

COSTS AND FEES FOR DEBT RECOVERY SERVICES

Our services include: Debt recovery for businesses and private individuals

This page sets out the costs of our commercial debt recovery work for claims up to the value of £100000 against debtors located within England and Wales. Costs for debt claims above this value or for international debt recovery are available upon request.

HKK LAW is primarily an employment and commercial practice with a strong emphasis on commercial litigation, debt recovery and insolvency. Debt is a real time problem and burden on management time affecting growth and causing stress. We understand that chasing overdue invoices, unpaid accounts is detrimental and has a serious and significant adverse effect on your cashflow so having someone you can call on to arrange business debt recovery quickly and easily is vital consideration.

We will work closely with you to find out key information, desired outcome plan and take appropriate cost-effective steps. All work will be handled by Ms Hardeep Kular who has over 28 years' experience and will provide a personal service. She has extensive experience in working with small and medium businesses and assisting private clients who are owed monies. She has recovered hundreds of thousands of pounds for our clients over the years and many have stayed with us for several years.

If your debt is disputed or defended or is a claim for over £100000 this will fall outside the fees for debt recovery services as set out below. We can offer you the specialist advice you need to recover your debt.

Court Claims

Our Fee:

These costs apply where your claim is in relation to an unpaid invoice or invoices which are not disputed, and enforcement action is not needed.

If the other party disputes your claim at any point, we will discuss any further work required and provide you with revised advice about costs if necessary, which could be on a fixed fee (e.g. if a one-off letter is required), or an hourly rate if more extensive work is needed.

We seek to issue all debt recovery claims up to £100000 via Money Claim Online (MCOL), the online court service for Claimants and Defendants.

Debt value	Court fee	Our fee (up to and incl. VAT)	Total
£Up to £5000	Up to £185	£875 (£1050 inclusive of VAT)	£TBC
£5001-£10000	Up to £410	£1400 (£1680 inclusive of VAT)	£TBC
£10,001- £50000	4.5% value of claim	£2500 (£3000 inclusive of VAT)	£TBC
£50000-£100000	4.5% value of claim	£5000 (£6000 inclusive of VAT)	£TBC

Should it prove necessary to issue proceedings by post then the court fee will be: up to £205 for claims up to £5000, fee between £205 - £455 for claims between £5001 to £10000 and for claims above £10000, 5% of the value of the claim.

Process: Our fee includes:

- Taking your instructions and reviewing documentation
- Undertaking appropriate searches
- Sending a letter before action
- Receiving payment and sending onto you, or if the debt is not paid, drafting and issuing claim
- Where no Acknowledgment of Service or Defence is received, applying to the court to enter Judgement in default
- When Judgement in default is received, write to the other side to request payment
- If payment is not received within 14 days, providing you with advice on next steps and likely costs

The stages set out above are an indication and if some of stages above are not required, the fee will be reduced. You may wish to handle the claim yourself and only have our advice in relation to some of the stages. This can also be arranged on your individual needs.

Please note:

Anyone wishing to proceed with a claim should note that:

- Court fee are correct at time of publication: however, they are subject to change.
- You are liable for all our fees whether or not recovery is made.
- The VAT element of our fee cannot be reclaimed from your debtor.
- Interest and compensation may take the debt into a higher banding, with a higher cost.
- The costs quoted above are not for matters where enforcement action, such as the bailiff, is needed to collect your debt.

Time Scale: Matters usually take 4-16 weeks from receipt of instructions from you to receipt of payment from the other side, depending on whether it is necessary to issue a claim. This is on the basis that the other side pays promptly on receipt of the letter before action and/ or Judgement in default and assuming there is no delay in issue of claim or issue of Judgment in default. If enforcement action is needed, the matter will take longer to resolve.

In the case of a claim against an individual, the time scale may take longer as the debtor has a minimum of 30 days to respond to the Pre-Action protocol letter (as is provided for in the Pre-Action Debt Protocol) but this period can be extended to up to 120 days in difficult or complex cases or if there is a request for certain documents.

Issue of statutory demand for companies and individuals

A statutory demand should only be made where the debt is not disputed, if it is admitted or there is a judgment for it.

Our fee for a fully bespoke statutory demand:

Our Fee: £500 plus VAT

Related disbursement: Process Server's fees of between £100-£150 plus VAT (costs depend on location of debtor)

This fee is based where your claim is in relation to an unpaid invoice or invoices which are not disputed and includes instructions to a process server to effect personal service.

Timescale: A statutory demand can be prepared 3 days of instructions and is then usually sent to a process server for personal service. Personal service generally takes 1-2 weeks via a process server. Statutory demands are normally served within 48 hours against companies and partnerships. It can take longer to serve individuals as it can be harder to locate an individual.

Winding up a limited company owing more than £750

Process: Essentially, the Winding up Petition is issued, served, advertised in The Gazette (an official public record), 7 days after date of service and is then heard at court, where it is either dismissed or approved.

Our Fee: £1000 plus VAT

This fixed fee is only applicable in cases whereby the debt is not disputed or can be distinguished by a valid cross claim by the debtor, an expired statutory demand or where a court judgment has not been satisfied or appealed against and is determined at the first hearing (no further hearing required).

Related third party costs

- Court filing fee - £280
- Official Receiver's deposit - £1,600 (to manage the "winding-up")
- Process server - between £100-£150 plus VAT (costs depend on location of debtor)
- Barrister's fees for hearing - up to £500 plus VAT.
- Advertisement in London Gazette - £101.52 (including VAT)

The costs of the winding up are costs that can be recovered from the assets of the company within the winding up procedure if there are assets. If the debtor pays the debt and the petition is withdrawn or dismissed the Insolvency Service will provide a refund of £1550 of the Official Receiver's fee after a period of time. You might be able to get the court fees back if the company can afford to repay them.

Time scale: It typically takes us 1-3 days from the date of instruction to draft and issue a petition and send it out to a process server for service. A winding up order can usually be obtained within about 8-12 weeks of the petition being issued by the court.

Bankruptcy proceedings against an individual

Process: If an individual owes you money and a statutory demand has been validly served (failure to ensure proper statutory demand service can invalidate the statutory demand) and not set aside, or you have received a court judgment that has not been set aside or appealed, a bankruptcy petition can be presented against an individual or sole trader debtor.

Our Fee: £1000 plus VAT

This fixed fee is only applicable to cases where the matter is determined at the first hearing, there are no issues with regards to service and is only applicable in cases whereby the debt is not disputed or if a court judgment has been obtained which has not been set aside or appealed.

Related third party costs

- Court fee - £280
- Official Receiver's Deposit - £990
- Process server - between £100-£150 plus VAT (costs depend on location of debtor)
- Barrister's fees for hearing - up to £750 plus VAT - depends on location
- Search fee - £11

Time scale: It usually takes us 1-3 days from the date of instruction to draft and issue a petition and send it out to a process server for service. A bankruptcy order can usually be obtained within about 8-12 weeks of the petition being issued by the court.

Contact HKK LAW today

For more information regarding our services and to discuss your matter, please call us on 020 706 1127 or email us at hkk@hkklaw.com