

Standard Debt Recovery Charges

We offer a range of pricing arrangements to suit our client's needs. The below provides information about the way in which we will charge for debt recovery matters referred to us and the likely court fees you might incur.

Wherever possible, we would look to recover some or all costs by applying interest and charges to the debt in accordance with any contractual terms that permits the recovery of costs incurred.

All fees and disbursements are subject to VAT at 20% with the exception of court fees where no VAT applies.

Pre-action fees

Where it applies, we add reasonable recovery legal costs in accordance with S5A(2A) of the Late Payment of Commercial Debts (Interest) Act 1998 to the debt, so they are recoverable from the debtor. However, if the debt and costs are not recovered, we will charge a nominal fee to cover our costs.

We charge fixed fees for letters of claim, based on the value of the debt being pursued (a higher fee is charged for debts valued at more than £10,000). Further work conducted on your behalf such as collections, pre-legal activity, dispute resolution or negotiations for settlement will be charged on a time spent basis at our standard hourly rates below, unless agreed otherwise.

Fee options for pre-action work below:

1. Fixed Fee for pre-action demand letter £150.00 plus 20% VAT for a debt less than £10,000.00,
2. Hourly Rate for pre-action demand letter between £180.00 plus 20% VAT - £250.00 plus 20% VAT, or
3. 15% commission-based recovery for realisation of books debt from Insolvency Practitioner clients plus 20% VAT.

Legal proceedings (not including court fees or other disbursements)

Where it applies, we add additional reasonable recovery legal costs in accordance with S5A(2A) of the Late Payment of Commercial Debts (Interest) Act 1998 to the debt for legal proceedings, so they are recoverable from the debtor.

Where we are unable to recover these reasonable recovery legal costs from the debtor, we will charge you nominal fees for certain stages; specifically, issuing a claim and applying for a Writ of Control for the purpose of enforcement.

Our fees for legal proceedings are as follows:

1. Fixed fee for issuing a claim to include a request for Default Judgment £325.00 plus 20% VAT
2. Fees on commencement of legal proceedings: Claims valued at more than £10,000.00 – Normal hourly rates apply (as listed below) estimated 1-2 hours work.

If legal action is defended (once commenced) our standard hourly rates will apply (as listed below).

Hourly rates

Where work is undertaken outside of a nominal fee stage, or where a claim becomes defended, work is undertaken on a “time spent basis”. The applicable hourly rates, plus VAT at 20%, are:

Status	Hourly rate
Partner	£345.00
Legal Director	£310.00
Senior Associate	£280.00
Associate	£260.00
Debt Recovery Manager	£250.00
Solicitor	£250.00
Trainee Solicitor	£190.00
Legal Executive	£190.00
Paralegal	£180.00
Legal Apprentice	£120.00

We are able to offer a wide range of enforcement options ranging from instructing High Court Enforcement Officers, Attachment of Earnings Orders and Charging Orders. As an alternative to the standard enforcement methods, we can offer options such as the issuing of a Statutory Demand, and presenting a Winding Up Petition or a Bankruptcy Petition. Costs for Enforcement are below:

Warrant of Execution (Judgments under £600.00)

- Our fee: £200.00 plus 20% VAT
- Court fee: £110.00 (no VAT)

On average, total estimated cost approx. £350 inc VAT.

Writ of Control (Judgments over £600.00)

- Our fee: £200.00 plus 20% VAT
- Court fee: £78.00 (no VAT)

On average, total estimated cost approx. £318 inc VAT and excluding any additional costs shown below.

**Where the High Court Enforcement Officer is unsuccessful in the efforts to enforce the judgment, there will be an abortive fee charge of £75.00 plus 20% VAT.*

Attachment of Earnings: Our fee: starting at £400.00 plus 20% VAT (but subject to change depending on amount of work required)

- Court fee: £131.00 (no VAT)

Charging Order:

- Our fee: £500.00 plus 20% VAT
- Court fee: £131.00 (no VAT)
- Land Registry fee for registering restriction: £40.00 (no VAT)
- Fee for office copies £3.00-£6.00 plus 20% VAT
- Agents fees for attending court if required average £150.00 plus 20% VAT.

On average, total estimated cost approx. £958.20 inc VAT and excluding any additional costs shown below.

**Agents may be required to attend Charging Order hearings, if it is not economically feasible for a representative from HCR Legal LLP to attend.*

**It may also be necessary to re-serve documents that will incur additional costs.*

Insolvency:

- Issuing and arranging service of a Statutory Demand: £400.00 plus 20% VAT
- Process Server fee for service: average £150.00 plus 20% VAT.

On average, total estimated cost approx. £660 inc VAT.

Winding up Petition: (to first hearing)

- Our fee: £3,000.00 plus 20% VAT (see comments below)
- Process server fee: average £150.00 plus 20% VAT
- Advertisement fee: £125.80 plus 20% VAT
- Hearing Agents fee: average £150.00 plus 20% VAT
- Court fee on petition: £332.00 (no VAT)
- Official Receiver's deposit: £2,600.00 (no VAT).

On average, total estimated cost approx. £7,011.55 inc VAT and excluding any additional costs shown below.

