



Transparency in pricing

Debt Recovery (up to £100,000)

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Birkett Long LLP is committed to providing clarity in its pricing and service in accordance with the SRA Transparency Rules.

Debt Recovery - Fixed Fee:

Most claims for less than £10,000 are likely to be allocated to the small claims track of the County Court. If the debt is above £10,000, any court proceedings are likely to be allocated outside the small claims track, which means that more complicated procedural rules will apply, and there is a risk you may be ordered to pay your opponent's costs if unsuccessful or where you have acted unreasonably. Before proceeding with a claim, we will consider the merits of your case so that we can advise on the risks.

For undisputed contractual debt claims less than £100,000, we provide a fixed fee service as set out below. 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. For debts above the value of £100,000, please contact us for a fee estimate.

It is worth bearing in mind that if a debt is undisputed, the reason it is not being paid may be that the debtor is unable to pay. In such circumstances, it may not be worth incurring the cost of pursuing the debt at all. Cases where the debtor is able to pay, is not disputing the debt, but is still not willing to pay are comparatively rare but occasionally arise; the below fixed fees apply to those sorts of cases. For undisputed contractual debts (i.e., where money is due from one party to a contract to another in circumstances prescribed under the contract and there has not been any indication from the debtor that it disputes the debt), the following fees apply:

Letter before claim:

Before commencing legal proceedings, the Civil Procedure Rules require a prospective claimant to set out its claim in a letter to the prospective defendant, explaining the amounts owed and the contractual basis for demanding payment. The amount of detail required in such a letter will vary depending on the value of the claim. Our fees to prepare a letter before claim are as follows:

Value of Claim	Price for straightforward letter before claim (inclusive of VAT)
£0 - £1,000	£90
£1,000.01 - £10,000	£180
£10,000.01 - £50,000	£360
Over £50,000	Please contact us for a free estimate

Preparing and issuing court proceedings:

If we do not receive a response to our letter before claim, we can then proceed to draft legal proceedings against the debtor. If the debtor indicates that it contests the debt at this stage (even if the dispute is spurious), this will fall outside the scope of our fixed fee service, and our usual hourly rates will apply. Where the debtor does not contest the claim, our fees to prepare and issue court proceedings are set out below:

Our charge for the issue of court proceedings is based on the value of the claim.

Please note that all costs are inclusive of VAT. However, the charge detailed in the table directly below excludes court fees (which are set out separately herein) and other small disbursements incurred.

Debt Value	£0 - £1,000	£1,001 - £50,000	£50,001+
Our fees on issue	£180*	£360*	Please contact us for a fee estimate
Our fees on Judgment in default	£26.40**	£26.40**	£36**

* Please note that only fixed costs are recoverable on entering default Judgment details of which can be found in Part 45 – Fixed Costs contained within the Civil Procedure Rules

<https://www.justice.gov.uk/courts/procedure-rules/civil/rules/part45-fixed-costs> .

** These are the same as recoverable on entering default Judgment.

Court Fees:

In addition to our fees, a court fee will also be available, and you can find more details of that on the Courts and Tribunals Service website <https://www.gov.uk/government/publications/fees-in-the-civil-and-family-courts-main-fees-ex50> .

In summary, the following may apply:

Value of Claim	Fee Payable
Up to £300	£35
Greater than £300 but no more than £500	£50
Greater than £500 but no more than £1,000	£70
Greater than £1,000 but no more than £1,500	£80
Greater than £1,500 but no more than £3,000	£115
Greater than £3,000 but no more than £5,000	£205
Greater than £5,000 but no more than £10,000	£455
Greater than £10,000 but no more than £200,000	5% value of claim
Greater than £200,000	£10,000

Examples of Fee Structure:

Example A

If your undisputed debt claim is worth £2,000, we would charge £180 (inclusive of VAT) to prepare a letter before claim. If the debtor does not respond to that letter, our further fees (in addition to preparing the letter before claim) to issue proceedings will be £360 (inclusive of VAT). This means that our charges, up to the issuing of proceedings, would total £540 (inclusive of VAT). In addition to our charges, there will be a court fee in the sum of £115.

