

Pricing and Service – Debt Recovery

Our Service and Experience in Dealing with Debt Recovery

Debt Recovery is an area of experience of Martin Tolhurst. We have 2 specialist fee earners, supported by a trainee solicitor and support staff dealing with Debt Recovery who would be happy to act on your behalf. For individual fee earner's biographies, please see the individual links below.

Quality and Rated by Our Clients

All of our Debt Recovery fee earners are specialists who are experienced in dealing with both simple and complex matters

Who will deal with your matter in a Debt Recovery case

Your case will be dealt with by a named contact at the firm, and this will be one of the Debt Recovery specialist fee earners employed by Martin Tolhurst. These fee earners names appear below- by clicking on their biography, you can see their experience and information about them. They will deal with your transaction from the time the file is opened, until the proceedings are issued and agreement is reached or a final hearing is concluded.

Typical Timescales for a Debt Recovery case.

As a guide (but your individual case may take more or less than this time):

- Our initial instructions and sending out of a letter before action will take approximately 3 to 4 weeks from receipt of full instructions on the dispute.
- The letter before action would usually provide a period of 30 days to respond to the matter (as is provided for in the Pre-Action Debt Protocol) but this period can be extended if there is a request for certain documents.
- If the matter does not settle at this stage, from the proceedings being issued to a final hearing can vary wildly on the level of the debt and the particular track that proceedings are allocated to (the Small Claims Track, Fast Track and Multi-Track) A small claims track hearing would usually be listed within 26 weeks of issue of the proceedings, the fast track within 52 weeks and the multi-track within 78 to 104 weeks.

The estimates above are an average for guidance purposes only and the proceedings you are involved with could take a longer or shorter period than this based on the factors listed below.

Every Debt Recovery Dispute will differ according to the following factors:

- The level of the debt and the complexity of the case, should there for instance be a need for expert evidence;
- The involvement of a litigant in person;
- The number of witnesses and documents;
- The time taken for the court to deal with specific paperwork and the availability of Judges for the final hearing;
- The amount of opponents Debt Recovery is sought from;
- Co-operation and prompt return of paperwork by yourself and the opponent/s;
- Whether a counterclaim is made or contemplated;
- Whether you or the opponent/s is/are capable of dealing with proceedings brought against them or whether they require a litigation friend or Court of Protection involvement;
- The number of witnesses required to give evidence for you or your opponent/s;
- Any requirement for expert evidence from one or more disciplines.

Key Stages for a Debt Recovery case

To see the key stages in a Debt Recovery case are as set out on the attached information sheet, please [click here](#).

Our Price Estimate

We charge on the basis of the anticipated amount of time spent by our fee earner to deal with stages of the Debt Recovery matter.

In addition to our charges an estate will also incur payments to others – usually third parties and these can be as follows:

- Court fees on issue of the proceedings, any interim applications made and for the final hearing.
- Fees for the involvement by way of advice, conference or attendance at hearings of a suitable experienced barrister
- Fees for the involvement of any mediator at a mediation session between the parties
- Any fees of an expert instructed to prepare an expert report in support of your case
- Any fees for searching of records to ascertain the whereabouts and financial solvency of any proposed opponent, for instance 192.com, Land Registry or private investigators.
- Any travel fares associated with attendance at hearings or meetings away from our office

This is an indication of the disbursements thought likely to be incurred on a typical dispute but please note this is not an exhaustive list of the disbursements.

Examples of typical Debt Recovery prices charged are shown below in the examples section to give an idea as to our fees and the likely overall charges including all disbursements. Once we have the necessary information on the dispute from you we can provide you with an individual written likely estimate.