**The Official Receiver's ("OR") deposit is refunded if a Winding Up order is not made with the exception of an administration fee of approx. £50 (no VAT) which is retained by the OR.*

This estimate is based on a straightforward, un-opposed petition, where no applications are required regarding service of the petition and where the winding up order is obtained at the first hearing.

If complications arise generally or with regard to service, further costs will apply, which we shall advise you of.

Bankruptcy Petition: (to first hearing)

- Our fee: £3,000.00 plus 20% VAT
- Official Receivers deposit: £1,500.00 (no VAT and refundable if Order not made)
- Court fee: £332.00 (no VAT)
- Land registry search fee: £2.00 (no VAT)
- Agents fees for service: average £150.00 plus 20% VAT
- Agents fees for attending court: average £150.00 plus 20% VAT.

On average, total estimated cost approx. £5,460 inc VAT and excluding any additional costs shown below.

This estimate is based on a **straightforward, un-opposed petition, where no applications are required regarding service of the petition and where the bankruptcy order is obtained at the first hearing.**

**In some circumstances it may be necessary to re-issue or re-serve documents or adjourn the hearing which will incur additional costs.*

Standard Court fees (VAT does not apply)

Court Issue (Money Claims Online)

up to £300	£35.00
£300.01 to £500	£50.00
£500.01 to £1,000	£70.00
£1,000.01 to £1,500	£80.00
£1,500.01 to £3,000	£115.00
£3,000.01 to £5,000	£205.00
£5,000.01 to £10,000	£455.00
£10,000.01 to £200,000	5% of claim value
More than £200,000	£10,000

Costs considerations:

- The VAT element of our fee cannot be reclaimed from your debtor
- Interest and compensation may take the debt into a higher banding (as set out above), with a higher cost.

Our fees include:

- Review of documentation
- Taking instructions
- Carrying out appropriate searches
- Sending demand letters
- Remitting funds to you on a timely basis
- Drafting and issuing proceedings
- Requesting Judgment
- Providing enforcement options.

Key Stages and Timescales

We will acknowledge your instruction within 24 hours and send out the initial letter before claim to the debtor within 48 hours, for a standard debt recovery referral.

A commercial (business) debtor will be provided with 14 days to make payment, proposals for payment or provide details of any dispute. An individual (person) debtor is provided with 30 days to enable them to seek independent advice, should it be needed.

Once legal proceedings are issued, a debtor has 21 days (7 days for service of proceedings then 14 days to respond) before we can enter judgment (CCJ). Therefore, for an undefended claim, judgment may be obtained within 6 weeks of instruction for a business or 8 weeks for an individual.

Defended legal proceedings really depend on the debtor being engaging and attempting to settle, and the courts' capacity for track allocation and hearings. A defended small track claim (up to £10,000) could take 9-12 months to get to mediation or a trial, whereas a more complex claim might take closer to 18-24 months to resolve.

Throughout a defended claim process, we will endeavour to engage with the debtor to determine whether settlement is an option. While settlement may mean you will have to be flexible in the sum you will receive, that sum will be in your bank sooner and legal/court fees may not have been incurred.

Typically for enforcement we will instruct a High Court Enforcement Officer on your behalf. Once the judgment has been transferred to the High Court, a Notice of Enforcement letter is sent to the debtor (in accordance with compliance) providing them to pay or contact within 7 days. If no payment or response is received, an officer will attend the debtor's premises within 7 days to collect payment or levy on any assets for removal and sale at auction. If it gets this far (which isn't often at all), the process could take 4-6 weeks.

Our team



Stuart Taylor, Partner, Head of Debt Recovery

With 16 years post qualification experience, Stuart splits his time as Head of Debt Recovery and a Partner in the Firm's highly successful Restructuring & Insolvency team using his breadth of experience to provide commercial and practical advice to his Clients. Stuart's experience ensures the training and development of the team meets the excellent service standards promoted to our Clients. Stuart's Client relationship management ensures KPI's and SLA's are adhered to and he continually considers improvements to add value and provide an excellent client experience.

Stuart's Client services include advising on all aspects of Restructuring & Insolvency (both contentious and non-contentious), prioritising of recoveries, on-site attendance (where required), "day one" ledger collections and guarantor enforcement/claims against directors for lenders and Insolvency Practitioners and business to business debt recovery.

Clients include insolvency practitioners, high street banks, alternative lenders/secured and unsecured commercial lenders, accountants, commercial entities, universities, and fee-paying schools.



Stephen Thorn, Senior Debt Recovery Manager

Stephen specialises in the Debt Recovery process from initial instruction to all enforcement proceedings and has over 20 years' experience dealing with a wide range of Client's including banks, commercial lenders, debt purchasers, guarantee enforcements, independent schools and business to business debts.

As a manager of the team he ensures our Clients receive a speedy but thorough service to provide the strongest possibility of a recovery, and provides all options to allow the Client to make an informed decision throughout the process. He also provides supervision to our Paralegals to maintain the quality of work and is key to their development.

Paralegals

We have a team of paralegals who are responsible for the smooth progression of matters referred from our Clients, from the initial instruction, drafting pre-legal correspondence, issuing legal claims through to enforcement and remitting recovered funds.