

## **Costs information on Debt Recovery matters**

### Introduction

All debt recovery matters are dealt with by our team of experienced solicitors which is headed up by Rob Adam. You can find out more information about the members of our Dispute Resolution team from [this page](#).

We do not carry out work on a fixed fee basis. We will charge for work based on the time spent working for you and the hourly rate of the person(s) carrying out the work. Our hourly rates currently range from £200 to £410, plus VAT at 20%.

Before we start work for you, we will provide you with a tailored estimate based on your needs and the exact circumstances of your case. We do this because all cases are different and our costs vary from case to case, depending on the exact circumstances.

### What we will do?

If we act for you in connection with recovering a debt, the work we will carry out for you will usually include:

- Taking your initial instructions, reviewing any relevant documents, and advising you on the merits of your claim;
- Advising you on whether you should pursue your claim by serving a statutory demand, (which is the precursor to bankruptcy or winding up proceedings). We will draft a statutory demand for you and serve that on the debtor;
- Exploring whether a settlement can be reached;
- Preparing and issuing Court proceedings and reviewing any response from your opponent;
- Preparing for (and attending) a Case Management Hearing, which may include instructions to a barrister and preparing a costs budget;
- Exchanging documents with the opponent and reviewing any documents disclosed;
- Taking and drafting witness statements and reviewing the opponent's witness statements; and
- Preparing for, and attending, a Final Hearing, including preparing instructions to a barrister.

Once you have obtained a Court judgment, you may need to take additional steps to enforce the judgment to recover the sums due to you. We can also assist you with that process in addition to the advice listed above.

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### What will it cost?

Typically, our fees for the work set out above in connection with a straightforward debt recovery case will be as follows:

Value/Type of Claim	Fees (including barrister's fees)	VAT (at 20%)
<u>Preparing and Serving a Statutory Demand only</u>		
Any value	£500	£100
<u>Cases where a Statutory Demand is not suitable</u>		
Up to £10,000	£1,250 - £6,000	£250 - £1,200
£10,000 - £50,000	£12,500 - £27,500	£2,500 - £5,500
£50,000 - £100,000	£27,500 - £60,000	£5,500 - £12,000

Please note:

- The costs in the second part of the table above are those we would expect to incur up to a final Court hearing. In most cases, this is not necessary and for claims that settle at an earlier stage our costs will be much lower;
- Our costs to assist with enforcing a judgment (including appointing a bailiff, starting bankruptcy, or winding up proceedings) will be in addition to these costs; and
- You may be able to recover some of your costs but are unlikely to recover them all and may not be able to recover the VAT element.

In addition, you will be required to pay various other costs and expenses, typical examples of which are as follows:

- **Statutory Demand:** a fee for serving the statutory demand, which is typically in the region of £250 (including VAT).
- **Court fees,** which vary depending on the amount owed to you, and the type of application being made to Court. A list of Court fees can be [found here](#). For example, the court fee to issue a claim online seeking to recover £10,000 will be £455.
- **Cost draftsman's fees** may be payable on multi-track cases where a detailed budget of costs is required by the Court. Their fees for preparing a costs budget are usually in the region of £750 - £1,350 (including VAT).
- **Client due diligence:** identifying you is a legal and regulatory obligation we must discharge when we accept you as a client. Before we start work for you, we will provide you with details of the possible options we can use to establish your identity and the potential costs included in the tailored fees estimate referred to above. The minimum charge will be £30 + VAT per person.

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Factors that determine the complexity of a case and which could take it outside of the estimated figures set out above include:

- Where it is necessary to amend claims or to provide further information about the claim, and where there is more than one opponent;
- Where it is necessary to make or defend applications within the proceedings;
- The presence of complex issues around disclosure of documents and if electronic disclosure is required;
- Where there are a number of witnesses and if expert witness reports are needed; and
- Where a mediation is required or arranged.

### How long will this take?

If you simply issue a Statutory Demand, it will typically take one week to obtain your instructions, prepare, and then serve the Statutory Demand. The debtor is required to respond to the Statutory Demand within 3 weeks.

In the case of Court proceedings this will depend on how the Court allocates your claim:

- A claim allocated to the small claims track (up to £10,000 in value) will normally take between 5-7 months from issuing the claim to a final hearing.
- A claim allocated to the fast track (£10,000 to £25,000 in value) will normally take between 8-10 months from issuing the claim to a final hearing.
- A claim allocated to the intermediate track (£25,000 to £100,000 in value) will normally take between 9 – 15 months from issuing the claim to a final hearing.
- A claim allocated to the multi-track (claims exceeding £100,000 in value) will usually take between 12-24 months from issuing the claim until trial.

We will be able to give you a better idea of how long it will take once we have more details, and as the matter starts to progress.

In our experience most (but not all) cases in the fast track, intermediate track and multi-track will settle before trial.

Please note that:

- If your Statutory Demand is not paid, or if the debtor does not pay the sums ordered by the Court, you may need to take enforcement action (which may include appointing a bailiff or issuing bankruptcy or winding up proceedings). These will extend the timescales given above; and

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- We are dependent upon the Courts for the listing of cases for trial.

### **Further information**

If you would like more information about our services, our costs and the timescales involved please contact Rob Adam ([robadam@greene-greene.com](mailto:robadam@greene-greene.com) or 01284 717448), to discuss your matter further.