



At DFA Law we recognise that cash flow is essential to your business. Chasing outstanding invoices can take up a lot of your time, and does not always result in payment being made.

Our dedicated debt recovery team can take the hassle out of chasing debts leaving you more time to dedicate to your business.

We work with our clients to provide a cost effective and efficient debt recovery service. We can work with you to tailor that service around your business requirements to deal with both contested and uncontested debts. For our debt recovery clients we offer discounted fees for contested disputes, whilst non-contested disputes are dealt with applying the fixed fees and process set out in this leaflet.

Letter of claim/Late payment demand

Once we receive your instructions, whether that is for a single debtor or several hundred, a letter requiring payment will be sent on your behalf. If the debtor is a private individual that letter will be a Letter of Claim requiring payment within 30 days and otherwise complying with the current legal requirements to allow Court Proceedings to be issued immediately if payment is not made. If the debtor is a business a Late Payment Demand will be sent. This not only claims your basic debt, but also claims interest, compensation and your reasonable debt collection costs under the Late Payment of Commercial Debts (Interest) Act 1998.

Our costs for these letters are;

- > Letter Before Action - £7.50 + VAT
- > Late Payment Demand - £5.00 + VAT

Both letters require the payment of the debt directly to your firm. If we do not receive your confirmation that payment has been made to you, following the expiry of the Letter of Claim/Late Payment Demand, we will automatically send out a chase letter at the following cost

- > Chase Letter Before Action - £5.00 + VAT
- > Chase Late Payment Demand - £5.00 + VAT

Court Proceedings

If the debt is not recovered as a result of the chase letters, we will seek your instructions to commence formal recovery action/court proceedings. Typically this is done by commencing Court Proceedings, although depending on the nature of the debt and the debtor, other options (such as insolvency proceedings) are also available on a fixed fee basis.

Claims under £10,000 are dealt with in the Small Claims Court, and whilst some fixed costs and Court Fees are recoverable if the claim is successful, the majority of legal costs are not. Our fees are therefore structured to ensure that these types of proceedings are proportionate and affordable.

- > Legal Fees For Issue of Proceedings (£150 + VAT)
- > Court Fee - Staged depending on value of claim (Please see table of costs on reverse)

For claims over £10,000 our fee for issuing Court Proceedings is £250 (+VAT), and the Court Fee is 5% of the value of the claim up to a maximum Court Fee of £10,000.

If the claim is not defended, or payment made, we will request Judgment in Default on your behalf at a cost of £22.00 + VAT.

Court Fee - Staged depending on value of claim are as follows

Value of your claim	Court Fee
Up to £300	£35
Greater than £300 but less than £500	£50
Greater than £500 but less than £1000	£70
Greater than £1000, but less than £1500	£80
Greater than £1500, but less than £3000	£115
Greater than £3000 but less than £5000	£205
Greater than £5000 but no more than £10000	£455

Enforcement

Once Judgment is obtained, if the debt is not paid, there are various methods of enforcement, such as attachment of earnings, bankruptcy/winding up proceedings, and the use of enforcement agents. Often the most effective is instructing a High Court Enforcement Officer (HCEO) to attend on the debtor and attempt to collect the debt in person. Our fixed fee to instruct the HCEO is £100 (+VAT). The Court fees and the High Court Enforcement Officer's fees are in addition to our costs, but will be confirmed to you in advance based on the prevailing fees at that time.

Contested Debts

If the debt becomes contested at any stage (whether after a letter of claim or after the commencement of court proceedings) a member of our litigation team will discuss this with you, if you wish, so you can consider whether you still wish to pursue the claim.

We offer our debt recovery clients a 10% discount on our normal hourly rates if they wish to pursue the claim further. As a guide, our hourly rates for our litigation team range between £150 and £275 per hour depending on the level of fee earner required to deal with the issues in dispute.

If you would like to discuss any of the matters in this leaflet and how we can work with our clients to ensure that their debt recovery systems are as efficient as possible, we would be very happy to discuss matters with you.

Call us on 01604 60 95 60

Call us on:

01604 60 95 60

or email:

debt@dfalaw.co.uk

For more information on how we can help you, visit:

www.dfalaw.co.uk

Other business services include;

- > Commercial Dispute Resolution
- > Company Corporate
- > Commercial Contracts
- > Commercial Property
- > Employment Law
- > Business Recovery
- > Logistics & Transport
- > Energy