

# Debt Recovery and Insolvency

Pricing overview



# About Brachers



Brachers is an award-winning law firm established for over 125 years and employing around 200 people. We offer a full range of legal services and are particularly proud of the specialist expertise we have in recovering debts owed by both businesses and private individuals.

Our Collections & Debt Recovery team work alongside multi-national corporations, public sector organisations, charities and many private businesses helping them to get debts paid cost effectively, efficiently and as quickly as possible whilst striving to recover the maximum amount of debt. The team has many longstanding clients with whom it has developed close relationships and it would be our hope to build and sustain a similar relationship with you.

Brachers is one of the few law firms in the country to be authorised by the Financial Conduct Authority for debt recovery activities, enabling us to pursue call and collect strategies in addition to the more common legal approach. Our Collections & Debt Recovery team deal with a significant volume of debtor cases with a wide range of value, some of which require tracing, taking to court to obtain judgment or taking through bankruptcy. The team's deep sector knowledge, its enviable client relationships and the level of engagement its staff bring to their work is what sets us apart from competitors.

*Authorised and regulated by the Financial Conduct Authority*

# Accreditation and recognition

Brachers is strongly committed to excellence and management best practice and is accredited with both ISO 14001 and 9001 quality standards, as well as CyberEssentials Plus.

Our Collections & Debt Recovery team is highly respected and has been ranked as 'top tier' in the independent guide to UK law firms 'Legal 500', since 2013.

The team has been recognised at various industry awards including winning the 'Legal and Enforcement' category at the Credit Excellence Awards 2020 and being shortlisted for the 'Best Legal Services Provider' at the Collections and Customer Service (CCS) Awards and as 'Law Firm of the Year' at the Credit Awards.

These industry acknowledgements recognise and celebrate how we continue to strive to collect in a fair and compliant manner, keeping the customer at the heart of everything we do, while simultaneously demonstrating that our ethical approach also returns fantastic results.



Certificate Number 11235  
ISO 9001, ISO 14001



**Winner**



## The work we undertake

We undertake commercial debt recovery on behalf of clients who are looking to recover unpaid invoices. Generally we work for businesses looking to recover debts from other businesses, however on a smaller scale we also undertake work to recover debts for and on behalf of individuals.

We understand that some businesses wish to instruct us on a particular portfolio of cases, or wish to put their debt recovery work to tender. Where this applies, we are happy to consider the work on a bespoke basis, tailoring our charges to your bespoke requirements, and the below information may not be applicable.

## Our team

We have a team who specialises in business to business debt recovery. You have direct access to an individual legal advisor who will assist with your case from start to finish. The team includes legal advisors of varying experience, including legal advisors who are experienced in dealing with disputed matters.

## Timeline of the typical claim from instruction

Following instruction, we will typically:

1. Send a letter of demand on behalf of clients. Subject to the type of demand sent, the debtor will have between 18 to 30 days to respond.
2. Following the time limit in the letter of demand expiring, you may then wish to commence a County Court Claim. We commence proceedings via the County Court Business Centre (CCBC) where we upload the information to the court and the court produces the claim form. The debtor has 21 days to respond to a claim form once produced by the court, failing which a County Court Judgment can be entered.
3. Should judgment be entered, you are then able to proceed with enforcement action to attempt to recover the Judgment debt.

This fee structure is based on an undisputed and undefended standard claim of this sort. The above relates to cases where the claim may be commenced in the English and Welsh courts against debtors based in England and Wales. Quotations may be provided, on request, for debtors situated outside of England and Wales.

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.

Where possible, we will seek to recover as much of your costs as we can within the scope of your contract or 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.

## Disbursements

We will possibly, during the course of an instruction, need to pay third parties, such as the court, a sum to allow the matter to proceed. Where such a disbursement is not noted in this booklet, we will seek your agreement to incur the costs before pursuing the matter

## Undisputed and undefended claims

### Step one:

Letter Before Action - Fixed cost of £40 plus VAT plus 50% of any Compensation recovered pursuant to the Late Payment of Commercial Debts (Interest) Act 1998, includes:

- Taking instructions
- Sending an initial letter of demand
- Reporting back outcome
- If a further, chasing letter is required, this will be charged at £18 plus VAT

Letter Before Action PLUS - Fixed cost of £100 plus VAT plus 50% of any Compensation recovered pursuant to the Late Payment of Commercial Debts (Interest) Act 1998 includes:

- Taking instructions
- Sending an initial letter of demand
- Reporting back the response
- Sending follow up email to the debtor, if there has been no response
- Making a telephone call to the debtor
- Review of the debtor company's financial status using the information filed at Companies House.

