

Maxwell Hodge

Non-Protocol Debt Recovery Information & Timescales

1st April 2024

SOLICITORS

Key points

The following sections provide cost information and the key steps involved in Debt Recovery for non-protocol matters. Our experienced Disputes and Litigation Team can assist in recovering monies owed to you. Please contact Lily Lammond to discuss on ext. 1510.

Fees

The fees applicable depend on the value of your claim. Most of the fees and disbursements attract VAT, which is currently 20%.

VALUE OF CLAIM	STAGE 1	STAGE 2*	STAGE 3	Service by Court	
				Recoverable costs	Court fee payable
£25 – £500	£100	£120	£130	£50 – issue	£35 – £50
	£20 VAT	£24 VAT	£26 VAT	£22 – j'ment	
	<u>Total £120</u>	<u>Total £144</u>	<u>Total £156</u>		
£500.01 – £1,000	£100	£120	£150	£70 – issue	£80
	£20 VAT	£24 VAT	£30 VAT	£22 – j'ment	
	<u>Total £120</u>	<u>Total £144</u>	<u>Total £180</u>		
£1,000.01 – £3,000	£100	£120	£180	£88 – issue	£80 – £115
	£20 VAT	£24 VAT	£36 VAT	£22 – j'ment	
	<u>Total £120</u>	<u>Total £144</u>	<u>Total £216</u>		
£3,000.01 – £5,000	£100	£170	£230	£80 – issue	£205
	£20 VAT	£34 VAT	£46 VAT	£22 – j'ment	
	<u>Total £120</u>	<u>Total £204</u>	<u>Total £276</u>		
£5,000.01 – £10,000	£100	£220	£430	£100 – issue	£455
	£20 VAT	£44 VAT	£86 VAT	£30 – j'ment	
	<u>Total £120</u>	<u>Total £264</u>	<u>Total £516</u>		

£10,000.01 – £20,000	£100	£220	£630	£100 – issue	5% of debt
	£20 VAT	£44 VAT	£126 VAT	£30 – j'ment	
	<u>Total £120</u>	<u>Total £264</u>	<u>Total £756</u>		
£20,000.01 – £30,000	£100	£220	£830	£100 – issue	5% of debt
	£20 VAT	£44 VAT	£166 VAT	£30 – j'ment	
	<u>Total £120</u>	<u>Total £264</u>	<u>Total £996</u>		
£30,000.01 – £40,000	£100	£220	£1,275	£100 – issue	5% of debt
	£20 VAT	£44 VAT	£255 VAT	£30 – j'ment	
	<u>Total £120</u>	<u>Total £264</u>	<u>Total £1,530</u>		
£40,000.01 – £50,000	£100	£230	£1,275	£100 – issue	5% of debt
	£20 VAT	£46 VAT	£255 VAT	£30 – j'ment	
	<u>Total £120</u>	<u>Total £276</u>	<u>Total £1,530</u>		
£50,000.01 – £75,000	£100	£230	£1,525	£100 – issue	5% of debt
	£20 VAT	£46 VAT	£305 VAT	£30 – j'ment	
	<u>Total £120</u>	<u>Total £276</u>	<u>Total £1,830</u>		
£75,000.01 – £100,000	£100	£250	£2,025	£100 – issue	5% of debt
	£20 VAT	£50 VAT	£405 VAT	£30 – j'ment	
	<u>Total £120</u>	<u>Total £300</u>	<u>Total £2,430</u>		
£100,000.01 – £150,000	£100	£260	£2,510	£100 – issue	5% of debt
	£20 VAT	£52 VAT	£502 VAT	£30 – j'ment	
	<u>Total £120</u>	<u>Total £312</u>	<u>Total £3,012</u>		
£150,000.01 +	£100	£260	£2,510	£100 – issue	5% (capped at £10,000 for debts over £200,000)
	£20 VAT	£52 VAT	£502 VAT	£30 – j'ment	
	<u>Total £120</u>	<u>Total £312</u>	<u>Total £3,012</u>		

Electronic identity checks for clients are charged at £15 plus VAT of £3 per person.

Scope of work and timescales

The precise stages involved in each stage is outlined below.

Stage 1 - Letter before action only

- A letter will be sent to your debtor setting out that payment of a sum of money is required within 7-14 days. We will await the response of the debtor.
- No further work, such as negotiations or payment plans, will be undertaken, please see stage 2.
- Stage 1 is likely to be complete within 1 month of you instructing us.

Stage 2 – Negotiations pre-issue

- We will negotiate with your debtor in terms of repayment or setting up payment plans for you to collect the debt. This work will include reporting to you and taking your instructions and liaising with your debtor.
- If there is a dispute over the money owed, this further work will include setting out your case in further detail to the debtor and explaining/providing any further information to support your case.
- This stage can take a number of months, usually around 3 – 4 months, depending on the response from your opponent. If offers are being made or issues being discussed this can take some time to resolve.

Stage 3 – Issue of Proceedings and Judgment

- This work will include drafting, issuing and serving the claim form on your opponent. If no Defence is filed, we will request Judgment on your behalf. Once this is obtained you will then need to consider how the Judgment is enforced. Please ask us for our fixed enforcement fee guide.
- If a Defence is filed, the claim will be subject to our hourly rates and we will report to you with an estimate of likely costs to trial or we can offer one of services and you pursue the claim yourself.
- Please note: if your opponent is outside of England and Wales but the Court have jurisdiction over the claim, there will be further costs to pay if the Court documents need to be translated or personal service is required. We will report to you in such circumstances.
- The timescale for stage 3 to be completed and a Judgment obtained is usually around 2 months from the date of issue.

Additional Fees

Please note that if mediation or some other form of ADR is required, we will provide a quote which shall be agreed before commencing this work. In addition, stage 2 is limited to 1 hour of work. If further work is required after the first hour, we will agree a further fixed fee with you before undertaking any further work.

You should note that our current hourly rates are between £145 and £265 per hour plus VAT of between £29 and £53 depending on the experience of the person handling your matter. Our fees, including hourly rates and fixed fee work, are reviewed annually. The new rates apply from April each year.

Please contact us to discuss your matter so we can advise you on the specific work involved.