

Pricing overview

Debt Recovery & Insolvency



With you all the way

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“The team gives excellent knowledge and advice.”

Client quote, Legal 500

Introduction

The purpose of our pricing overview is to explain the pricing options available to you. Brachers is committed to transparency, being efficient in handling your work and providing you with what to expect, without fear of unpleasant surprises.

It is our goal to provide you with exceptional quality work and the personal attention you would expect.

Once you have chosen the pricing option that suits your needs best, this will provide us with clarity as to the scope of our engagement.

We look forward to working with you.

Fee estimate

Fixed fees

Set out below are our standard charges for undefended debt recovery & insolvency matters where we are acting on a fixed fee basis. All figures are exclusive of VAT and are subject to review in May each year.

In addition to our fixed fee charges, certain disbursements need to be paid and these are largely outside of our control. In particular, all court fees are subject to change from time to time by HM Courts & Tribunal Service. Apart from court fees and Official Receivers deposits, all disbursements are estimated and exclusive of VAT.

Depending on a number of factors, including what provision is made in the contract between you and whether the debtor is another business or a consumer, the costs of taking action to recover your debt can be claimed from the debtor. We will seek to recover as much of your costs as we can within the scope of your contract and the Late Payment of Commercial Debts (Interest) Act 1998. If you do not have any contractual entitlement to claim costs and the above Act is not applicable, only limited costs can be sought from the debtor in undefended debt proceedings.

Letter Before Action 'LBA'

The first action we generally take for a client is to send a Letter Before Action ("LBA") and the cost of this will depend on the type of letter you have to send.

1. LBA complying with the Pre-action Protocol for Debt Claims ("PAP") (PAP applies to any case where the creditor is a business seeking payment from a debtor who is an individual or sole trader). The cost of a "PAP LBA" will be £20 plus VAT to include sending the LBA, providing a copy to you, and advising you of the debtor's response (if any). If we are able we will add this cost and any interest to the debt if your Terms and Conditions allow.

2. LBA for non PAP cases (i.e. all cases not caught by PAP's definition). Costs will be 50% of the compensation we can claim on your behalf under the Late Payment of Commercial Debt (Interest) Act 1998, as set out below:

Debt value	Compensation	LBA fee (plus VAT)
Less than £1,000	£40	£20
Between £1,000 - £10,000	£70	£35
Exceeding £10,000	£100	£50

The above fees include sending of the LBA, providing you with a copy and reporting to you of any response. If the debtor pays the debt together with the interest and compensation in full, then our service will be at no cost to you. If we cannot claim compensation under the Act then our charge will be £20 plus VAT but we will claim interest and charges if we are able under the terms of your contract.

Should you require advice as to the merits of your claim, we offer the following services:

Pre-litigation advice	Fixed costs (plus VAT)
Debt sum less than £10,000	£500
Debt sum exceeding £10,000	£800

The LBA will give the debtor a specific number of days to respond and pay, failing which legal proceedings can be instigated.

For debts incurred by businesses (including sole traders and public bodies) who are seeking payment from an individual (including sole traders), we allow 30 days in order to comply with the PAP

For Business to Business debt, we usually allow 18 days in order to comply with the Practice Direction on Pre-Action conduct which is 14 days, plus 4 days for service.

If the matter is not resolved by the LBA then legal proceedings (County Court Claim) can be issued, the costs of which are outlined below:

Court Proceeding Issue fees

Debt sum, including interest, if any	Fixed fee on issue of claim (plus VAT)	Recoverable costs (plus court issue fee)	Court fee on issue of claim	Reduced court fee (CCBC)
Up to £300	£100	£50	£35	*£25
£300.01 –£500	£100	£50	£50	*£35
£500.01 –£1,500	£100	£70	£70	*£60
£1,000.01 –£1,500	£150	£80	£80	*£70
£1,500.01 –£3,000	£175	£80	£115	*£105
£3,000.01 –£5,000	£200	£80	£205	*£185
£5,000.01 –£10,000	£225	£100	£455	*£410
£10,000.01 –£15,000	£250	£100	5% of claimed sum (inc. interest)	*4.5% of claimed sum (inc. interest)
£15,000.01 –£50,000	£350	£100	5% of claimed sum (inc. interest)	*4.5% of claimed sum (inc. interest)
£50,000.01 –£99,999	£550	£100	5% of claimed sum (inc. interest)	*4.5% of claimed sum (inc. interest)

VAT payable at 20% on fixed fee

** Where possible we issue claims out of the County Court Bulk Centre which attracts the reduced court fee. Claims exceeding £99,999 cannot be issued this way.*

Once the claim is issued, the debtor will have 21 days (from the date of issue) to deal with the claim (e.g. defend or admit). If the debtor files an Acknowledgement of Service, the debtor will have a further 14 days (i.e. a total of 35 days) to file a defence.