Should the debtor fail to file a defence in response to the claim, our additional fees for judgment in default will be £26.40.

Example B

If your undisputed debt claim is worth £30,000, we would charge £360 (inclusive of VAT) to prepare a letter before claim. If the debtor does not respond to that letter, our further fees (in addition to preparing the letter before claim) to issue proceedings will be £360 (inclusive of VAT). This means that

our charges, up to the issuing of proceedings, would total £720 (inclusive of VAT). In addition to our charges, there will be a court fee that is calculated at 5% of the value of the claim. Should the debtor fail to file a defence in response to the claim, our additional fees for judgment in default will be £36.

How long will my matter take?

Letter before claim:

If you are sending a letter before claim to a business, the timescale provided to the debtor to make payment will be 14 days, unless the matter is complex.

If you are sending a letter before claim to an individual, the timescale provided to the debtor to make payment will be 30 days.

Issue a claim:

Once the above timescale has elapsed, you may wish to issue a claim against the debtor. This will provide them with 14 days, once service has been effected, to respond, after which time default Judgment may be entered. Once default Judgment has been obtained, the method of enforcement chosen will determine how long the matter will proceed.

Exclusions:

These fees are only relevant to undisputed debts where the matter is not urgent or complex. We are happy to provide a fee estimate for dealing with a disputed claim or where there may be a need to take urgent action (such as urgent freezing injunction or other interim remedy). As each case is very different, we would need to find out more before giving that estimate. Where what appears to be an undisputed debt is challenged, we will provide a fee estimate for advising and dealing with any defence and counterclaim.

The above fees also apply only to undisputed contractual debts. Where there are questions over whether a contract has been entered into debts under such agreement, will fall outside of the scope of our fixed fee service. By undisputed contractual debt, we mean an amount that is due in accordance with the terms of a contract. Where you are seeking damages for breach of contract (e.g., where services fell below the contractual standard and the other party suffered a loss as a result), or if you are not able to determine who the debtor is, then this is not an undisputed debt claim, and therefore falls outside the scope of our fixed fee service. We are, however, happy to discuss your claim with you, and even if it falls outside the scope of our fixed fee service, we may be able to assist you at our usual hourly rates.

The fixed fee service is also limited to the procedures set out above (namely, debt recovery by virtue of a letter before claim and issuing a civil claim. Where other proceedings, such as adjudication, arbitration, expert determination, or mediation, are required to pursue a debt, this will fall outside of

the scope of our fixed fee service, but please give us a call to discuss what we may be able to do to assist you. Likewise, it does not include the costs of any enforcement action that might become necessary.

Our fees (where the fixed fees above do not apply) are chargeable by reference to the amount of time we spend dealing with your case at our hourly rates, which range from £150 plus VAT to £390 plus VAT (totalling between £180 and £468 per hour) dependent upon seniority. The seniority of the member(s) of staff dealing with your case will depend on its complexity. We will discuss this with you when you instruct us and as applicable.

We always advise on settlement options and encourage clients to settle whenever possible because the cost of dealing with a disputed claim through to a trial process can result in costs escalating.

If you and the debtor agree that the debt can be paid by instalments, we will expect you to receive and monitor those instalments accordingly. If you would like us to do so, there will be an additional charge.

Our Team:

Our team of specialist Dispute Resolution solicitors has years of experience in dealing with debt recovery (uncontested or otherwise). Our senior Dispute Resolution Partner (Peter Allen) heads up a team of 11 solicitors and has been working in this area for more than 20 years. We also employ 2 Paralegals and 4 Assistants.

You will be allocated a dedicated Dispute Resolution fee earner. However, Laura Milham, Paralegal, is our current debt collection specialist. Regardless of who works on your matter, they will be supervised by one of our Dispute Resolution Team Leaders (Suryen Nullatamby or Carla Jones), who is in turn supervised by the Head of the Dispute Resolution, Peter Allen. You can view their respective profiles on our website, <https://www.birkettlong.co.uk>, which includes details of when they qualified and their areas of expertise.