Letter Before Action pursuant to the Pre Action Protocol for Debt Claims (the PAP) which applies where a business, including a sole trader is claiming a debt from an individual, including sole trader - Fixed cost of £100 plus VAT, (and please contact us to discuss whether you should send this type of letter to the debtor) includes:

- Taking instructions
- Sending an initial letter. Such letter which will comply with the PAP and provide all prescribed documentation
- To reporting back the response
- If necessary, to following up the letter with a telephone call and/or email.

Should it become clear, following the issue of a Letter Before Action, that the matter requires further work, such as, but not limited to queries or a payment plan, or if the case is disputed, then this additional work will fall outside of the fixed fees quoted above and we will provide a fee estimate to take the case forward based on our hourly rates.

**Step two** - The county claim court:

<b>The Debt Sum (including interest if any)</b>	<b>Fixed costs on issue of claim (plus VAT)</b>	<b>Recoverable costs</b>	<b>Court fee on issue of claim</b>
Up to £300	£100	£50	£35
£300.01 - £500	£100	£50	£50
£500.01 - £1,000	£125	£70	£70
£1,000.01 - £1,500	£160	£80	£80
£1,500.01 - £3,000	£185	£80	£115
£3,000.01 - £5,000	£210	£80	£205
£5,000.01 - £10,000	£235	£100	£455
£10,000.01 - £50,000	£250	£100	5% of sum claimed, including interest
£50,000.01 - £200,000	Hourly rate to apply between £165 to £280 plus VAT	£100	5% of sum claimed, including interest
Greater than £200,000	Hourly rate to apply between £165 to £280 plus VAT	£100	£10,000

Note, maximum amount to issue a claim via the CCBC is £99,999.99. Claims of more than this sum will be issued via the County Court Money Claims centre and will be produced on paper.

**Step three** - Entering judgment:

<b>Judgment</b>	<b>Fixed costs on issue of claim (plus VAT)</b>	<b>Recoverable costs</b>
Judgment sum less than £5,000	£65	£22
Judgment sum exceeds £5,000	£75	£30

**Step four** - Enforcement (Court Fees are recoverable unless otherwise stated):

<b>Enforcement Type</b>	<b>Court fee</b>	<b>Fixed fee (plus VAT)</b>	<b>Recoverable costs</b>
Issue of a warrant to the County Court bailiff	£83	£75	£2.25
Issue of a writ to the High Court Enforcement Officer	£71	£175	£51.75 plus HCEO costs if successful (both are retained by the HCEO).  If unsuccessful the HCEOs will raise another charge of £75 plus VAT.
Applying for an order to obtain information	£59	£200	£15 per ½ hour of attendance at court, is required
Application for Attachment of Earnings Order	£119	£250	£8.50 if attendance at court is required
Application for a Charging Order	£119 (plus Land Registry Fees of £43)	£400	£110 plus Land Registry fees
Application for Third Party Debt Order	£119 (plus Process Serve fees: £100 - £150 plus VAT)  Agent's fee to attend hearing £100 - £150 (plus VAT)	£250	£98.50 plus disbursements

## Disputed Claims following the issue of a Letter of Demand

The debtor may raise a dispute once the letter of demand is sent. In this situation, we will forward the dispute to you to take instructions and provide a fee estimate to proceed with the case, based on our hourly rates. If a claim has been issued, we offer a fixed fee to deal with a small claims matter, as set out below. Only the work mentioned below is included in the fixed fee and, for example does not include negotiating with the debtor, which will be charged at our hourly rate and a quote will be provided before undertaking this work.

## Defended Claims following the service of a Claim Form (for debts of £10,000 and under)

When a claim is issued seeking payment of a debt of £10,000 and less and the defendant serves a defence, then it is very likely that the case will be allocated as a small claim by the court. This means that the claim will not follow the stringent court rules of higher value debts but it is also the case that, save for the fixed costs noted on the issue of the claim and the disbursements, you will not be able to recover your costs from the defendant, regardless of the outcome of the case.

