

Debt Recovery Information and Fees up to £100,000.

Our charges:

Our overall fees vary depending upon how complex your case is and what you would like us to do. For a free quote specifically tailored to your circumstances please email info@southgateandco.co.uk. We would be more than happy to discuss your case.

To give you an idea of how we charge however, and to comply the SRA price transparency rules, we have set out below details of our typical charges.

Our charges are made up of:

- a) our fees for the legal work; and
- b) 'disbursements' - disbursements are costs related to your matter that are payable to other people, such as fees for bailiffs. We handle the payment of the disbursements on your behalf to ensure a smoother process.

Where VAT is referred to below please note that this will be charged at the applicable rate, which is currently 20%.

Our fees

In debt recovery work the legal fees often vary depending upon how much work we need to do to recover the debt. We therefore tend to charge fees for each stage of the recovery process and only charge clients for the parts they need:

1) Letter before action

A Letter Before Action is a letter which formally demands payment from the person who owes you money (the 'debtor'). This is the first step for any debt recovery process before starting court proceedings. This stage normally takes between 2 and 5 hours depending upon the nature of the debt.

This is charged at a fixed cost of £300 (plus VAT) and includes:

- Taking initial instructions from you
- Undertaking appropriate searches
- Sending a letter before action
- Receiving payment and sending onto you, where applicable

Some cases may be more complicated and require us to charge on a different basis and may take longer than usual. Contact us for a quote tailored to your circumstances.

2) Issue Court Proceedings

If the debt has not been paid following the letter of action, we will draft and issue court proceedings on your behalf. Our standard fees for issuing a court claim are below:

This stage normally takes approximately 21 days depending upon the nature of the debt.

Our fees to issue a claim is between £1500 - £3000 (plus VAT)

Some cases may be more complicated and require us to charge on a different basis and may take longer than usual. Contact us for a quote tailored to your circumstances.

Court Fees

The Court Fee varies depending on the value of you claim up to £10,000. For claims above £10,000 up to £200,000 the court fee is 5% of the claim. Claims above £200,000 the Court fee is £10,000.

The Court Fee is as follows

Claim	Court Fee
Up to £300	£35
Over £300 to £500	£50
Over £500 to £1000	£70
Over £1000 to £1500	£80
Over £1500 to £3000	£115
Over £3000 to £5000	£205
Over £5,000 to £10,000	£544

Court fees do not have VAT.

3) Enter Judgement

If there is no response, we may be able apply to the Court to ‘obtain Judgment’ for you. This means you would have a court order which you can enforce to reclaim your money because the claim was not responded to. Our fees would be:

Value of Claim	Our Fee
Up to £5,000	£250 (plus VAT)
Over £5,000 up to £100,000.	£400 (plus VAT)

If we are successful in obtaining judgment for you but payment is still not received then we will advise you on the next steps at that time, such as enforcement action and what the likely costs would be (see below).

This stage normally takes 56 days depending upon the nature of the debt.

Some cases may be more complicated and require us to charge on a different basis and may take longer than usual. Contact us for a quote tailored to your circumstances.

The above is on the basis that no defence is filed disputing your claim.

Defended Claims and more complex cases

If a debtor submits a defence to your claim or the case is otherwise more complicated, we will normally charge you an hourly rate for the time which we spend on your case. The hourly rate depends upon the experience of the fee earner handling the matter:

Principal/solicitors 8 years' experience £250 plus VAT

Junior solicitor £200 plus VAT

Timescales for defended and more complex cases are more difficult to predict. Sometimes matters can be resolved within a matter of weeks but others can take much longer. Contact us for more tailored guidance on your circumstances.

Disbursements

You will need to pay for 'disbursements' in addition to our costs as described above. In a debt recovery matter the most common disbursement is the Court fee and the cost for these are listed above. If we need to go to Court then a barrister (sometimes called 'Counsel') is often used to deal with the hearing. Barrister's fees tend to be in the region of £1000 - £3000 (plus VAT) per day. We will however guide you on this as and when such costs need to be incurred.

Other costs to consider

The costs set out above do not include enforcement action such as for bailiffs to go out and collect the debt on your behalf.

Key stages of your case

- The costs described above cover all of the work in relation to the following key stages of the debt recovery process:
- Discussing your case with you and, where appropriate, reviewing documents you provide
- Performing relevant checks and searches
- Sending a letter before action (see above)
- Receiving payment and forwarding payment to you or, if a debt is not paid, drafting and issuing court proceedings
- If no response is received, applying to the Court for Judgment in Default, subject to the additional costs for doing so as detailed above being paid;
- If Judgment in Default is received, writing to the other side to demand payment
- If payment is still not received within the specified timescale, providing you with guidance on the next steps and likely costs to enforce the judgement

It would not normally be necessary to undertake other work or incur costs other than those described above. However, we would be very happy to provide you with a more tailored quote for all stages of your particular case once we know about your specific circumstances.

How long will my case take?

Please see time estimates above for the timescales in each stage of the process.

In terms of the overall time the debt recovery will take, if a debt is not disputed, we find that it typically takes about 15 to 20 weeks from sending the letter before action (see above) to receive a Judgment in Default. A debtor with sufficient funds to do so will very often pay upon being sent the Judgment in Default and so matters can quickly be resolved after obtaining a Judgment in Default.

If the debt is disputed, defended or enforcement action is required, the matter will ordinarily take longer to resolve and involve additional costs which will be discussed with you in advance.

Who will be dealing with my case?

Your case will be handled by a solicitor with over 8 years appropriate experience and qualifications. Full details of which, including details of their supervisor, if appropriate, will be given before any action is taken.