

## **Fees explained – Debt Recovery services**

March 2022

### **Court Claims to recover simple debts**

These costs apply where your claim is in relation to obtaining judgment in relation to an unpaid invoice which is not disputed and where enforcement action is not needed, such as instructing a bailiff to take control of goods.

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 (e.g. if a one-off letter is required), or an hourly rate if more extensive work is needed.

### **Debt value**

Court fee - this is set by the Ministry of Justice and works on a sliding scale dependent on the amount of the debt. The Court service leaflet 'EX50' provides a useful guide and sets out how the fees are determined

We issue all claims online.

The following example is based on recovery of a £10,000 debt:

Our fee £500 plus VAT at 20%

Fixed court issue fee, not subject to VAT: see Court Service leaflet 'EX50'

Note: in most cases, where judgment is obtained in default of a defence, the law does not provide for all of your solicitor's costs to be added to the debt – a modest amount of 'fixed costs' is added to the judgment debt. The full court fee is added to the judgment debt.

Our fee of £500 plus VAT at 20% includes:

- Taking your instructions and reviewing documentation
- Undertaking appropriate searches
- Sending a letter before action
- Receiving payment and sending onto you, or if the debt is not paid, drafting and issuing claim form
- Where no Acknowledgment of Service or Defence is received, applying to the court to enter Judgement in default
- When Judgement in default is received, providing you with advice on next steps, such as instructing a bailiff or High Court Enforcement Officer, and the likely costs

If a defence should be received then we will give you preliminary advice on the defence within the fixed fee, discuss what further work may be necessary and provide you with revised advice and quotes in relation to costs. Further work can be carried out on a fixed fee basis where appropriate, or will revert to our hourly rate, but in any case we will always agree with you the work to be

undertaken and the likely cost. Our hourly rate is £217 per hour plus VAT at 20%. The range of costs can be wide depending on the amount of work to be undertaken outside the fixed fee regime. This may typically be £1500 plus VAT at 20% at the lower end, up to around £15,000 plus VAT at 20% in a contested case that goes to trial, although that is thankfully rare. The cost depends on legal complexity, urgency, amount of documentation and similar factors.

In complicated cases, other disbursements such as barristers fees (typically £1500 to £5000 plus VAT at 20%), and fees for experts reports (typically £1500 to £2500 plus VAT at 20%) may be necessary.

Simple fixed fee matters usually take 10-12 weeks from receipt of instructions from you to receipt of payment from the other side in respect of a judgment, depending on whether or not it is necessary to issue a court claim. This is on the basis that the other side pays promptly on receipt of Judgment in default. If enforcement action is needed, the matter will take longer to resolve.

To discuss your requirements further, please contact [Christopher Mason](#)