

# DEBT RECOVERY FEES - DEBTS UNDER £100,000

## Legal Costs

We are required by the Solicitors Regulations Authority Transparency Rules to publish information on the cost of debt recovery with a value of less than £100,000. The figures quoted are a guide only and final fees will depend upon the complexity of the matter and the amount of work required. We are always happy to provide you with a no obligation quote, based on your specific requirements. Please contact us at [legal@geoffreyleaver.com](mailto:legal@geoffreyleaver.com). Alternatively, please call us on 01908 692769 to discuss your requirements.

## Letter Before Action

We tailor our costs estimate to your individual circumstances, our charges are based on the time spent. We provide the following table of costs to provide an indication of the amount you will pay for this firm's services.

- A letter before action, complying with the Practice Direction for Pre-Action Conduct and Protocol (in the case of a limited company) or pursuant to the Pre-action Protocol for Debt claims (in the case of an individual) can be sent for £90 plus VAT.
- This fee only applies where your claim relates to recovery of unpaid invoices, is not disputed and is governed by the Courts of England and Wales and the debtor is based in England and Wales.
- Our fees for the letter before action will include reviewing your unpaid invoices, sending the pre-action letter and forwarding you any response received from the debtor.
- It will not include a detailed review of documentation or negotiating with the debtor.

## Issuing County Court Proceedings

In the event of non-payment, County Court proceedings can be issued for £300 plus VAT. Additionally, you will be required to pay a Court issue fee, which is based on the amount of your claim. The Court fee ranges from £35 to £10,000.

- This fee relates to drafting of proceedings on the basis of an unpaid invoice. It does not include responding to the defence or reviewing and advising on the debtor's response to the claim.

## Default Judgment

If the debtor fails to respond to the claim, we may be entitled to apply for judgement in default and our fee for doing this is £100 plus VAT.

- This fee does not include providing detailed advice on how to enforce the judgment.

## Defended Cases

If the case is defended, then we charge costs on a time recorded basis at an hourly charge rate between £125 to £300 plus VAT and disbursements. Disbursements are expenses related to your matter that are payable to third parties, such as Counsel's fees

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## Timescales

Each case is different and the timescale for payment can vary. Recovery from the debtor of an undisputed debt of up to £100,000 can typically take between 7 and 30 days, providing that the debtor pays on receipt of the demand letter or on receipt of a County Court Judgment. Once a judgment has been obtained, if payment is not made, enforcement action will need to be taken and at that stage we will provide advice on the next steps and fees depending on which course of action is most suitable for your matter.

## Bankruptcy

**Serve a statutory demand.** Service fee: £100 plus VAT Legal costs: £300 plus VAT. The debtor will have 21 days to pay the debt or 18 days to apply to the court to set aside the demand if the debt is disputed. If the debt is not paid within 21 days you will be entitled to present a bankruptcy petition.

### Bankruptcy Petition

This is an application to the court to make an individual bankrupt

Legal costs: £1,000 - £2,500 plus VAT (depending on the amount of correspondence received from the debtor)

Court fee: £302

Official Receiver's deposit: £1,500

Service fee £100 plus VAT

When a person is made bankrupt the official receiver will take control of their finances

If the debt is disputed then we will charge costs on a time recorded basis at an hourly rate between £125 to £300 plus VAT.

## Insolvency

**Serve a statutory demand.**

Legal costs: £300 plus VAT

Service fee: £100 plus VAT

The debtor will have 21 days to pay the debt. If it is not paid within 21 days you will be entitled to present a winding up petition

### Winding up petition

This is an application to the court to wind up (Liquidate) the company because it cannot pay its debts.

Legal costs: £1,000 - £2,500 plus VAT (depending on the amount of correspondence received from the debtor)

Court fee: £302

Official Receiver's deposit: £2,600

Advertisement fee: £103.60 plus VAT

Copy of Gazette £4.50 (if required)

Service fee: £100 plus VAT

If the debt is disputed then we will charge costs on a time recorded basis at an hourly rate between £125 to £300 plus VAT.