Debt Recovery

Debt Recovery Fixed Fee Information

At Preston Redman we want to make the recovery of your debt as straightforward as possible. The information below is a guide to our fixed costs in relation to recovering your debt where the claim is not disputed.

These costs apply where your claim is in relation to an unpaid invoice which is not disputed and enforcement action is not needed. The costs below apply whether there is only one debtor, where there are multiple we can provide a revised quote on request.

These costs only apply to an undefended claim, if the opposing 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.

Below, we have set out a likely guide to the costs with regard to the value of the claim so you can make the best decision for you or your business.

Debt Value	Court Fee	Our Fee	Total
Up to £300	£35	£500	£535
£300.01 - £500	£50		£550
£500.01 - £1,000	£70		£570
£1,000.01 - £1500	£80		£580
£1,500.01 - £3,000	£115		£615
£3,000.01 - £5,000	£205		£705
£5,001 - £10,000	£455	£750	£1205
£10,001 - £50,000	5% of the claim	£1,250	Depends on the claimed sum.

- Please note that our fee is exclusive of VAT and disbursements.
- No VAT is payable on the court fee.

Our fee includes:

- Taking your instructions and reviewing the 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 in received, write to the other side to request payment.

- If payment is not received within 21 days, providing you with advice on next steps and likely costs.

Our fee does not include

- Any enforcement action required to secure payment of the debt.

- Advice on any defence filed or steps further to the filing of such a defence. 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.

The matter will usually take 8 to 12 weeks from the date of instruction to the date of payment from the other side. This depends on the nature of your case, and this estimate is on the basis that the other side pays promptly on the receipt of a Judgment in default. If enforcement action is needed or the matter is particularly complex then the matter will take longer to resolve.

Important factors to consider

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

- Any interest and compensation you may claim could move your debt into a higher band, incurring a higher court fee.

- The above fee does not include any costs for an enforcement action taken on your behalf, for example a bailiff being required to collect your debt.

- If your matter is more complicated and/or a defence is filed against your claim, the above fees will not apply. We are happy to discuss this with you and would provide you with a revised costing.

- Part 45 of the Civil Procedure Rules limits the amount of costs that can be recovered:

If your claim is paid within 14 days of us serving the defendant with the particulars of claim, then you will not be able to claim any further costs unless the court orders otherwise.

Where a judgment in default is entered on your undefended claim, you will only be entitled to claim: the fixed commencement costs (up to £110 for claims over £5,000) and the fixed costs on entry of the judgment (up to £70 depending on the nature of the judgment in default and the size of the claim).

We are always happy to discuss any initial queries you may have or to discuss tailored debt recovery packages with you. For more information, please contact us on 012902 292424 or by email at office@prestonredman.co.uk.