

BUSINESS – DEBT RECOVERY

Debt recovery is the process of recovering money from a debtor when they have failed to pay back the debt within a time that was previously arranged. It does not include a claim for damages.

Action to recover a debt owed can be opposed or not opposed. The details provided below for the costs which may be expected to be incurred in debt recovery apply only where the recovery action is not opposed. If steps to recover a debt are opposed, we will discuss the matter with you, your options and the costs likely to be incurred in pursuing the debt further.

Action to recover a debt can be expected to take from one month to four months depending entirely on the response (if any) received from the debtor and whether Court proceedings are necessary and, if so, at what stage a default judgment can be obtained against the debtor. If the debtor defends the claim, the process would take much longer (depending in part on the Court timetable) and, being defended, the costs estimated below would not apply.

OUR CHARGES

We provide an estimate below of the costs for each stage of a normal undefended debt recovery, including disbursements, which consist of the Court fee required to be paid.

		Estimated Fee + VAT based on Partner hourly rate
1	Taking your instructions, to be provided in an organised and complete manner and reviewing contemporaneous documentation not to exceed 10 pages.	£1,050
2	Preparing and sending a letter before action.	£700
3	Receiving payment and sending on to you (or step 4).	£350
4	If the debt is not paid, drafting and issuing claim.	£1,750
5	Where no Acknowledgment of Service or Defence is received, applying to the Court to enter the Judgment in Default.	£525
6	When Judgment in Default is received, writing to the debtor to request payment.	£350
7	If payment is not received within 14 days, providing you with advice on next steps and likely costs.	£700

In addition, a Court fee is payable to commence proceedings. That is payable at the rate set out below:

Debt Value (including interest)	Court fee
Up to £300	£35
£300.01 to £500	£50
£500.01 to £1,000	£70
£1,000.01 to £1,500	£80
£1,500.01 to £3,000	£115
£3,000.01 to £5,000	£205
£5,000.01 to £10,000	£455
£10,000.01 to £100,000	5% of the claim

FEE ESTIMATE

Ordinarily, we charge fees on the basis of our standard hourly rates for each team member as set out below. However, and with your agreement, we reserve the right to charge alternative rates in the event that you require work to be carried out outside normal business hours or other relevant factors apply.

Team member	Role	Qualifications	Admitted	Hourly rate (Including VAT)
Joseph Kean	Partner, Head of Department	LL.B. (Hons)	Sept 1990	£350
Michael Brierley	Partner	BSc (Hons), GDL	Sept 2009	£350
James Picknell	Partner	LL.B. (Hons)	Sept 2003	£350
Nick Martyn	Partner	BA; Dip Law	Jan 2007	£350
Rachel Fitzgerald	Solicitor	BA (Hons), L.L.B. (Hons), L.L.M. (Hons)	Sept 2015	£210
Alasdair McDowell	Solicitor	MA (Hons), GDL, Pg Dip Legal Practice	April 2017	£195
	Trainee Solicitor	Educated to degree standard and having passed the relevant examinations to be admitted as a solicitor on completion of the required period of training		£140

The costs likely to be incurred in undefended debt recovery matters depend on the steps required to be performed and on other matters.

Matters may take one to four months from receipt of instructions from you to receipt of payment (if any) from the debtor, depending on whether or not it is necessary to issue a claim and then wait for the Court process to take its course. This is on the basis that the debtor pays promptly on receipt of judgment in default of defence. If enforcement action is needed, the matter will take longer to resolve and that process is not included within the estimated costs listed above.

You should note that:

- the VAT element of our fee may not be reclaimable from your debtor, depending on your VAT position;
- interest and compensation may take the debt to a higher banding, with a higher Court fee; and
- the costs quoted above are not for matters where enforcement action, such as the bailiff, is needed to collect your debt.

You should note that the fees estimated above do not include fees for:

- providing you with advice with regard to the merits of your claim;
- considering the merits of any defence which may be raised;
- considering contemporaneous documents beyond the 10 pages mentioned above;
- making any searches in order, for instance, to establish the whereabouts of the debtor or to determine the creditworthiness of the debtor and their consequent ability to pay the debt due.

Please note the above breakdown is approximate and the process may, on a time accrued basis, take longer. The estimated fees are only a guide, and not a binding quotation. If counsel is instructed, their fees will be in addition to those noted above (see below under expenses).

Please also note that the above is our best assessment based on matters which we have conducted and the expectation that our work proceeds in a straight forward manner with no substantive surprises.

RECOVERING COSTS FROM OTHER PARTIES

Our charges are not dependent upon the result of your case. These are payable by you in any event. Therefore, you are the person responsible for payment of those fees. Further, the Court prescribes fixed costs in certain matters, including where judgment in default is obtained, so effectively limiting the amount that you may recover from the Debtor in respect of the costs that you incur.

We also need to point out that:

- The debtor may refuse to pay any judgment obtained.
- The debtor may not have the funds to meet the judgment amount.

This Costs Information note should be read in conjunction with Munday's Terms and Conditions of Business, a copy of which you will receive at the start of your matter.