

**Debt recovery: Your Guide to Our Fees**

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Debt Recovery for a business to business debt:

Court Claims

These costs apply where your claim is in relation to an unpaid invoice which is not disputed and enforcement action is not needed. 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 (see below for further details), these costs will be calculated on the prevailing hourly rate stated below.

Our fee will be calculated at an hourly rate of £200 per hour. We estimate that in most cases our fee will be between £1,000 to £1,500 exclusive of VAT of 20%. In the event of our fee exceeding £1,500 we will let inform you in advance and tell you why the fee will be exceeded, what further work will be required and how much more it is likely to cost.

It may be necessary to pay a Court fee. The amount of the Court fee will vary depending on the value of the claim as stated below

Value of debt up to £5,000	£205.00
Value of debt between £5,001 to £10,000	£455.00
Value of debt between £10,001 to £100,000	5% of the value of the claim

Fee Illustration – time spent 4 hours pursuing a det of £60,000

Our fee	£1,000
VAT @ 20%	£200.00
Sub Total	£1,200
Court fee	£3,000

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Total £4,200

Anyone wishing to proceed with a claim should note that:

If the debt is worth less than £10,000 you will not be able to recover our fees against the debtor

If the debt is worth between £10,001 and £100,000 you will be able to recover some of our fees from the debtor. A Court may have to decide how much you can recover depending on the circumstances of the debt. This will be explained in greater detail should you decide to instruct us.

- The VAT element of our fee cannot be reclaimed from your debtor if you're business is VAT registered.
- Interest and compensation may take the debt into a higher banding, with a higher cost.
- The costs quoted above are not for matters where enforcement action, such as the bailiff, is needed to collect your debt.

Our fee 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
- Where no Acknowledgment of Service or Defence is received, applying to the court to enter Judgement in default
- When Judgement in default is received, write to the other side to request payment
- If payment is not received within X days, providing you with advice on next steps and likely costs

It is difficult to assess how much time it will take from receipt of instructions until you receive payment from the debtor. However, based on our experience we expect it will take 6-8 weeks, pending on whether or not it is necessary to issue a claim. In the event it is necessary to issue a

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claim, we estimate it will take 10-12 weeks. This is on the basis that the debtor pays promptly on receipt of Judgement in default. If enforcement action is needed, the matter will take longer to resolve.

Debt recovery for a business to business disputed debt:

In the event the debtor disputes the debt, it is far more difficult to assess the following:

- the amount of time we will be required to spend on the matter
- the amount of our fee
- the amount of time it will take to conclude the matter

If at anytime the debtor disputes the debt, we will prepare a budget and case plan addressing the above points.

The budget will set out our hourly charging rate and breakdown the work into the following categories:

Pre action – obtaining instructions, preparing letter of claim, considering the debtor's reasons for refusing to pay the debt and obtaining your instructions on those reasons

Issue of claim – instructing a barrister to prepare your claim to the debtor, considering the debtor's defence and filing and preparing further Court documents if necessary

Case Management Conference – preparing list of required directions, discussing the list of directions with the debtor and trying to reach agreement on the contents of the list, attending Court and dealing with case directions before a Judge

Disclosure – advising you on your duty to disclose documents to the debtor, examining your documents and preparing a list, exchanging list of documents with the debtor, examining the debtor's documents and obtaining your instructions on the information contained therein

Witness statement – interviewing all necessary witnesses, preparing their statements, exchanging statement with the debtor and obtaining your instructions on the contents of the debtor's statements

Trial preparation – preparing trial bundle, obtaining an advice on evidence from a barrister and attending a case conference with a barrister to discuss merits of the claim if required

Trial – attending trial before Judge and advising you on the outcome of the matter following consideration of the Judgment

The budget will provide an estimate of the overall level of our fees, an estimate of the barrister's fees and an estimate of the Court fees and other disbursements and expenses that will have to be spent on the matter.

Civil Litigation Department Staff Profiles:

Chris Dixon - TEP Director,  
Solicitor since 1976,  
Member Society of Trust and Estate Practitioners (STEP)

Chris has experience in advocacy, property and litigation but now specialises in corporate matters and trusts. These account for around 90% of his client service activity.

Chris has extensive contacts with overseas lawyers and founded [www.laworld.com](http://www.laworld.com)

Merwyn Emmanuel – Litigation Manager

Merwyn joined us in 2001 having been engaged in general practice since 1983.

Merwyn has a wealth of experience in conducting most aspects of civil and property litigation matters, both private and commercial.

Merwyn is also engaged in the area of general matrimonial breakdown.

Merwyn spends 85% of his time dealing with civil litigation.