

DEBT RECOVERY (UP TO £100,000)

Our approach to pricing

What is debt recovery?

Debt recovery is the legal process of negotiating payment or issuing Court proceedings to recover an unpaid debt. The type of legal process that is required will depend on the value of the debt and where the debtor is located. The main options to recover a debt, where a settlement has not been reached, are to commence court or insolvency proceedings.

What will affect the cost of our work?

No debt recovery matter is exactly the same, and our fees will reflect your particular requirements and circumstances. Factors which may affect overall costs include whether the claim is allocated to the small claims of the County Court (up to £10,000), fast track of the County Court (£10,001 to £25,000) or multi-track of the County Court (£25,001 to £100,000), whether the debt is disputed and the extent of settlement negotiations.

For example, our fees for the recovery of an undisputed £75,000 debt through the County Court multi-track will be less than dealing with a disputed £25,000 debt. We also take factors such as time constraints for the matter into consideration.

These factors mean that we cannot give you a reliable estimate of our fees until we have all of the details of the transaction itself.

What are our typical fees?

We will always give you an individual cost estimate at the start of the transaction, taking into account the specific features of your instruction or 'matter'.

For small and fast track claims we provide a fixed fee service ranging from £100 to £750 (£120 to £900 including VAT) for pre-action work and from £105 to £1,315 (£126 to £1,578 including VAT) for issuing proceedings. Our fees for a typical undisputed business-to-business debt recovery where proceedings are issued, but are not contested (see below for an example), are likely to be £1,155 (£1,386 including VAT), but will be more if the amount of debt is higher or the debt disputed.

However, all of these figures may vary in cases with different circumstances. This is why we will always give you an individual cost estimate at the start of the transaction. If we identify unexpected complications, we will always inform you as soon as we can, and will discuss the potential consequences with you before any extra charges are incurred.

What is the basis of our charges?

For multi-track or additional work outside of the fixed fees, we would provide a quote based on our standard hourly rates. The costs quoted here are based on our standard hourly rates for those individuals who work on these types of matters. Michelmores' standard hourly rates range from £115 to £695 (£138 to £834 including VAT) with different types and complexities of work being dealt with at different rates and levels of seniority. The rates for those working on your matter, and an indication of timescale and costs, will be confirmed if you decide to instruct us.

In addition to our fees for our time spent dealing with the matter, there may be additional costs that you have to pay, these are called disbursements. Disbursements are sums of money which we would pay out to third parties on your behalf in connection with your instruction. More details about disbursements are set out below.

VAT will also be charged on our fees and usually on disbursements.

In every case we will be able to give you details of the costs which would be incurred for your matter, and which individuals would work on your matter, if you decide to instruct us.

Example fee – business-to-business debt that is undisputed:

A typical undisputed business-to-business debt would involve the following actions and timescales:

ACTION	LIKELY TIMESCALE
Sending a pre-action letter of claim	Approximately 2 weeks
Drafting and issuing court proceedings	Approximately 2 weeks from the expiry of the letter of claim

Our fees for an undisputed business-to-business debt as outlined above would usually be £400 (£480 including VAT).

This is a fixed fee based on the following assumptions:

- The matter is not disputed
- The debt is £5,000
- There is no settlement before court proceedings are issued.

There may be additional costs that you have to pay which are disbursements. VAT will also be charged on our fees and usually on disbursements.

What other costs may be incurred?

Our fees do not include any external costs and charges that we may incur as part of the litigation process (e.g. court fees, counsel's fees, travel expenses); these come under the category of disbursements mentioned above and examples of these are set out below:

DISBURSEMENT	COST (EXCLUDING VAT)	COST (INCLUDING VAT, IF ANY)
Court fees	From £35.00	From £35.00
Advocacy fees for attendance at hearings	£240.00 to £3,600.00 or more	£288.00 to £4,320.00 or more
Counsel's fees for advice or opinion	Starting from £900.00	Starting from £1,080.00
Anti-Money Laundering Checks (per individual)	£12.00	£14.40
Anti-Money Laundering Checks (per company)	£30.00	£36.00
Printing/Copying (per A4 page)	£0.09 (B&W) £0.49 (Colour)	£0.11 (B&W) £0.59 (Colour)

If we are required to travel to meetings outside of our offices, we may charge you for the time it takes us to travel to these meetings, and the cost of any other expenses we incur as part of this, for example mileage charges (at £0.45 per mile, £0.54 per mile including VAT), or train or aeroplane tickets.

You will be required to pay a court fee if a claim is issued at court. The amount depends on the value of the claim and can be calculated [HERE](#).

You will be responsible for these items and we will notify you should these costs be incurred.

Is VAT payable?

VAT is charged at the prevailing rate (which is currently 20%) on all our fees, and many of the disbursements which we may incur on your behalf.

Who would do the work and how is it supervised?

Details of the people normally involved in this work are given on our website. Please click [HERE](#).

Each matter will be supervised by a Partner in the Firm. The Partner is responsible for the proper supervision of the lawyers and other staff involved in the matter.

Our Partners are hands-on and involved in day-to-day work and supervision, as well as being key account managers.

What happens if you are not happy about our work or about your bill?

We are committed to providing a high-quality legal service to all our clients. When something goes wrong we need you to tell us about it. This will help us to improve our standards. However, if you have any complaint or concerns about our work or about the bill, see our complaints procedure [HERE](#).