

Debt recovery fees

The following information is published in line with the SRA Transparency Rules which came into force on 6 December 2018 to provide guidance in terms of our debt recovery process and associated costs in respect of uncontested invoice based debt collection only.

Stage 1 – Letter of Claim

All we need is a copy of the outstanding invoice(s) and we will produce a pre-action protocol compliant letter of claim. The cost of preparing and issuing this letter will be as follows. This fee is not recoverable from the debtor.

Value of debt	Costs of letter of claim
£0.01 – £2,500	£50 plus VAT
£2,500.01 - £5,000	£80 plus VAT
£5,000.01 - £7,500	£110 plus VAT
£7,500.01 - £10,000	£140 plus VAT
More than £10,000	£170 plus VAT

Once the letter is issued, how matters proceed will depend on whether the debtor is a company or an individual/sole trader. A company will be given 14 days to make payment whilst an individual/sole trader is required to be given 30 days to make payment.

If payment is made within the deadline given then this will conclude our instruction.

Please note, our Stage 1 service does not include:

1. Reviewing your contractual or legal position;
2. Dealing with any dispute existing or subsequently raised by the debtor;
3. Dealing with claims in respect of Loan Agreements and/or defaults;
4. Dealing with claims in respect of Consumer Credit Agreements and/or defaults; or
5. Recovery of rent and/or service charge arrears.

Such services can be dealt with separately by solicitors in our dispute resolution team on the basis of an hourly rates charging structure (details available upon request).

Please note we do not provide you with copies of the letters issued to the debtor.

In order to maintain a streamlined and cost effective service we deal with the preparation and sending of all correspondence and will notify you once a response is received, or if the deadline for the debtor to do so elapses without reply.

Stage 2 – Debt unpaid following Letter of Claim

If the debt remains unpaid following our letter of claim (Stage 1), what happens next depends on whether a response has been received from the debtor and, if so, what the content of that response is.

2A - Debtor has not made payment and has not responded

At this stage, we will often recommend legal proceedings are issued against the debtor. A claim form and particulars of claim would be prepared which must contain a statement of truth signed by you or authorised by you to confirm the debt is outstanding. Once we have prepared the claim form and particulars of claim, these will be sent to the relevant court who will serve these upon the debtor.

A fee will be payable by you in respect of the Court issue fee. We will also charge a fixed fee in relation to our own costs, dependant on the value of the debt. Our fee for issuing the claim, and the Court issue fee, will be included in the sum sought from the debtor. These fees are dictated by the Court and presently the relevant fees are as set out below:

Value of debt	Court issue fee	Mincoffs' fixed costs on issue
Up to £300	£35	£50 plus VAT
£300.01 - £500	£50	£50 plus VAT
£500.01 - £1,000	£70	£70 plus VAT
£1,000.01 - £1,500	£80	£80 plus VAT
£1,500.01 - £3,000	£115	£80 plus VAT
£3,000.01 - £5,000	£205	£80 plus VAT
£5,000.01 - £10,000	£455	£100 plus VAT
£10,000.01 - £200,000	5% of total claim amount	£100 plus VAT
More than £200,000	£10,000	£100 plus VAT

Please note that the value of the debt is calculated as being inclusive of any interest claimed. As such, once that is added, the debt may move into a higher banding with a higher cost payable.

Once the court has served the claim, the debtor has 14 days in which to admit the claim (in full or in part), enter an acknowledgement of service or file a defence.

2B - Debtor has not made payment but has responded disputing the sum owed

If the debtor has responded disputing the sum owed, you may wish to consider whether the debtor's dispute is valid.

If you consider the debtor's dispute may be valid, you may wish to approach the debtor directly to resolve matters. Alternatively, you may wish for the solicitors in our dispute resolution team to advise you as to the validity of the dispute, the strengths and weaknesses of your legal and contractual position and/or take over responsibility of the matter and liaise with the debtor on your behalf. Work undertaken by the dispute resolution team is based on an hourly rates charging structure (details available upon request).

If you do not consider the debtor's dispute to be valid, you may wish to instruct us to commence legal proceedings against the debtor. If so, please see section 2A above for guidance as to the initial procedure and cost required to commence a claim.

2C - Debtor has not made payment but has responded requesting further information/documents, further time to pay or further time to seek debt/legal advice

The Pre-Action Protocol of the Civil Procedure Rules require that parties attempt to resolve matters without recourse to the courts if possible. Therefore, if the debtor has responded to our letter of claim requesting further information or time, and you consider the debtor's request to be a reasonable one, you may wish to give them the information/time needed. Such requests can be considered and discussed with you on a case-by-case basis.

