

Maxwell Protocol Debt Recovery Hodge Information & Timescales

SOLICITORS 1st April 2024

Key points

The following sections provide cost information and the key steps involved in Debt Recovery for protocol claims. 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
£1,000.01 – £3,000	£130	£210	£220	£88 – issue	£80 – £115
	£26 VAT	£42 VAT	£44 VAT	£22 – j'ment	
	<u>Total £156</u>	<u>Total £252</u>	<u>Total £264</u>		
£3,000.01 – £5,000	£130	£310	£320	£80 – issue	£205
	£26 VAT	£62 VAT	£64 VAT	£22 – j'ment	
	<u>Total £156</u>	<u>Total £372</u>	<u>Total £384</u>		
£5,000.01 – £10,000	£130	£410	£420	£100 – issue	£455
	£26 VAT	£82 VAT	£84 VAT	£30 – j'ment	
	<u>Total £156</u>	<u>Total £492</u>	<u>Total £504</u>		
£10,000.01 – £20,000	£130	£410	£620	£100 – issue	5% of debt
	£26 VAT	£82 VAT	£124 VAT	£30 – j'ment	
	<u>Total £156</u>	<u>Total £492</u>	<u>Total £744</u>		
£20,000.01 – £30,000	£130	£410	£820	£100 – issue	5% of debt
	£26 VAT	£82 VAT	£164 VAT	£30 – j'ment	
	<u>Total £156</u>	<u>Total £492</u>	<u>Total £984</u>		

£30,000.01 – £40,000	£130	£410	£1,265	£100 – issue	5% of debt
	£26 VAT	£82 VAT	£253 VAT	£30 – j'ment	
	<u>Total £156</u>	<u>Total £492</u>	<u>Total £1,518</u>		
£40,000.01 – £50,000	£130	£410	£1,265	£100 – issue	5% of debt
	£26 VAT	£82 VAT	£253 VAT	£30 – j'ment	
	<u>Total £156</u>	<u>Total £492</u>	<u>Total £1,518</u>		
£50,000.01 – £75,000	£130	£410	£1,515	£100 – issue	5% of debt
	£26 VAT	£82 VAT	£303 VAT	£30 – j'ment	
	<u>Total £156</u>	<u>Total £492</u>	<u>Total £1,818</u>		
£75,000.01 – £100,000	£130	£460	£2,015	£100 – issue	5% of debt
	£26 VAT	£92 VAT	£403 VAT	£30 – j'ment	
	<u>Total £156</u>	<u>Total £552</u>	<u>Total £2,418</u>		
£100,000.01 – £150,000	£160	£510	£2,015	£100 – issue	5% of debt
	£32 VAT	£102 VAT	£403 VAT	£30 – j'ment	
	<u>Total £192</u>	<u>Total £612</u>	<u>Total £2,418</u>		
£150,000.01 +	£160	£510	£2,015	£100 – issue	5% (capped at £10,000 for debts over £200,000)
	£32 VAT	£102 VAT	£403 VAT	£30 – j'ment	
	<u>Total £192</u>	<u>Total £612</u>	<u>Total £2,418</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 with supporting documentation.

- A letter will be sent to your debtor setting out that payment of a sum of money is required within 30 days. If they are disputing the debt or asking for time to pay, then they are required to reply within 30 days, completing documentation as to why they dispute the debt or need time to pay.
- No further work, such as negotiations or investigating payment plans, will be undertaken. Please see stage 2 for this type of work.
- Stage 1 is likely to be complete within 1 month of you instructing us.

Stage 2 – Negotiations/Narrowing the issues in dispute.

- This is pre-issue of Court proceedings. We will enter into communications with your debtor in an attempt to resolve any dispute regarding the debt or to discuss payment plans with them. We will liaise with you during this time if necessary to obtain your input.
- This stage can take several 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 time scale 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 2 hours of work. If further work is required after the first 2 hours, 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.