

COSTS INFORMATION

RECOVERY OF UNDISPUTED BUSINESS TO BUSINESS

DEBTS OF UP TO £200,000

At Dickins Hopgood Chidley LLP, we provide clear costs information and risk advice at the outset of your matter. This is to ensure you are aware of the likely fees, expenses and risks involved to assist you in making an informed decision about whether or not to proceed.

The following fees apply in matters where a claim is in relation to an unpaid invoice or up to 10 invoices that is/are not disputed and enforcement action is not needed. For more than 10 invoices, we will agree a fee with you.

The work is divided into three main stages:

Stage 1

- Taking your instructions and reviewing documentation.
- Undertaking appropriate searches.
- Preparing a draft letter before action and, where appropriate, a Schedule of Interest and Compensatory Payments pursuant to the Late Payment of Commercial Debts (interest) Act 1998.

Fees: A range between £250 (+ VAT of £50) and £800 (+ VAT of £160).

Stage 2

- Receiving payment and accounting to you, or negotiating payment terms with the debtor.

Fees: A range between £175 (+ VAT of £35) and £475 (+ VAT of £95).

Stage 3

- If the debt is not paid, drafting and issuing a Claim Form to include the invoice value, interest and Court fixed Solicitors' costs as set out in the Table below.
- 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, providing you with advice on enforcement options and likely costs.

Fees: A range between £325 (+ VAT of £65) and £1,200 (+ VAT of £240).

The above fees will not apply if the other party disputes or defends the Claim at any point or raises a counterclaim against you. In such circumstances your case will be subject to charges at an hourly rate of £325 (+ VAT of £65). We shall of course discuss a likely fee estimate for such work with you before continuing.

It should also be noted that:

- The VAT element of our fee cannot be claimed from the debtor.
- Interest and compensation may take the debt into a higher banding, with a higher cost.
- The fees quoted above are not for matters where enforcement action, such as a bailiff, is needed to collect your debt.

The Court fees and Court Fixed Solicitors costs are as follows:

Debt value	Court fee	Court Fixed Solicitors Costs	Court Fixed Solicitors Costs on entry of judgment
Up to £1,000	Up to £70	£70	£22
£1,001 to £1,500	£80	£80	£22
£1,501 to £3,000	£115	£80	£22
£3,001 to £5,000	£205	£100	£22
£5,001 to £10,000	£455	£100	£30
£10,001 to £200,000	5% of the value of the debt	£100	£30
£200,001 and above	£10,000	£100	£30

Disbursements

Disbursements are sums which are payable to third parties, which we will pass on to you. Common disbursements for debt recovery matters include the following, which may apply depending on the circumstances:

- Court fees for instructing County Court Bailiffs (currently £83) or High Court Enforcement Transfer up fee (currently £71).
- Land Registry fees for ascertaining property ownership (currently £7 + VAT of £1.40 per title) or registering Charging Orders (currently £40).
- Enquiry Agents'/ Process servers' fees to locate a Defendant for service of papers (from approximately £200 (+ VAT of £40) – depending on difficulties encountered) and service of papers if the Defendant has no known address or is otherwise hard to find – (from approximately £200 (+ VAT of £40) to £300 (+ VAT of £60) depending on the difficulties encountered).

How long will this take?

Matters usually take 4-26 weeks from receipt of instructions to receipt of payment, depending on whether it is necessary to issue a Claim Form. This is on the basis that the other side pays promptly on receipt of a judgment in default. If enforcement action is needed, the matter will take longer to resolve and we will discuss those additional costs with you.

Alternatives

Court proceedings are not the only method of recovering undisputed debts; recovery can be obtained using Insolvency law principles such as bankruptcy petitions (for individuals) and winding up petitions (for companies). These areas of work are covered by a separate fee structure, based on hourly rates of £325 (+ VAT of £65).

Further information

If you have any questions on the fee structure for the recovery of undisputed business to business debts up to £200,000 or to discuss your circumstances in more detail, please contact Paul Owen on 01488 683555 or by email: powen@dhc-solicitors.co.uk