

## **DEBT RECOVERY (Up to £100,000.00) for Small Businesses**

Claims for recovery of a debt can be straightforward if the debtor admits the debt and no Court proceedings are needed. If the debt is defended and Court proceedings are issued, the process will be longer, more complicated and more expensive. No debt recovery claim will be exactly the same as another. Much will depend upon a variety of factors which will affect both the cost of bringing a claim and the length of time that a claim will take to be resolved. The factors that are likely to affect a claim both in terms of the cost and how long it will take include:-

- Whether there was a written contract, whether it was oral or a mixture.
- Whether the case is defended.
- Whether your opponent is a consumer.
- The number of witnesses involved.
- The amount of the claim.
- Whether or not your opponent is insured.
- Whether or not the case can be settled.
- It is possible that your opponent may not only defend but also counterclaim against you.
- How long it takes the Court to list the case for hearing.

The information that we give you on cost and timing is provided for guidance only. It is not a quotation. We will review your case with you upon receipt of your instructions and provide as much information as we

can at that stage. You should be aware that as the case progresses we may have to review the timing and the cost with you again so that any complications or unexpected events will result in extra fees. When we do receive your instructions we will write to you confirming our terms of business, to include our terms in relation to costs and other information specific to your case.

The complexity of a case is not always related to its value so that a case with a relatively small value may be more complicated in some instances than a case with a higher value. Should this occur then we will endeavour to discuss this with you at the time.

## **OUR FEES AND SERVICES**

On receipt of your instructions we will set out an estimate of our fees and the work that will be undertaken for that fee. However it may not always be appropriate to undertake work for a fixed fee or the estimated fee. We will discuss the fee with you on the receipt of your instructions to act on your behalf.

### 1. Initial Discussions and Advice

We anticipate that this would involve taking your initial discussions, probably at a meeting, considering documents provided to us and provide you with our initial advice. We would report it to you in writing.

Estimated average fee - £400.00 - £500.00 plus VAT.

## 2. Letter of Claim

This is the amount for preparing and obtaining your approval to and then sending a letter of claim to your opponent and providing you with a copy of any response.

Estimated average fee - £200.00 - £400.00 plus VAT.

## 3. Court Claims Undisputed

These costs apply where your claim is in relation to an 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 a revised advice about costs if necessary, which could be a fixed fee (for example if a one off letter is required) or an hourly rate basis if more extensive work is likely to be needed. The work here would usually include:-

- Preparing, obtaining your approval and issuing a claim form (a document sent to the Court to start the action).
- Where no Acknowledgement of Service or defence is received applying to the Court to enter a Judgment in Default.
- When Judgment in Default is received, sending you a copy and sending a copy to your opponent to request payment. If payment is not received within 14 days, advising you on possible enforcement action and likely cost.

Estimated average fee - £400.00 - £500.00 plus VAT plus Court issue fees.

#### 4. Court Claims Disputed

When a claim becomes disputed or possibly your opponent makes a counterclaim against you it is not possible to provide a reliable estimate without seeing the papers and considering the case with you. Much will depend upon the individual case and the complexities of that case.

In the event that you do find yourself in a position that your claim is defended and/or a counterclaim is made against you we will discuss with you what steps need to be taken in your case and the likely cost for the various stages of the case through to a trial.

If your case is disputed then the Court will make Orders which will include setting a timetable to take your case through to a trial. This Order is often referred to as a Directions Order. The likely stages in a case will include the following:-

- Directions given by the Court.
- Preparing and exchanging a list of documents and sending and receiving copy documents (all relevant documents will need to be sent from one party to the other).
- Preparing, exchanging and then considering witness statements.
- Obtaining any relevant expert evidence as provided by the Court.
- Settlement negotiations and possible mediation.
- Preparing and attending trial.

These are the steps that the Court is likely to order. In addition we will be taking your instructions, advising you and considering whether or not a Barrister should be instructed to advise and

prepare documentation on your behalf. We will arrange for a barrister to appear in court on your behalf at the trial of your case.

### Disbursements

These are expenses incurred in addition to our legal costs. The following are disbursements that are likely to occur in debt collection cases:-

- Court fees – these are set by the Court and depend upon the value of the claim. These fees change from time to time and details can be found on the Ministry of Justice website - <https://www.gov.uk/government/organisations/ministry-of-justice/about>
- Expert fees - such as surveyors, medical practitioners, engineers – their fees will depend upon the service that is required and will vary from case to case. They will have fees for preparing a report and additional fees if they have to attend at trial.
- Counsel (Barrister) fees – these will be for the preparation of any documentation for Court proceedings and attending Court. These fees will vary depending upon the seniority and specialism of the Barrister.
- Land Registry Fees – if a debt concerns a property we may need to obtain copies of the register at the Land Registry and possibly register some changes after the conclusion of your case.
- Companies House – we may need to obtain documents from Companies House as part of your case.
- Photocopying – if you are the Claimant the Court requires you to prepare bundles for hearings and for the trial. We will charge you for photocopying at £0.05 pence per sheet for

black and white A4 page, £0.25 pence per sheet for A4 colour, £0.10 per sheet A3 black and white, £0.50 per sheet A3 colour.

## 5. How Long will your Matter Take

This will depend upon a number of factors but in our experience the average time involved is as follows:-

- Initial discussions and advice – 2 weeks.
- Letter of Claim – a further 1 - 2 weeks.
- Court Claim undisputed – a further 6 - 8 weeks.
- Court Claim defended – a further 6 – 12 months.

## 6. Enforcement

None of the above timescales or fees include enforcement of a Judgment. If this becomes necessary we will discuss the fees, costs and time involved with you at the time.

## 7. Alternative Dispute Resolution (ADR)

Where appropriate we will use ADR. ADR is usually appropriate for a defended claim. The type of ADR we recommend will be specific to your claim. The main methods of ADR that we are able to offer are as follows:-

- Settlement negotiated between solicitors – our charges will be based on our hourly rate. In a straightforward claim that settles after an initial exchange of correspondence our charges would usually be between £750.00 and £1500.00 plus VAT.

- Mediation. This is a process when a trained independent third party would act as a mediator. Our charges would usually be on a hourly rate basis. Our charges will depend upon how long we need to prepare for the mediation and how long the mediation takes. In a straightforward case that lasts half a day we would expect our fees to be £1,500.00 to £2,000.00 plus VAT and any barrister's fees (if a barrister is instructed). There would also be your share of the mediator's charges likely to be between £750.00 and £1,500.00 plus VAT.

## **DEBT RECOVERY TEAM**

LLOYD WILLIAMS – DIRECTOR

Team Leader with over 30 years experience in debt recovery matters. His hourly rate is £220.00 per hour.

RHYS CWYFAN HUGHES – DIRECTOR

Over 30 years experience in debt recovery matters. His hourly rate is £220.00 per hour.

HUW GRIFFITHS – DIRECTOR

10 years experience in debt recovery matters. His hourly rate is £220.00 per hour.

ANEST GLYN – SOLICITOR

Hourly rate of £150.00 per hour.

**More details of our team can be found on our Home Page.**