

MIAH SOLICITORS

DEBT RECOVERY FEES LIST

When providing costs for debt recovery, it is common for firms to provide a fixed fee based on the value of the debt to recover.

The areas included are business debt recover, debt recovery for private individuals, debt recovery for financiers.

As of 1st October 2017 there is a new pre-action for recovering debt from an individual including a debt from an individual including a sole trader but this does not apply to business debts.

The new protocol is known as a letter of claim.

The cost of debt recovery depends on the circumstances of the case. The Miah Solicitors aims to provide an indication of debt recovery costs where they apply to your claim for an unpaid invoice/invoices which are not disputed, and enforcement action is not needed.

In the event the other party disputes a claim any further work will need to be revised and the cost might increase, and it could potentially be a fixed fee or an hourly rate.

The fixed fee set out below includes and advice for your claim.

Stage 1 – Letter before Action

Company/individual/sole trader letter of claim/letter before action - we charge £75.00 plus VAT.

Letter before Action sent to companies usually require debtors to pay within 14 days and any to individuals provide a 30 day period in accordance with the new laws laid down as of the 1st October 2017.

In terms of pre-action debt recovery and support we offer a fixed fee service as follows:-

Initial letter - £75.00 plus VAT

Secondary letters - £25.00 plus VAT

We can then provide you with support and review advice for £50.00 plus VAT.

In the event that we receive communication and there is a possibility of negotiating a settlement we will charge £200.00 plus VAT in respect of the same.

Debt value	Court fee	Our fee (incl. VAT)	Total
Up to £5,000.00	£250.00	£1,000.00	£1,450.00
£5,001.00 - £10,000	£455.00	£3,000.00	£4,055.00
£10,001.00 - £250,000.00	5% of the value of the claim	£5,000.00	£X

Stage 3- Enforcement

Once judgement is obtained we will send a letter demanding payment which is included in the fees.

Enforcement Proceedings

A Write of Control is £1,000.00 plus VAT when instructing a High Court Enforcement Offer to cease goods in satisfaction.

There are third party costs which are follows:-

- 1 Court fee - £66.00
- 2 HCEO fee - £90.00

This is payable if the warrant is not successful.

The timescale depends on the debtor's ability to pay and how long it would take to seize goods. A typical enforcement by Writ of Control can take 8 to 12 weeks from instructions and in the event that we are required to enter into correspondence regarding the enforcement the matter will no longer be treated as a fixed fee enforcement and additional charges would be based on an applicable hourly rate set out in our retainer letter to yourself.

A Warrant of Execution is £100.00 plus VAT.

Third party costs will be:-

Court fees of £110.00

The timescale for a Warrant of Execution again is dependent on the debtor's ability to pay and can take 8 to 12 weeks.

If we are required to enter into correspondence the enforcement matter no longer be based on a fixed fee and additional charges will apply and these will be based on an hourly rate set out in our retainer.

Attachment of Earnings

Our fee - £250.00 plus VAT.

Additional costs:

£110.00 Court fee

Attachment of Earnings timescales – 6 to 8 weeks with an Attachment of Earnings Order being issued by the Court.

Charging Order

our fee - £750.00 plus VAT (excluding hearings)

Additional cost:

Court fee £110.00

Agent's fee for attendance (if necessary) depends on the location

Registration of the Charging Order £40.00

Search fee of £11.00 plus VAT

Timescales in terms of a Charging Order can be between 2 to 3 weeks of the application being made to Court.

The timescale for a Final Charging Order depends on the debtor's objections and Court list for a hearing (this could take 4 to 6 weeks). In the event that this occurs then the charges will no longer be fixed fee and will be set out in an hourly rate set out in our retainer.

Insolvency Proceedings

Issue of Statutory Demand – our fees £500.00 plus VAT

A Process Server can cost up to £250.00 plus VAT

A Statutory Demand is issued where the debt is not disputed and the process and time is 1 to 2 weeks for the process being done.

Bankruptcy Proceedings

We charge £1,500.00 plus VAT

Third party costs:-

Process server up to £250.00 plus VAT

Court fee - £280.00

Deposit of £990.00

Agents (depending on the location)

Search fee - £11.00 plus VAT.

A Bankruptcy Order can usually be obtained in 8 to 12 weeks from the Petition being issued.

Company Winding Up

Our fees - £1,750.00 plus VAT

Related third party costs:-

Court fee - £280.00

Petition deposit - £1,600.00

Process Server – up to £250.00 plus VAT

Agents fee for hearing (depends on the location)

Advertising in the local Gazette - £101.52

Timescale for a company winding up is 8 to 12 weeks from the Petition being issued.

Navneet Bhatoa is a qualified with many years experience and specialises in litigation work.

Sufe Miah is a solicitor qualified for a number of years also specialising in corporate insolvency and bankruptcy.

We have set out an example of what such an approach could look like, but note you are not required to follow this model. We understand some firms structure their fees in relation to matter stages e.g. Stage 1, Pre-Action X% of any recovery made, Stage 2, Court claim £X, Insolvency; statutory demand X, Bankruptcy or winding up petition £X with a description of each stage and separate list of possible disbursements.

Example template (Range of fixed fees) for a business to business debt that is undisputed

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, which could be on a fixed fee (e.g. if a one off letter is required), or an hourly rate if more extensive work is needed.

Debt value	Court fee	Our fee (incl. VAT)	Total
Up to £5,000	£X	£X (XVAT)	£X
£5,001 - £10,000	£X	£X (XVAT)	£X
£10,001 - £50,000	X% value of the claim	£X (or X% value of the claim)	£X

Anyone wishing to proceed with a claim should note that:

- The VAT element of our fee cannot be reclaimed from your debtor.
- 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

Matters usually take x-x weeks from receipt of instructions from you to receipt of payment from the other side, depending on whether or not it is necessary to issue a claim. This is on the basis that the other side pays promptly on receipt of Judgement in default. If enforcement action is needed, the matter will take longer to resolve.