

## **Debt Collection – What will it cost and how long will it take?**

The time that it takes from taking your initial instructions to the final resolution of your matter will depend at what stage your matter is resolved and whether it is necessary to issue a claim and in turn whether that claim is defended.

Before we can accept a new instruction, we are required to verify the identity of all new clients and update that verification for existing clients from time to time. There will be a charge of £14.50 plus VAT for each client that provides their ID through the ThirdFort system.

The fees detailed below cover the specific services listed only and are quoted on the assumption that the debtor is within the legal jurisdiction of England & Wales. For claims against debtors based in another jurisdictions we will discuss matters with you and agree a fee with you in advance.

The fees detailed below are also quoted on the assumption that you assist us by giving clear instructions, letting us have all relevant documentation, informing us of any time limits of which you are aware and dealing promptly with any questions or issues that arise.

Where you instruct us to perform additional services to those outlined below, we will discuss what is required with you and advise you about any extra costs and agree those with you in advance.

We aim to offer our clients flexible pricing options and depending on the nature of your claim and the services you require. Fees might be on a fixed or capped fee structure or an hourly rate.

### **Starting your claim**

#### **1. Pre-action stage – before starting your claim**

There are guidelines laid down by the court that you must follow prior to the issue of a claim.

It is necessary to send a letter to the debtor setting out the amount of the debt and explaining how it has become due and giving the debtor an opportunity to pay. The guidelines set out specific information that must be included in this letter.

Depending on whether the debtor is a company or an individual / sole trader the period that you must allow for payment as set out in the guidelines is 14 days for companies or 30 days for individuals or sole traders.

For claims with a value under £10,000 we will happily assist you and provide advice if you require us to do so but you need to be aware before instructing us that legal costs are generally not recoverable from a debtor in a claim of this size.

<b>Value of claim</b>	<b>Service</b>	<b>ODT's fee (see below)</b>
Under £10,000	standard letter of claim (individuals / sole traders) or letter before action (companies)	£150 – £250 plus VAT

£10,000	standard letter of claim (individuals / sole traders) or letter before action (companies)	£250 – £350 plus VAT
– £25,000		
Over £25,000	letter of claim (individuals / sole traders) or letter before action (companies)	£350 - £950 plus VAT

**VAT at the current applicable rate will be added to our listed fees.**

**What is included in this fee:-**

- taking your instructions and reviewing documentation
- undertaking appropriate searches \*
- sending a letter of claim / letter before action
- if a response to your claim is received from the debtor sending on to you
- if payment is received sending on to you

\*we will tell you in advance if any searches might incur a charge, for example carrying out a tracing search or obtaining a land registry title.

**What is not included in this fee:-**

- undertaking any investigation work in respect of your claim
- giving you any advice about your claim or any other services not specifically detailed above

We will agree a fee with you in advance if you require advice or we consider it necessary to investigate your claim prior to sending a letter of claim / letter before action.

**2. Court Claims – starting your claim**

<b>Value of your Claim (including interest)</b>	<b>Court Issue Fee*</b>	<b>ODT's fee (excluding VAT)</b>
Up to £300	£35	
£300 – £499.99	£50	
£500 – £999.99	£70	
£1000 – £1499.99	£80	£ 250 – £1000 plus VAT
£1500 – £2999.99	£115	
£3000 – £4999.99	£205	

£5000 – £9999.99	£455	
£10,000 – £200,000	5% of value of claim	To be agreed in advance .

**\*court fees are not subject to VAT and are as stated in the list of fees for Civil and Family Court Fees (EX50) from July 2018**

**What is included in this fee:-**

- preparing claim form and particulars of claim (unless these are unusually complex)
- issuing claim at court

**What is not included in this fee:-**

- any work that may be required as a result of your claim becoming a defended claim
- enforcement action
- any further advice requested or any services not specifically detailed above.

The time taken between us sending the claim to the court and the debtor receiving the claim may vary depending on the speed at which the court processes the claim but the debtor should typically have received the claim within 14 days of it being sent to the court.

The debtor has 14 days from receipt of the claim to file an acknowledgment indicating whether or not the debtor intends to defend the claim. If an acknowledgment is filed, the debtor has 28 days from receipt of the claim to file and serve any defence.

**3. Requesting Judgment**

If the debtor admits your claim or fails to respond to your claim a request can be made to the court for judgment to be entered against the debtor.

ODT's fee for applying to the Court to enter judgment in default and when judgment is received writing to the debtor to request payment – £150 plus VAT.

It typically takes the court up to two weeks to enter judgment following receipt of a request to enter judgment but again this may vary upon the speed at which the court processes the request.

If the event that payment is not received ODT's fee for providing you with advice on next steps and likely costs – £100 plus VAT

**4. Enforcing judgment (additional services if necessary)**

If the debtor does not pay the judgment debt within the time period specified in the Judgment there are a number of enforcement options available which we can advise you on.

<b>Enforcement Method</b>	<b>Court Fees and disbursements</b>	<b>ODT's fee (excluding VAT)</b>
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Writ of Control (instructing high court enforcement officers to recover sum of money)	Court fee £66  Abortive fee in event high court enforcement officer in event collection unsuccessful £90	£100 plus VAT for applying for Writ of Control
Attachment of earnings Order	£110 for each defendant	£300 – £500 plus VAT to obtain Attachment of Earnings Order and assuming a hearing is not required
Third Party debt Order	£110 for each party against whom the order is requested	£750 – £1000 plus VAT plus counsel fees (estimate £250 – £500 plus VAT).  £250 plus VAT (assuming no hearing required) OR
Charging Order	£110 for each charging order applied for  £6 for each Land Registry title	£500 plus VAT plus counsel fees (estimate £250 – £500 plus VAT) if a hearing becomes necessary in relation to final charging order

**\*court fees are not subject to VAT and are as stated in the list of fees for Civil and Family Court Fees (EX50) from July 2018**

**What is included in this fee:-**

- undertaking appropriate searches \*
- preparing of and submitting the relevant court application
- obtaining the relevant Writ or Order
- if payment is received in full sending it on to you

\*we will tell you in advance if any searches might incur a charge, for example carrying out a tracing search or obtaining a land registry title.

**What is not included in this fee:-**

- any settlement negotiations that we may be instructed to conduct on your behalf
- in respect of a Charging Order applying for any order for sale
- any further advice requested or any services not specifically detailed above.

**Defended Claims**

If the debtor disputes the claim at any point during the process we will discuss with you the merits of any defence and/or counterclaim, and provide you with revised costs advice if necessary, which could be on a fixed fee or at our hourly rates if more extensive work is needed.