

## **DEBT RECOVERY (Business to Business Debts)**

These costs apply where your claim is in relation to unpaid invoice which is not disputed, and enforcement action is not needed. If the other party disputes your claim at any point, we will discuss any further work required and provide you with revised advice about costs if necessary, which could be 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.

<b>Debt Value</b>	<b>Court Fee*</b>	<b>Our Fees (incl. of VAT)</b>	<b>Total</b>
Up to £5,000	Up to £205.00	£600.00	Up to £805.00
£5,001 - £10,000	Up to £455.00	£900.00	Up to £1,355.00
£10,001 plus	5% of claim value	12.5% of claim value	17.5% of 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>

### **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, such as the Bailiff, is needed to collect your debt

### **Our fee includes:**

- Taking your initial instructions and reviewing documentation
- 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 drafting 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), providing you with advice on the next steps and likely costs

Matters usually take between 2 – 12 weeks 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 at our standard hourly rates, which range from £215.00 - £250.00 per hour exclusive of VAT depending on the legal advisor assigned to your matter.

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.

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.