

Debt recovery (up to £100,000) for small businesses

Under SRA Rules, we are required to publish information regarding our fees and services in relation to debt recovery for small businesses in respect of debts of up to £100,000. No debt recovery claim will be exactly the same as another. Much will depend on a variety of factors including e.g.

- Whether the contract was written or oral or by conduct or a mixture
- The terms of the contract
- Whether the opponent is a consumer
- The amount of the claim
- Whether the opponent has arguable grounds for disputing the debt and/or counter-claiming eg on the basis of poor service, unsatisfactory quality goods, delay and consequential losses

Due to the range of variables we cannot give you a reliable estimate of our fees until we have details concerning the contract, sight of the relevant documents and your detailed instructions as to what has taken place and including any correspondence and discussions with the opponent.

We set out below our starting and average estimated fees under different scenarios. If your claim has unexpected complications, we will inform you immediately and discuss the consequences of any such complications before incurring extra fees. In the event that court proceedings are issued then court fees will be payable to the court (in addition to our fees) and these are set by the government and generally increase from time to time. The initial court fee on issuing court proceedings will depend on the value of the claim. We will advise you of that court fee when we know the value of your claim.

A. Our fees and our services

1. Initial discussion and advice

This involves obtaining your initial instructions (normally at a meeting lasting about 1 hour), considering the documents provided to us and providing you with our initial advice pursuant to your instructions and our consideration of the documents.

Estimated average fee: £500 plus VAT

2. Letter of Claim

This involves preparing and obtaining your approval to and then sending a Letter of Claim to your opponent and providing you with a copy of any response.

Estimated average fee: £250 - £400 plus VAT depending on the complexity and the extent of particularly relevant documents.

3. Court claims – undisputed

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 basis (eg if a one-off letter is required) or on an hourly rate basis if more extensive work is likely to be needed.

The work involved here would include:-

- Preparing, obtaining your approval of and issuing a Claim Form
- Where no Acknowledgement of Service or Defence is received, applying to the court to enter judgment in default
- When judgment in default is received, sending you a copy and sending a copy to your opponent to request payment
- If payment is not received within 14 days, advising you on possible enforcement action and likely costs

Our estimated average fee: £500 plus VAT plus court issue fee

4. Court claims – disputed

It is not possible to provide any reliable estimate or average for the total costs involved if court proceedings are defended nor if they are defended with a counterclaim, since so much will depend upon a wide variety of factors which will vary from case to case.

In the event that court proceedings become defended we will provide you with case-specific advice on the likely costs for various stages of the case through to a trial. Those stages would include:-

- Directions from the court – setting a timetable for the steps through to trial
- Preparing and exchanging Lists of Documents and sending and receiving copy documents
- Preparing and exchanging and considering witness statements
- Obtaining any relevant expert evidence with the court's permission
- Settlement negotiations and possible mediation with an independent third party ("mediator")
- Preparing for and attending trial

B. How long will your matter take?

This will depend upon a number of factors but in our experience the average time involved is as follows:-

- (i) Initial discussion and advice: 2 weeks
- (ii) Letter of Claim: a further 1 – 2 weeks
- (iii) Court claim – undisputed: a further 6 – 8 weeks

(iv) Court claim – defended: a further 6 – 12 months

C. Who will be dealing with your matter?

Your case will be dealt with David Scott who is a Solicitor and Director with Swayne Johnson Solicitors.

David Scott qualified as a solicitor in 1983 and is the Head of our Litigation Department.

David Scott's present hourly charging rate is £225 per hour plus VAT.

Throughout his legal career since becoming a solicitor in 1983 David Scott has dealt with Civil Litigation cases including debt recovery.

Gwyn Jones, Solicitor

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