

Sherrards Pricing & Services: Debt Recovery

July 2024

Range of fixed fee for a business-to-business debt that is Undisputed County Court Money Claims

These costs apply where your proposed claim is in relation to an unpaid invoice(s), payable by a business, which is not disputed, and you seek to recover the debt through County Court proceedings. If the debtor disputes your claim at any point, we will discuss with you any further work required and provide you with revised advice about costs, as required. This could either be on a fixed fee basis for some or all of the additional work required (e.g. if a one off letter is required), or an hourly rate if more extensive work is needed.

Below is an example of our fees that could apply to issue court proceedings and seek a Judgment in default in respect of the sums due to you:-

The below examples are based on an hourly charging rate of £250 plus VAT at 20%. Our charging rates for this type of work range between £175-£350 plus VAT at 20%.

Debt Value	Court Fee (Disbursement)	Our Fee
Up to £5,000	up to £205	£750 (plus VAT at 20%)
£5,001 to £10,000	£455	£1000 (plus VAT at 20%)
£10,001 to £200,000	5% value of the claim value	£1,250 (plus VAT at 20%)
Exceeding £200,000	£10,000	£1500 (plus VAT at 20%)

Our Example Fees Set out Include:

- Taking your instructions and reviewing documentation
- Preparing and sending a letter before action to the debtor
- If payment is not received from the debtor following the letter before action, drafting and issuing a money claim through the County Court
- Where no Acknowledgement 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

Anyone wishing to proceed with a claim should note that:

- Not all of our fees can be reclaimed from your debtor.
- Interest and compensation claimable may take the debt into a higher banding, with a higher cost to you.
- Drafting will be conducted by this firm only. In certain circumstances we may advise that Counsel should become involved. If this is the case, additional fees will be charged and agreed with you before being incurred.
- The costs quoted above do not include the cost of any enforcement action which might be required following judgment.
- The work is limited to that referred to above. Any further work required will be charged at the fee earner's hourly charging rate plus VAT at 20%

Matters usually take 3 – 4 weeks from receipt of instructions from you to receipt of payment from the other side, following a letter before action being sent. If payment is not forthcoming and it becomes necessary to issue a money claim through the County Court then the time scale from instructions will be longer than stated above and will be dependent on a variety of factors, including the time taken by the Court to issue the proceedings, and thereafter to process a request for Default Judgment.

We reserve the right to revise the fees estimated above upon receipt and consideration of the papers, and to revert to an hourly charging rate upon notification to you of an overall cost estimate, including VAT at 20% and disbursements [payments to third parties].

Would you like to find out more?



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