What is Included in Our Fees Estimate for the Case

1. Meeting with you to discuss the dispute, review any paperwork and advise you on the merits of your position (this is likely to be revisited throughout the matter and subject to change)
2. Entering into pre-claim alternative dispute resolution to explore whether a settlement is reached (if instructed to do so).
3. Sending a letter before action or statutory demand
4. Receiving payment and sending on to you, or if the debt is not paid, preparing and issuing the claim or winding up petition
5. Advising on the acknowledgment of service, or if not received making the application for default judgment and reporting to you as to the outcome
6. Reviewing and advising on the defence from the other party
7. Exploring settlement and negotiating settlement throughout the process
8. Preparing for and attending any case management conference, hearing of any interim application and final hearing

9. Exchanging documents with the opponent and agreeing a bundle of documents for any hearings
10. Taking witness statements, drafting statements and agreeing their content with witnesses
11. Preparing bundles of documents
12. Reviewing and advising on the other party's witness statements
13. Agreeing a schedule of issues, case summary and chronology with the opponent
14. Preparing and attending the final hearing (where instructed to do so) including instructions to the barrister.

The stages set out above are an indication and if some of the stages above are not required, the fee will be reduced. You may wish to handle the claim yourself and only have our advice in relation to some of the stages. This can also be arranged on your individual needs.

Factors that could increase our overall costs estimate

- A counterclaim is required to be made or made by your opponent
- The matter is allocated to a track not initially considered to be appropriate, for instance if an allegation of fraud is made
- Opponents to the claim cannot be quickly and easily located;
- It is necessary for this firm to visit a property or site referable to the dispute;
- More than one expert is required to report on your particular dispute;
- One or more mediation or round table settlement meetings are needed to be attended;
- If any unexpected or urgent applications are made or required to be defended within the proceedings;
- Hearings being taken out of the list due to the lack of judicial availability shortly before any listed hearing.

What Work is not included in Fee Estimate.

Costs assessment. If the matter proceeds to agreement or final hearing and a costs order is made against you or in your favour, provisional or detailed assessment of those costs might be necessary if the liability for costs cannot be agreed. A separate fee will chargeable for the work on this aspect and a separate estimate can be provided for this.

Implementation or Enforcement of any order. If the matter proceeds to agreement or final hearing and an order for payment of a sum of money or transfer of a property or asset is required, a separate charge will apply. A separate fee will chargeable for the work on this aspect and a separate estimate can be provided for this.

Tax planning. If separate tax planning is required on the receipt or disposal of any money or asset, separate advice from a qualified tax adviser will be necessary.

Our People

The biographies of the individual specialist Debt Recovery fee earners are shown – please click upon the name of the person allocated to your matter, or who you believe will be allocated to your matter to see their biography, including their expertise and experience.

[Ken Amakye](#)

[Giles Dobson](#)

Regulated, Accredited and Insured for Peace of Mind.

As solicitors, we are regulated by the Solicitors Regulation Authority, and observe the SRA Code of Conduct 2011. We have accreditations from the Law Society- we were awarded their Conveyancing Quality Standard in 2012 and have had annual reassessments since that date. We were awarded the quality management standard, Lexcel, in 2010 and have been reassessed annually since that date to retain the mark that only 1000 firms in the England Wales have been awarded. We are insured with an industry-leading insurer, Inter Hannover, who comprehensively insure us for claims up to £10 million. We operate an established complaints procedure.

Typical Examples

At the end of this document are 2 typical examples of legal fees and estimated totals on 2 typical transactions we would deal with in debt recovery cases.

Our Terms of Business and Terms and Conditions

All of the above information is designed to give you a fair and reasonable assessment of the likely costs. An individual quotation will be given to you at the outset of your case and this may be adjusted according to the circumstances of the estate. All of the above information is given by way of guidance and is not binding in terms of the individual case or quotation. If you have any queries about the price or service that may be provided on your transaction, please do not hesitate to contact the following Debt Recovery partner:

Giles Dobson gdobson@martintolhurst.co.uk 01634 729641

For a copy of our Terms of Business or privacy policy please do not hesitate to contact us. If you require an individual price estimate for your residential conveyancing transaction, please contact us further so that we may provide this to you on an individual basis. All of the above prices are subject to the rate of VAT that is charged, which is currently 20%. All of the above prices and VAT are subject to change at short notice.

