

THOMPSON & JACKSON SOLICITORS LLP

Thompson & Jackson's Litigation Team acts for both businesses and individuals in all aspects of debt recovery and enforcement. We regularly act for individuals and businesses who are owed money and also assist both individuals and businesses who may be being chased for payment who do not agree that all or some of the money is owed.

Debt recovery work can vary greatly in terms of both quantum and complexity and it is important to us that your matter is conducted in the most efficient and cost proportionate way possible. We therefore aim to give you as much information about the likely costs at an early stage.

For undisputed business to business debts, we are able to offer a fixed fee structure for businesses who need to take action to recover sums owed to them. However, if you are an individual or a business that does not qualify for our fixed fee structure or you need to defend a claim being made against you, please do get in touch and we will discuss the possible costs with you.

Fixed for a business to business debt that is undisputed

If you run a business, it is almost inevitable that at some point you will have to take action in respect of an unpaid invoice.

If your matter meets all of the criteria below, we would be happy to act for you on a fixed fee basis:

1. The debt is a business debt (i.e. debt owed by a business to a business); and
2. The debt relates to an unpaid invoice; and
3. The debt does not exceed £50,000; and
4. The debt has not been disputed by the debtor to your knowledge.

If your matter does not meet all of the criteria above, please get in touch and we will be able to discuss with you what the costs are likely to be so that you can consider the commercial viability of instructing us to take action on your behalf.

The process and our fixed fees at each stage are broken down as follows:

Stage 1 – Pre-action - £300 + VAT

This would cover the work required before Court proceedings were necessary and would cover:

1. An initial consideration of your papers (i.e. your contract, invoice);
2. An initial consideration of the debtor's financial position from the information that you provide us and general searches (i.e. Land Registry search);
3. Sending a straightforward Letter before Action to the debtor setting out details of your claim (i.e. giving the date of the contract, a copy invoice and setting out the sums you require and giving a time for payment);
4. Discussing with you any issues arising and advising you on alternative options which may be available to you;

5. Arranging to send you the payment due to you (if the debtor has paid) or ascertaining whether you want to proceed to stage 2 (if the debtor has not paid).

The above does not include any disbursements or third party fees which may be payable (i.e. charges from Land Registry to determine property ownership, costs of a tracing agent to track the debtor down) which may be applicable in some instances.

Stage 2 – Issuing proceedings - £450 + VAT + Court fee

This would cover the work required to issue proceedings and obtain judgment in an undefended claim and would cover:

1. Drafting and issuing your claim;
2. Applying to the Court to enter Judgment (where the debtor has not filed an Acknowledgment of Service and / or Defence);
3. Reporting to you when Judgment has been received;
4. Writing to the debtor upon receipt of the Judgment to demand payment;
5. Arranging to send you the payment due to you (if the debtor has paid within the prescribed time) or requesting whether you want to proceed to stage 3 (if the debtor has not paid within the prescribed time) and providing you with initial advice on the most appropriate method of enforcement and the commercial viability of pursuing such enforcement.

In addition to our fees and the VAT thereon, there are Court fees which must be paid on the issuing of any claim which are as follows

Value of your claim	Court fee
Up to £300	£25-35
Greater than £300 but not more than £500	£35-£50
Greater than £500 but not more than £1,000	£60-£70
Greater than £1,000 but not more than £1,500	£70-£80
Greater than £1,500 but not more than £3,000	£105-£115
Greater than £3,000 but not more than £5,000	£185-£205
Greater than £5,000 but not more than £10,000	£410-£455
Greater than £10,000 but not more than £50,000	4.5%-5% of the value of the claim

Stage 3 – Enforcement – variable depending on enforcement method

The following is a summary of the methods of enforcement which may be available to you and an indication of the minimum fee that we would charge for each method (which does not include third party fees or other disbursements):

1. Obtaining a Charging Order against property owned by the debtor - £400 plus VAT
2. Applying for a Third Party Debt Order - £400 plus VAT
3. Instructing a High Court Enforcement Officer or a County Court Bailiff £150 plus VAT
4. Applying for an Order to Obtain Information from the Judgment Debtor - £400 plus VAT

5. Applying for an Attachment of Earnings Order - £250 plus VAT

In each method of enforcement, there are likely to be disbursements and fees payable to third parties which may include search / tracing fees, process servers fees, fees payable to an agent as well as Court fees.

Should you wish to pursue a method of enforcement, we will discuss with you the likely costs including disbursements, third party fees etc.

Things to consider

Before you instruct us to take action on your behalf, we want to point out the following:

1. You should have demanded the debt from the debtor giving them a time period within which to make payment and that time period should have expired before you instruct us to write to them;
2. You may be unable to recover all of the costs that you incur from your debtor and so you must consider whether further action is cost efficient; and
3. There is no way for us to guarantee that your debt will be paid even if we are able to secure a Judgment in your favour.

If you have considered the above and you would like to proceed, please do get in touch to arrange an appointment. At the outset we will assess and confirm to you if your case is suitable for our fixed fee structure and, if it is not, give you some guidance on the likely costs.

Please note that if the debt becomes disputed or defended at any stage, the matter would cease to be eligible for our fixed fee scheme and all work done will need to be charged at the hourly rate of the fee earner with conduct of the matter. We will confirm the applicable hourly rate with you at the outset but it is obviously difficult to give a general indication of our fees in such eventualities. Instead, we will give an indication of the likely fees on a case by case basis should this arise.