If you do not consider the debtor's request to be reasonable, or, the debtor fails to make payment despite granting their request, you may wish to instruct us to commence legal proceedings against the debtor. If so, please see section 2A above for guidance as to the initial procedure and cost required to commence a claim.

2D – Debtor has contacted us to negotiate

If the debtor contacts us to negotiate settlement of the claim, we will communicate their offers to you for consideration. You may accept or reject the debtor's offers of settlement.

If you accept the debtor's offer of settlement and that offer involves an instalment plan for repayment of the sum owed to you, you may wish for us to receive payments from the debtor and monitor their compliance with the plan. In such circumstances, a monitoring fee by Mincoffs will be payable as set out below:

Number of instalments	Mincoffs' fee
Up to 3 instalments	£60 plus VAT
4-8 instalments	£90 plus VAT
8-12 instalments	£120 plus VAT
More than 12 instalments	£150 plus VAT

The monitoring fee will not be recoverable from the debtor and will be payable, by you, prior to the commencement of any payment plan.

If you reject the debtor's offers of settlement, you may wish to make your own counter-offers of settlement to the debtor. Alternatively, if you consider that negotiation is not proving fruitful, you may wish us to proceed to issue a claim against the debtor. If so, please see above for guidance as to the initial procedure and cost.

Stage 3 – Debt unpaid following issue of Claim at Court

Once a claim is issued at court and the debtor has been served with the claim form and particulars of claim, the debtor has 14 days to file an admission, acknowledgment of service or a defence to the claim.

If the debtor files an acknowledgment of service, they will have 28 days from the date they were served with the claim form and particulars of claim in which to file a defence.

What happens next depends on whether the debtor has filed an admission, acknowledgment of service and/or a defence.

3A - Debtor has not responded to the claim

At this stage, we would prepare and file the necessary forms to apply to the Court for a Default Judgment against the debtor. The court usually takes around 10 – 14 days from receipt of the request for Judgment to deal with the request (but timescales vary). The preparation of a request for Judgment, in circumstances where the debtor has not

responded at all to the claim, will attract a fee (dictated by the Court and presently) as set out below:

Value of debt	Mincoffs' fixed costs on application for default judgement
Up to £5,000	£22 plus VAT
More than £5,000	£30 plus VAT

Our fee (exclusive of VAT) for preparing the request for Judgment will be included in the Judgment sum sought.

If Judgment is entered, both we and the debtor will receive a copy in the post from the Court. A Judgment in circumstances where the debtor has not responded at all to the claim will usually require that the debtor make payment of the Judgment sum immediately.

If the Judgment sum is not paid, consideration will need to be given as to enforcement options as set out in Stage 4 below.

3B – Debtor has filed an acknowledgment of service but failed to file a defence

At this stage, we would prepare and file the necessary forms to apply to the Court for a default Judgment against the debtor. A Court usually takes around 10 – 14 days from receipt of the request for Judgment to deal with the request (but timescales vary). The preparation of a request for Judgment, in circumstances where the debtor has filed an acknowledgment of service but failed to file a defence, will attract a fee as set out below:

Value of debt	Mincoffs' fixed costs on application for default judgement
Up to £5,000	£25 plus VAT
More than £5,000	£35 plus VAT

Our fee (exclusive of VAT) for preparing the request for Judgment will be included in the Judgment sum sought.

If Judgment is entered, both we, and the debtor, will receive a copy in the post from the Court. A Judgment in circumstances where the debtor has filed an acknowledgment of service but failed to file a defence will require that the debtor make payment of the Judgment sum immediately.

If the Judgment sum is not paid by the debtor, consideration will need to be given as to enforcement options as set out in Stage 4 below.

3C – Debtor has filed an admission

A debtor may choose to admit the claim in its entirety or in part.

If the debtor admits the claim in full or in part, they are required to set out, to the Court, the manner in which they will make payment of the admitted sum (i.e. by instalment, on a specific date etc.). You will then need to consider whether you accept the manner of payment they have offered.

If the admission is only for part of the claim, our dispute resolution team can advise you on, and deal with, pursuance of the remainder of the claim, based on an hourly rates charging structure (details available upon request).

If you accept the manner of payment the debtor is offering, we will request Judgment against the debtor and agree to his payment proposal. The preparation of a request for Judgment, in circumstances where the debtor has filed an admission and you agree with the debtor's proposed means/schedule of payment, will attract a fee as set out below:

Value of debt	Mincoffs' fee
Up to £5,000	£40 plus VAT
More than £5,000	£55 plus VAT

Our fee (exclusive of VAT) for preparing the request for Judgment will be included in the Judgment sum.