2 typical transactions showing full legal costs and disbursements on typical debt recovery disputes

Debt Recovery example 1

George is the sole Director and shareholder of George Limited. He carried out some contracting work for Late Payment Limited. He signed a contract with Late Payment Limited which confirmed that invoices would be paid within 60 days of the invoice being submitted and set out the charging structure. He completed the work and rendered an invoice for £10,000. No issue has been raised as to the standard of the work and George has found that Late Payment Limited have been paid by their customer for the work he did. He has chased Late Payment Limited who simply state that they cannot find the invoice for the works that he has done and without the invoice they are unable to pay. George has sent the invoice to Late Payment Limited by post, fax and email numerous times. 90 days have now elapsed from the sending of the first invoice to the company.

George states that he cannot think why they are not paying. He states that there is no dispute with the work.

After advice, he opts to pursue winding up of Late Payment Limited as he believes that they have the assets to meet the debt.

Martin Tolhurst Legal fee

For preparing and advising on the Statutory Demand	£ 350.00
VAT at 20% of the legal fee	£ 70.00

For preparing and serving the winding up petition and preparing all relevant papers to a winding up hearing	£2,000.00
VAT at 20% of the legal fee	£ 400.00

Sub total of legal fees including VAT	£2,820.00
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Payments to third parties

Court fee for winding up petition	£ 280.00
Official Receivers' Bond (repayable if the matter does not proceed to winding up)	£1,600.00
Process Server fee	£ 180.00
Advertisement in London Gazette	£ 101.52
Legal Representative fees for attendance at hearing	£ 360.00

<u>Sub total of payments to third parties</u>	<u>£2,521.52</u>
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Grand Total of legal fees and payments to third parties	£5,341.52
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* Note 1 – the costs of the winding up are costs that can be recovered from the assets of the company within the winding up procedure

Note 2 - if George Limited is registered for VAT, the VAT element of the payments would not be recoverable costs within the winding up procedure

Note 3 – all payments to third parties correct at the time of drafting and are subject to change over time

Debt Recovery example 2

George is the sole Director and shareholder of George Limited. He carried out some contracting work for Late Payment Limited. No contract was signed with Late Payment Limited as to the works George Limited were to do. He completed the work and rendered an invoice for £20,000.

Late Payment Limited reverted and stated that the end customer had complained about the work and the standard of the workmanship carried out and had refused to pay. Consequently Late Payment Limited had confirmed that they would not be paying.

George has tried to resolve the issue with the end customer and with Late Payment Limited to no avail. He has a report from an expert which states that there are a few issues that need to be remedied but that the works completed are satisfactory. The documentation as to the debt is sparse consisting only of the invoice and some photographs of the work done.

He wishes to bring proceedings against Late Payment Limited for the debt of £20,000 plus statutory compensation and interest. The matter is bitterly fought and allocated to the fast track.

Martin Tolhurst Legal fee

For preparing and advising on the Letter Before Action	£ 350.00
VAT at 20% of the legal fee	£ 70.00
For preparing and serving the county court proceedings	£ 600.00
VAT at 20% of the legal fee	£ 120.00
For all steps in advising on the defence and preparing directions	
Questionnaires for the fast track	£ 450.00
VAT at 20% of the legal fee	£ 90.00
For all steps in complying with the directions in preparing and inspecting	
Disclosure and preparing and advising on witness statements	£1,500.00
VAT at 20% of the legal fee	£ 300.00
To preparation for final hearing and instructions to the legal Representative/Barrister for the final hearing	£1,000.00
VAT at 20% of the legal fee	<u>£ 200.00</u>
Sub total of legal fees including VAT	£4,680.00

Payments to third parties

Court fee for claim (5% of total debt)	£1,000.00
Court fee for final hearing (for fast track matter)	£ 545.00
Legal Representative/Barrister's fees for attendance at any directions hearing	£ 850.00
VAT at 20% of the legal fee	£ 170.00
Legal Representative/Barrister's fees for attendance at and preparation For final hearing over 1 day	£3,000.00

VAT at 20% of the legal fee £ 600.00

Sub total of payments to third parties £6,165.00

Grand Total of legal fees and payments to third parties (inc. VAT) **£10,845.00**

* Note 1 – the costs of the proceedings can be claimed back from the losing party on the fast track subject to assessment by the Court as to what is reasonably incurred.

Note 2 - if George Limited is registered for VAT, the VAT element of the payments would not be recoverable costs within the winding up procedure

Note 3 – all payments to third parties correct at the time of drafting and are subject to change over time