Fee	VAT	Total
£1,001 to £1,500	£400	£80	£480
£1,501 to £3,000	£600	£120	£720
£3,001 to £5,000	£700	£140	£840
£5,001 to £10,000	£800	£160	£960
£10,001 to £100,000	3% of the value of the claim		5% of the value of the claim



Stage 3

If, having been served with the County Court proceedings, the debtor fails to acknowledge service of those proceedings within 14 days or fails to file a Defence within 28 days of service, we will apply for a Judgment in default on your behalf. Our fees for applying for a Judgment will be as follows:

Amount Owed	Our Fee	VAT	Total
Up to £5,000	£100	£20	£120
£5,001 to £10,000	£200	£40	£240
£10,001 to £100,000	£300	£60	£360

Stage 4: Enforcing Your Claim

Once we have obtained a Judgment against the debtor, the next stage will seek to enforce that Judgment. There are a number of enforcement methods. We will discuss these with you and decide which of these are most appropriate in your particular case. The table below sets out our fees and Court fees associated with different enforcement actions.

Matters usually take 12 to 16 weeks from receiving your instructions to receiving payment from the debtor depending on whether or not it is necessary to issue a claim. This is on the basis that payment is made promptly upon receipt of the Judgment in Default. If the matter becomes defended or it is necessary to take enforcement action, the matter will take longer to resolve.



Enforcement	Our Fee	VAT	Court fees / other fees
Application for an Order that the debtor attends Court to be questioned	£150	£30	Court fee: £67 Process server's fees to serve Order: £200-£350 plus VAT approximately Bailiff Service: £135
Application for Warrant of Control (Bailiff) for recovery of a sum of money only	£120	£24	Court fee: £94 in the County Court, £80 in the High Court
Application for attachment of earnings Order	£120	£24	Court fee: £135
Application for third party debt Order	£150	£30	Court fee: £135 Representation at Court: estimated £800 plus VAT
Application for Charging Order on debtor's property	To be charged on a time spent basis. Estimated between £500 to £1,000	20% of fees	Court fee: £135 HM Land Registry fee: £40



What our Fixed Fee includes:

- Taking your instructions and reviewing your paperwork
- Undertaking any appropriate searches
- Sending a Letter of Claim
- Receiving payment and remitting this to you or, if the debt is unpaid, drafting and issuing a claim
- In the absence of a Defence or an Acknowledgment of Service, making an application to the Court to enter Judgment in Default
- Following receipt of the Judgment, writing to the debtor to request payment
- If payment is not received within 14 days, advising you on the next steps and likely costs.

Defended / disputed debts:

Should the claim become contested at any stage then the fixed fee arrangement will no longer apply.

If a debt claim is defended, then before proceeding further we will provide you with an estimate of the likely costs to continue with the claim. We cannot give you an accurate estimate in relation to a defended claim until we have details of the Defence. We can then assess with you the complexity of the issues, the strength or weakness of the Defence and the likelihood of success.



Our standard hourly rates are as follows:

Job Title	Hourly Rate
Partner (Solicitor)	£350 plus VAT
Solicitor	£295 plus VAT
Paralegal/Trainee/Apprentice	£275 plus VAT
Legal Assistant	£180 plus VAT

Once we have been instructed, we can review any paperwork and advise you on the merits (or lack of merits) of your case.

However, the costs of contested debt proceedings can range from £5,000 to £30,000 plus VAT plus disbursements. Should the matter proceed to court then fees will be higher and can range from £15,000 to £50,000 plus VAT and disbursements such as counsel's fees which in turn can range from £2,000 to £8,000 plus VAT per day at a contested hearing. Court fees are tiered and dependent on the value of the claim as above. The fees above are an estimate based on the average claim and you will be provided with a bespoke estimate which will be subject to revision as your case progresses.

We would need to evaluate and assess the evidence in your matter as well as consider whether any expert involvement is required and or counsel's opinion. As such it would be usual to undertake a cost benefit analysis once we have all the facts, as well as considering alternative methods of dispute resolution such as mediation.



Please note that in all litigation whilst the usual position is that the losing party pays the winning party's costs, as costs awards can be discretionary, there is a risk that you may not be able to recover all your legal costs from the defendant even if you are successful.

Prices and fees quoted are subject to change. Prices quoted are correct as at the time of printing. Please contact the relevant department for up-to-date prices and bespoke quotes.