

Business to business debt recovery (undisputed claims)

These costs apply where your claim is in relation to an unpaid invoice which is 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.

This may be on a fixed fee (e.g. if a one off letter is required), or an hourly rate if more extensive work is needed. Where applicable, VAT is charged at the prevailing rate (currently 20%).

Stage 1 – Letter of claim/late payment demand

Following our instruction, a letter requiring payment will be sent to the debtor. If the debtor is a private individual, that letter will be a Letter of Claim complying with the current legal requirements. If the debtor is a business a Late Payment Demand will be sent. The costs for these letters are;

- Letter Before Action - £7.50 + VAT (£1.50)
- Late Payment Demand - £5.00 + VAT (£1.00)

Stage 2 – Chase Letters

If payment is not made to you, following the expiry of the Letter of Claim/ Late Payment Demand, we will send a chase letter at the following cost.

- Chase Letter Before Action - £5.00 + VAT (£1.00)
- Chase Late Payment Demand - £5.00 + VAT (£1.00)

Stage 3 – Court Proceedings

If the debt is not paid following stages 1 and 2, we can commence Court Proceedings on your behalf.

Claims under £10,000 are dealt with in the Small Claims Court, and whilst some fixed costs and Court Fees are recoverable if the claim is successful, the majority of legal costs are not.

Our fees for issuing proceedings in the Small Claims Court are;

- Legal Fees for drafting issue of Proceedings - £150 + VAT (£30.00)
- Court Fee - staged depending on value of claim as below.

Value of your claim	Court Fee
Up to £300	£35 (no VAT)
Greater than £300 but less than £500	£50 (no VAT)
Greater than £500 but less than £1000	£70 (no VAT)
Greater than £1000, but less than £1500	£80 (no VAT)
Greater than £1500, but less than £3000	£115 (no VAT)
Greater than £3000 but less than £5000	£205 (no VAT)
Greater than £5000 but no more than £10000	£455 (no VAT)

For claims over £10,000 our fee for issuing Court Proceedings is £250 + VAT (£50), and the Court Fee is 5% of the value of the claim up to a maximum Court Fee of £10,000.

Stage 4 – Default Judgment

If the claim is not defended, or payment made, we will request Judgment in Default on your behalf at a cost of £22.00 + VAT (£4.40). When the Judgment in Default is received we will forward a copy to you and the Defendant at a cost of £5 + VAT (£1.00).

Anyone wishing to proceed with a claim should note that:

- 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.

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Our fee includes:

- Taking your instructions and reviewing documentation such as invoices and standard terms of business to identify applicable interest. It does not include reviewing any documents in relation to any potential dispute.
- Undertaking appropriate searches
- Sending a letter before action
- Receiving payment and sending onto you (on the basis no disbursements are incurred, such as bank telegraphic transfer fees), or if the debt is not paid, drafting and issuing the claim for the costs set out above.
- Where no Acknowledgment of Service or Defence is received, applying to the court to enter Judgment in Default at the costs set out above.
- When Judgment 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.

Matters usually take between 2-12 weeks from receipt of instructions from you to receipt of payment from the other side, depending on whether or not it is necessary to issue a claim. This is on the basis that the other side pays promptly on receipt of Judgment in Default. If enforcement action is needed, the matter will take longer to resolve.

DFA's debt recovery service is provided by the Dispute Resolution and Litigation team, which includes the following fee-earners;

Paul Currie

Partner and Head of Dispute Resolution (hourly rate £275 + VAT (a total of £330))

Previously a Senior Associate at regional heavyweight Shakespeare Martineau, Paul specialises in commercial and corporate dispute resolution.

Paul has considerable experience working with a variety of clients, from FTSE 100 companies and leading educational institutions, to small start-up businesses and private individuals.

As well as dealing with the full range of contract claims, company & partnership disputes, and regulatory matters, Paul advises clients in relation to public procurement disputes and issues relating to defamation and brand protection.

Tumi Adenipekun

Solicitor (hourly rate £180 + VAT (a total of £216))

Tumi originally qualified in Nigeria before cross-qualifying to practice as a solicitor in England and Wales in September 2021.

Tumi is experienced in dealing with a wide range of litigation work including arbitration, taxation, corporate and commercial law litigation, legal advisory and regulatory compliance.

Richard Forskitt

Associate Solicitor (hourly rate £225 + VAT (a total of £270))

Richard qualified as a solicitor in 1995 and has considerable experience of all County and High Court procedures for both commercial and private clients, as well as advocacy experience in Magistrates, County and Coroners Courts.

Richard has a particular interest in landlord and tenant litigation for both commercial and residential properties, as well as claims under the Trust of Land and Appointment of Trustees Act. Richard also undertakes licensing work for alcohol and entertainment licences.

Paralegal/Trainee Solicitor

From time to time, debt collection work may be carried out by a suitably experienced Paralegal within the department or a Trainee Solicitor, depending upon circumstances.

Hourly rates for paralegals and trainee solicitors vary between £120 + VAT (a total of £144) and £160 + VAT (a total of £192).

Following receipt of your confirmed instructions you will be notified who your primary point of contact will be.

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