

# Debt Collection – Fee Structure



Please contact us for a bespoke estimate of our fees for any debt collection work. Our Solicitors charge at the rate of £266 +VAT an hour for a Senior Solicitor (over 15 years post qualification experience) and £196 + VAT an hour for other solicitors.

In order to estimate the total fees we look at the matter in stages as follows:

Firstly assess whether the debtor is “robbing Peter to pay Paul” or whether there is a genuine and substantial dispute. If it is the former, consider using a Statutory Demand where the debtor, if a company, owes more than £750 or, if the debtor is an individual, £5,000. If there is already a written contract and an invoice, we will take some 1.5 hours preparing the demand and an extra £120 + VAT is likely to be paid on your behalf for it to be served on the debtor. If there is no written contract and invoice it will take some 2-4 hours to prepare the demand.

If there might be a genuine and substantial dispute send a Pre Action Protocol Letter of Claim and comply with “the protocol” procedure. That is likely to take some 3 – 10 hours work without mediation. With mediation it is likely to take 8-15 hours work and a fee of about £750 - £3000 will be paid on your behalf to a mediator depending on the amount in dispute and the complexity of the matter.

Most disputes are settled at the Protocol stage but for those that are not, the Court Claim needs to be issued. If the claim is likely to be for under £10,000 then no solicitors costs are recoverable even if you win, save a nominal amount (no more than £100) towards the cost of issuing the Court Claim. It will take between 1 hour and 10 hours to prepare the Court papers for issue depending on the complexity of the matter. If complex it is normal to have a barrister prepare the papers at an hourly rate similar to that of a Senior Solicitor. The Court will charge a fee to issue the Claim as follows:

## SMALL CLAIMS TRACK:

£300 or less: £25

£300.01 - £500: £35

£500.01 - £1,000: £60

£1,000.01 - £1,500: £70

£1,500.01 - £3,000: £105

£3000.01 - £5,000: £185

£5,000.01 - £10,000; £410

## FAST TRACK

£10,000.01 - £25,000 and likely to take no more than a day at trial: 4.5% of the value of the claim.

## MULTITRACK

£10,000.01 - £25,000 if likely to take more than a day at Trial and all claims of £25,000.01 - £100,000: 4.5% of the value of the Claim.

£100,000.01 - £200,000: 5% of the value of the Claim

Over £200,000: £10,000.

If the claim is not defended then Judgement in default can be entered. No Court is payable for this and it will take about half an hour to take this step. That concludes the Court case.

If Defended then a Court hearing fee will be payable.

£300 or less: £25

£300.01 - £500: £55

£500.01 - £1,000: £80

£1,000.01 - £1,500: £115  
£1,500.01 - £3,000: £170  
£3,000.01- £10,000; £335  
Fast Track: £ £545  
Multitrack: £1,090.

The Court will require that each side specify what they think each side need to do before the Claim is ready for hearing and then the Court, bearing in mind the Parties recommendations, will issue Directions on what each side will have to do. The Costs of preparing and complying with the Courts Directions will cost will take about 5 hours in the small claims court and about 35 – 65 hours in the Fast Track depending on the complexity of the matter and evidence involved. In the Multitrack, it is likely to take at least 65 hours and is likely to be considerably more. It would be unusual to take more than 1000 hours but with very complex matters, it is possible.

If the Judge is unlikely to have the skills necessary to decide the facts without expert help then expert evidence will be required. Often each side agree to share the costs and instruct the same expert. The costs of the expert depends on the specialism and time required as well as the complexity of the matter but range from £750 – £3000 + VAT in the small claims and Fast-track and £3,000 - £50,000 + VAT in the Multitrack.

If the Parties have not tried mediation as part of the initial Pre Court Action Protocol Procedure then the mediator will normally charge about £750 - £1500 + VAT per party in the Small Claims and Fast- track and £1,500 - £3000 + VAT per party in the MultiTrack.

The costs of advocacy in the Small Claims Track for a 90 minute hearing will be about £750 - £1,000 + VAT

The costs of advocacy in the Fast-track will be about £1,000 - £2,500 + VAT.

The costs of advocacy in the multitrack will be about £4000 - £7,000 + VAT for the first day and £2,000 - £4000 +VAT for each day thereafter, with a saving of £1200 + VAT a day if both solicitor and barrister is not required. If a QC is required, the cost likely to be trebled.

This is a guide only. Not all cases will proceed as expected. Some claims are allocated outside the Track expected for the amount in dispute. Once instructed we will give as accurate a prediction of costs as the case progresses as possible. For the costs predicted just before the Court Claim is issued, we expect to be able to keep to the estimate for the whole of the Court case save where matters not reasonable predicable at that time arise. We assume you will supply us with instructions and documentation within a timely manner and that the opponent will act reasonably in progressing the dispute. If the opponent does not act reasonably then the costs associated with their unreasonable behaviour can be recovered from the opponent, win or lose, even in the small claims track. Refusing to use the Protocol and/ or mediation often counts as unreasonable behaviour. Court fees are accurate as at July 2019. VAT is 20% of the amount charged (also correct as at July 2019).