

# Fixed-Fee Debt Recovery Service



SA Law's fixed-fee debt recovery service will help you to recover your money as quickly as possible, and to respond swiftly to developments as they happen.

## How does it work?

Any unpaid and undisputed commercial invoice which is payable by a company or individual in England and Wales can be put into the service.

For a straightforward fixed fee, we will use the information you provide to pursue the debt. Whilst the debt remains in the fixed-fee service, the schedule of charges on the following pages will apply. If a change to the nature of the debt causes it to fall outside of the service, we can continue to pursue payment for you under an alternative pre-agreed fee arrangement.

## Pursuing the payment of debts

The actions taken to recover a debt fall into five stages. A debt can enter or leave our fixed-fee debt recovery service at any point. This gives you a standard approach to dealing with outstanding debts, alongside the flexibility to react to any changes in a case as it progresses.

The five stages are:

**Pre-action** – we will send a letter before action (also known as a letter of/before claim) to the debtor demanding payment of the debt, any legal costs and statutory compensation you may be able to claim, as well as any applicable interest on the debt. Our letter complies with the county court judgment (CCJ) pre-action protocols. This means that you can issue a claim if the debtor fails to pay by the deadline stated in the letter.

**Making choices** – if the debtor fails to pay the debt in full by the deadline given in the pre-action claim letter, you will need to decide what to do next. We can provide a financial report on the debtor to help you make decisions about the debt and the debtor, and to choose between possible courses of action.

**Court proceedings** – if you decide to start court proceedings, we will draft and issue your claim. Once the claim has been issued, we will report any response from the debtor, and agree next steps with you.

**Getting a judgment** – unless the debtor pays or disputes the debt, we will apply for a CCJ against them. Debtors often pay on receipt of a judgment to protect their credit rating, but if they don't you can consider your options for enforcement.

**Enforcement** – if the debtor fails to pay, we will advise you on the most appropriate enforcement options for your case.

## Your complete debt recovery service

The fixed-fee debt recovery service is just one aspect of the advice and support we offer to businesses that are owed money.

For claims against debtors in other jurisdictions, disputed debts, construction debts or more complex debt structures (such as assigned or novated debts, or those that include compound interest), we offer pre-agreed fee arrangements.

If you are looking to refine all or a part of your approach to debt recovery, we can review your options and recommend strategic and practical changes. An options review is particularly useful if you have debts that appear to be difficult or uncommercial to pursue.

Whatever help you need, we will work with you to assess the nature of the debt and the options for recovering it, then propose a basis for fees before work begins.

## Fixed-fee debt recovery pricing

To start your claim, complete our standard instruction form and send it to us with copies of the unpaid invoice(s), the terms of business which apply to the debt, and a statement of the debtor's account.

All SA Law fees stated below are subject to VAT.

### Stage 1 – Pre-action

#### Our fees and what they cover

We will review the form and confirm if the debt can be dealt with under the fixed-fee service. If it can, the charge for preparing and sending the letter before action, including calculating simple interest for up to five invoices will be £40.

#### How long will it take?

We aim to send your letter before action to the debtor within three working days of receiving your instructions.

### Stage 2 – Making choices

#### Our fees and what they cover

If your debtor fails to pay the debt in full (including any legal costs, statutory compensation, and interest you may be able to claim), you will need to make some choices.

At this stage, a financial report on the debtor could help you decide if it is worth pursuing the debt. If you decide that it is, the report will also help you to choose the best course of action. The fixed fee for the report is £30.

#### How long will it take?

We aim to provide the financial report on your debtor within two working days of receiving your request.

## Stage 3 - Court proceedings

### Our fees and what they cover

You can begin court proceedings if the debtor does not respond to the letter of claim or pay within 14 days of receiving the letter if a company debtor, or 30 days if the debtor is an individual.

If you instruct us to issue a claim we will:

- Prepare the claim documentation for you to review and approve
- Issue the claim
- Advise you when the claim will be served and the debtor's deadline for responding to it
- Report any response from the debtor
- Ask for your instructions if the debtor does not reply to the claim

Our fees and disbursements for this stage depend on the size of the debt (including any interest you are claiming):

Debt (inc. interest)	SA Law fee	Court fee*
Under £300	£65	£35
£300 - £500	£65	£50
£500 - £1,000	£85	£70
£1,000 - £1,500	£95	£80
£1,500 - £3,000	£95	£115
£3,000 - £5,000	£95	£205
£5,000 - £10,000	£95	£455
£10,000 - £50,000	£100	5% of the claim's value
£50,000 - £100,000	£125	5% of the claim's value
Over £100,000	Agreed on a case-by-case basis	5% of the claim's value

\*Court fees are not subject to VAT. They may change at short notice and will always be charged at the current applicable rate.

It can take the court several weeks to issue and serve claims submitted by post. For an additional fee of £250 we can submit claims to the court via an online portal. The court will issue an online claim on the same day as it receives it. We can then serve the claim straight away.