For this reason we offer a fixed fee solution for noncomplex defended small claims matters to bring you cost certainty to assist with your budgeting.

Our fixed fee will be £2,000 plus VAT and, for noncomplex defended small claims matters, will include:

1. Reviewing the defence filed with the information available and providing an advice on the way forward. It may be that we suggest entering into negotiations with the defendant to bring matters to a conclusion.
2. If you do not wish to pursue the claim, we will advise the court accordingly and, if appropriate, file a Notice of Discontinuance and serve a copy on the defendant.
3. If instructed to pursue the claim, we will undertake all steps to prepare the matter for a small claims hearing including completing a Directions Questionnaire, attending a small claims mediation on your behalf, preparing one witness statement to support your claim, attend on you in the build up to the small claims hearing to advise on what to expect at the hearing and to instruct an agent to present the claim to the court.
4. To deal with all correspondence arising in relation to the claim, be it with you, the court or the defendant.

Please note the above fixed fee does not include all disbursements we have to pay on your behalf to the court or to an agent. The fixed fee is in addition to the costs noted above to send a letter of demand and to issue a claim.



## How Long will a non-complex Defended Small Claims matter take to be heard by court?

This is very much dependant on the court service and their workload, but we would expect a small claims hearing to be listed within 24 to 32 weeks from the date that a defence is filed.

## Defended Claims following the service of a Claim Form (for debts of over £10,000.01) or for Complex Defended Small Claims matters

For cases allocated to the Fast Track (debts between £10,000.01 to £25,000) or the Multi Track (debts of over £25,000.01) our charges will be linked to our hourly rates as noted below:

<b>Grade of Legal Advisor</b>	<b>Hourly rate (plus VAT)</b>
Partner	Between £320 per hour
Senior Associate	£300 per hour
Associate	£290 per hour
Solicitor	Between £210 and £230 per hour
Paralegal	Between £185 per hour

The appropriate legal advisor will be allocated to your case, subject to the issues raised within the defence and the work required. When a defence is received, we will provide brief advice on your position, together with an estimate of your fees to take matters to trial or, if appropriate, to try and resolve matters prior to a trial.

## How long will it take for a matter of this type to be heard by court?

This is very much dependant on the court service and their workload, but it is likely that it will take around 56 weeks from the date a defence is filed.

## Insolvency petitions

**Step one** - Drafting and arranging serve of a Statutory Demand:

<b>Statutory Demand</b>	<b>Fixed fee (plus VAT)</b>
Served against an individual	£300
Served against a company	£400

Statutory Demands can be served either before or after a County Court Judgment has been obtained. Commencing insolvency proceedings should only be considered for a case where there is no dispute or where a County Court Judgment has been obtained. The agent's fee to serve a Statutory Demand is estimated between £150 to £200 plus VAT and is in addition to the above mentioned fixed fees.

**Step two** - Presenting an Insolvency Petition:

<b>Insolvency petition</b>	<b>Fixed fee (plus VAT)</b>
Bankruptcy Petition	£600
Winding Up Petition	£750

The above quoted fees do not include disbursements, as listed in the below table, and relate to an undisputed matter where there is only one hearing.

## Disbursements for Insolvency petitions

<b>Bankruptcy Petitions</b>	
Court fee	£302
Official Receiver's Deposit	£1,500
Process Server's fees	£150 - £200 plus VAT
Agent's Fee (per hearing)	£150 plus VAT
Bankruptcy Search	£11

<b>Winding Up Petitions</b>	
Court fee	£302
Official Receiver's deposit	£2,600
Process Server's fees	£150 - £200 plus VAT
Advertising fee	£100.70
Agent fee (per hearing)	£150-£250 plus VAT
Company Search	£11

“ *The team gives excellent knowledge and advice.* ”

Client quote. The Legal 500

“ *Brachers are a very good firm, with technically sound lawyers and great attention to detail.* ”

Client quote. Chambers and Partners

“ *Thank you very much for all the way along... I'd like to make a formal thank you and testimony for you and for Brachers for being brilliant during this.* ”

Debtor quote. The Legal 500

“ *Always attentive and helpful. They don't let things slide.* ”

Client quote. The Legal 500

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