If you do not accept the manner of payment the debtor is offering, we will request Judgment against the debtor and refuse his payment proposal. The Court will then be required to decide how the debtor is to make payment. The preparation of a request for Judgment, in circumstances where the debtor has filed an admission and you do not accept the debtor's proposed means/schedule of payment, will attract a fee as set out below:

Value of debt	Mincoffs' fee
Up to £5,000	£55
More than £5,000	£70

Our fee (exclusive of VAT) for preparing the request for Judgment will be included in the Judgment sum sought.

If Judgment is entered, both we, and the debtor, will receive a copy in the post from the Court. A Judgment in circumstances where the debtor has filed an admission will set out how and when the debtor is to make payment of the Judgment sum.

If the Judgment sum is not paid by the debtor in line with the Judgment, consideration will need to be given as to enforcement options as set out in Stage 4 below.

3D – Debtor has contacted us to negotiate

If the debtor contacts us to negotiate settlement of the claim, we will communicate their offers to you for consideration. You may accept or reject the debtor's offers of settlement.

If you accept the debtor's offer of settlement and that involves an instalment plan for repayment of the sum owed to you, you may wish for us to receive payments from the debtor and monitor their compliance with the plan. In such circumstances, a monitoring fee by Mincoffs will be payable as set out below:

Number of instalments	Mincoffs' fee
Up to 3 instalments	£60 plus VAT
4-8 instalments	£90 plus VAT
8-12 instalments	£120 plus VAT
More than 13 instalments	£150 plus VAT

The monitoring fee will not be recoverable from the debtor and will be payable, by you, prior to the commencement of any payment plan.

If you reject the debtor's offers of settlement, you may wish to make your own counter-offers of settlement to the debtor. Alternatively, if you consider that negotiation is not proving fruitful, you may wish us to proceed to request Judgment against the debtor. If so, please see above for guidance as to procedure and cost.

3E – Debtor has filed an acknowledgment of service and/or a defence.

If the debtor files a defence, the debt is now disputed. A disputed claim cannot be dealt with under our debt recovery system. Our dispute resolution team can advise you on (and, where instructed, deal with) pursuing the claim further in circumstances where the debtor is

disputing the sum owed. Such work would be carried out based on hourly rates (details available upon request).

Stage 4 – Debt unpaid following Judgment

If you have obtained Judgment against the debtor but have not received payment, you may wish to give thought as to enforcement options available to you. We have set out below some examples of enforcement action and the relevant costs involved.

Please note that the availability of certain enforcement options may be limited dependant on the debtor's personal circumstances. Furthermore, the costs of enforcement options can vary dependant on the reaction of the debtor to the enforcement action.

Enforcement action	Court fee or disbursements	Our fee ranges
Writ of control (otherwise known as High Court Enforcement Officers)	Court fee - to recover sum of money- £71 Court fee - to recover goods - £71 Court fee - to property or land - £71 High Court Enforcement Officer fee payable by the creditor if the writ is not successful - £90 including VAT	£50 - £100 plus VAT
Warrant of control (otherwise known as County Court Bailiffs)	Court fee - to recover sum of money- £83 Court fee - to recover goods - £130 Court fee - to property or land - £130 Court fee - to request a further attempt to execute a warrant at a new address - £33	£50 - £100 plus VAT
Charging order application	Court fee - £119 Counsel/advocate fee for hearing if required - £VARIABLE – likely to be in the region of £100 - £200 plus VAT Registration of charging order - £40 Search fee – up to £12	£50 - £300 plus VAT
Issue of statutory demand/threat to wind up.	Process server fee - up to £150 plus VAT	£150 - £200 plus VAT
Bankruptcy proceedings (for	Court fee - £302 Petition deposit - £990	£750 - £1,500 plus

individuals/sole traders only)	Counsel/advocate fee for hearing if required - £VARIABLE – likely to be in the region of £250 - £400 plus VAT Process server - up to £150 plus VAT Search fees – up to £12	VAT
Winding up (for companies only)	Court fee - £302 Official receiver's deposit - £1,600 Search fee - £12 Process server - up to £150 plus VAT Counsel/advocate fee for hearing if required - £VARIABLE – likely to be in the region of £250 - £400 plus VAT Advertisement in London Gazette - £75.90 - £103.60 excluding VAT	£1,500 - £2,000 plus VAT
Order that debtor attends court for questioning/oral examination	Court fee – to issue the application - £59 Court fee – to request Bailiff service an order - £119 Counsel/advocate fee for hearing if required - £VARIABLE – likely to be in the region of £100 - £200 plus VAT Process server fee - up to £150 plus VAT	£50 - £150 plus VAT
Attachment of earnings	Court fee - £119 On a consolidated attachment of earnings order, a fee of 10p for every £1, or part £1, of money paid into court, is deducted from the money before it is paid out to the creditors.	£50 - £150 plus VAT

We can discuss your options for enforcement in greater detail at the relevant juncture.