### How long will it take?

We aim to send your claim to the court within 10 working days of receiving your instructions to issue it.

## Stage 4 – Obtaining judgment

### Our fees and what they cover

This next phase covers obtaining a CCJ if the debtor:

- Does not respond to the claim; or
- Responds to the claim indicating an intention to defend it, but fails to file a defence within the required timescale; or
- Responds to the claim to admit to the debt.

Our fees for requesting a CCJ are:

Amount of judgment	SA Law fee
Under £200	£40
£200 - £300	£50
£300 - £400	£55
£400 - £500	£60
£500 - £1,000	£90
£1,000 - £5,000	£225
£5,000 - £15,000	£450
£15,000 - £50,000	£700
£50,000 - £100,000	£850
Over £100,000	Agreed on a case-by-case basis

### How long will it take?

From receipt of instructions to applying for a county court judgment will typically take five working days.

## Stage 5 – Enforcement

### Our fees and what they cover

The debtor has 14 days from the date of the judgment to make the payment. If they fail to pay, we can advise you on the most appropriate enforcement strategies in the circumstances.

Our fees and associated costs are as follows:

Enforcement method	SA Law fee	Disbursements*
Advice on the most appropriate enforcement action	£100	£0
Attachment of Earnings Order	£400	£110 court fee
Third-Party Debt Order (including first hearing)	£500	£110 court fee
Charging Order (including first hearing)	£550	£110 court fee
Warrant of Control (for debts under £5,000)	£75	£110 court fee
Writ of Control (for debts over £600)	£175	£66 court fee £75 if the enforcement action is unsuccessful
Court Attendance Order	£450	£55 court fee £150 process server's fee
Serving a Statutory Demand	£350	£150 process server's fee
Bankruptcy Petition (for judgment debts over £5,000)	£1,500 for debts up to £100,000 (to be agreed for debts over £100,000)	£280 court fee £1,500 Official Receiver's deposit £150 process server's fee
Winding Up Petition (for judgment debts over £750)	£2,250 for debts up to £100,000 (to be agreed for debts over £100,000)	£280 court fee £2,600 Official Receiver's deposit £150 process server's fee £70 London Gazette advertisement

### \*Notes

All fees and costs, except for court fees and Official Receiver's costs, are subject to VAT.

Fees stated for serving a statutory demand, bankruptcy petition, or winding up petition are for undefended petitions only and exclude any and all work done in relation to dealing with disputes and/or defences that may be raised at any point.

Court fees and Official Receiver's costs may change at short notice and will always be charged at the current applicable rate.

Process server's fees are payable for serving a petition, demand, or order on the debtor and providing a certificate of affidavit as proof of doing so. Fees vary from agent to agent and will be agreed with you in advance if they exceed the sum shown in the table above.

### **Additional costs**

Additional fees will be payable for:

- Representing you at hearings, which vary depending on the nature of the hearing as well as which court it is held at.
- Negotiating a settlement agreement with the debtor.
- Dealing with any disputes and/or defences that may be raised in relation to sums claimed in a statutory demand and/or a petition.

If the court sets up an income payments agreement or order, an additional fee of £150 (plus VAT) will be payable.

### **How long will it take?**

Typically, the application for any of the enforcement steps set out above will take 2 – 8 weeks but may be longer and will depend on the court's workload and turnaround times. We cannot say when or if any method will result in payment.

### **It's good to bear in mind...**

- The fixed-fee for the pre-action letter applies when we receive a fully completed standard instruction form and agree to deal with the debt on a fixed-fee basis. If we need to contact you to clarify any information in your instruction form, or if you ask for advice on the debt or the debtor, additional fees may apply.
- Debtors will be told to raise any queries with you, and to send all payments directly to you. This avoids any unnecessary delays in responding to questions from the debtor and ensures that monies are received in your account as quickly as possible.
- If the debtor disputes the claim, the debt will fall outside of the fixed-fee service. We will review the situation and recommend the best course of action, along with its associated costs, so that you can make an informed decision.
- We will make every effort to turn your work around quickly, but many of the processes are dependent on the courts. Court response times vary, depending on the type of court, its location, and workload.

## **Help whenever you need it**

Inevitably, there will be times when debts fall outside of the fixed-fee service. When that happens, our skilled and experienced team is on hand to advise you on the best way forward. Any recommendations we make will be fully costed to help you decide on the best course of action for your business.

It's often said that prevention is better than cure. Refining your in-house processes could reduce your levels of trade debt, or even allow you to pursue debts that you previously thought were too difficult or costly to chase. To help you achieve this we can:

- Review and recommend enhancements to your inhouse credit application, credit control and debt recovery processes.
- Review your standard terms and conditions to ensure they reflect your business needs.
- Create bespoke fixed fee processes to make it commercially viable for you to chase small or complex debts.

## Who will undertake the work?

Your work will be undertaken by our debt recovery experts.



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