Should the debtor simply ignore the claim a County Court Judgment can be obtained at the end of the aforementioned period and the costs to enter judgment are as follows:

Judgement

Fee	Fixed fee (plus VAT)	Recoverable costs
Judgement sum less than £5000	£50	£22
Judgement sum exceeds £5000	£60	£30

VAT payable at 20% on fixed fee

Should Judgment be granted then you can undertake enforcement action to try and recover the debt. The various options and costs are as follows:

Enforcement

Enforcement Type	Court fee	Fixed fee (plus VAT)	Recoverable costs
Issue of a warrant to the County Court Bailiff	£77	£75	£2.25
Issue of a warrant to the High Court Enforcement Officer	£66	£150	£51.75 plus HCEO costs if successful
Applying for an order to obtain information	£55	£200	£15 per ½ hour
Applying for attachment of earnings order	£110	£200	£8.50
Application for a charging order	£110	£350	£110 plus land registry fees
Application for third party debt order	£110	£250	Process server fees: £70-£90 Agents fees for attending hearing: £60 - £90

VAT payable at 20% on fixed fee.

****Note, the High Court Enforcement Officer's fees are paid by the debtor but should the officers be unable to enforce the Writ (for whatever reason) then there will be an administration fee of £90 inclusive of VAT payable to them for which you will be liable***

Insolvency

Insolvency Petitions	Fixed fee (plus VAT)
Statutory Demands	£200
Bankruptcy Petitions	£500
Winding-up/ Insolvent Partnership Petitions	£650

VAT payable at 20% on each case.

The above costs cover the standard work involved in each of the processes listed on the basis that the petition requires only one court hearing, it does not include disbursements which are listed below. In the event of the hearing being adjourned for any reason, we will charge a further fee which will be dependent on the work required and a fee estimate will be provided where applicable.

If the debtor pays on service of the statutory demand or, for whatever reason, you do not proceed further than the statutory demand stage and unless your Terms of Business contain a specific entitlement to recover your

costs and/or you can recover costs pursuant to the 'Late Payment' legislation, then our costs of dealing with the statutory demand are not recoverable from the debtor. If however, a petition is presented and the debtor wishes to pay to have the petition withdrawn or dismissed, we would seek an order that the debtor pays your costs, including those of the statutory demand stage.

Costs are always at the discretion of the court but provided it was reasonable to present the petition and you have acted reasonably throughout the process, a costs order will usually be made, by which most of our costs are to be paid by the debtor. If the petition results in a bankruptcy or winding-up order being made, your costs will be payable out of the insolvent estate in priority to creditors' claims provided there are sufficient assets in the estate to pay them.

Disbursements on insolvency actions

Statutory Demands	Process servers fees of £70 - £110 + VAT
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VAT payable at 20% on each case.

Bankruptcy Petitions	
Court fees	£280
Official Receivers deposit	£990
Process Servers fees	£95 - £110 plus VAT
Agent fee (per hearing)	£85 plus VAT
Bankruptcy search fee	£11

VAT payable at 20% on each case.

Winding-Up/ Insolvent Partnership Petitions	
Court fees	£280
Official Receivers deposit	£1600
Process Servers fees	£95 - £110 plus VAT
Advertising fees	£100.70
Agent fee (per hearing)	£150 - £250 plus VAT
Company search fee	£11

VAT payable at 20% on each case.

Alternative payment options

All the above charges relate to the procedure involved in dealing with undisputed debts where we are acting on a fixed fee basis. Specifically they do not include:

- dealing with any dispute, at whatever stage it may arise;
- dealing with court proceedings following a defence or counterclaim being received;
- dealing with an application to set aside a statutory demand;
- negotiations on your behalf;
- any legal advice you may require (save where you have requested the fixed fee advice);
- reviewing any documentation (save where you have requested the fixed fee advice);
- entering into lengthy correspondence; or
- monitoring and collecting payments under an instalment plan.

If any of the above actions are necessary, it will be charged on a time basis at an hourly rate of between £110 and £250 plus VAT depending on the seniority of the person concerned. Time is recorded in 6 minute units and work such as short letters, telephone attendances, etc. which take fewer than 6 minutes will be charged as one unit.

When dealing with a defended action, we will review the matter generally and provide you with a fee estimate for the costs involved in taking the matter to a full trial. It is very difficult to provide a useful estimate for any defended action as your fees will depend entirely on the issues at hand but, as a guide, the cost is likely to be no less than £2,000 plus VAT (£400) (total £2,400).

Credit Control procedure review

In addition to the above, we also offer the following services to assist with your credit control procedures:

Services	Fixed fee (plus VAT)
Initial one hour meeting to obtain information on current credit control procedures and provide a basic report on what can be changed to improve the process	£250
Producing bespoke training and providing a seminar of up to one hour to your credit control team	£500
Producing new credit control procedures and a one hour meeting to discuss the rationale	£250

VAT payable at 20% on each case.

Non recoverable disbursement

Trace report	£45 plus VAT
Means/pre-sue report	£175 - £250 plus VAT
HM Land Registry Official Copy entry	£3 plus VAT
Recorded and Special delivery	Charge

VAT payable at 20% on each case.

Useful websites

<https://www.brachers.co.uk/for-business/debt-recovery>

(Information on our Debt Recovery team)

Contact



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