

## Whiterose Blackmans Solicitors LLP Information for clients: Debt Recovery Pricing Information

### Introduction

As part of our professional rules, we aim to ensure that anyone wishing to use our services has the information they need to make an informed choice of legal services provider, including understanding what the costs may be.

This guidance outlines the basis for our charges related to **debt recovery services for businesses**, where the debt value is up to £100,000 and the debtor is located in England and Wales. Please note this guidance does not apply to matters which are not strictly debt recovery related, such as Landlord/Tenant matters or for claims in which damages are sought not arising out of a debt.

Below, we provide:

- The estimated range of costs.
- The likely disbursements you may incur, such as Court Fees and Barrister's fees.
- Explaining what is covered within the quoted prices and what stages of the debt recovery process they cover.
- An overview of the key stages in the debt recovery process, including anticipated timescales.

Each case is unique, and various factors may influence both the cost, and the timeframe required to resolve the matter.

### Why instruct Whiterose Blackmans Solicitors LLP?

The process of debt recovery can be daunting if you are dealing with it without legal help. Our Debt Recovery team is headed by Mr Wakash Waheed (Partner), an experienced litigation solicitor. Throughout most of your case, Mr Waheed will personally handle and oversee the matter from start to finish. He brings a wealth of knowledge and extensive expertise in court procedures to ensure your case is handled efficiently and effectively.

| Team                          | Hourly Rate (plus VAT)                          | Years of Experience |
|-------------------------------|-------------------------------------------------|---------------------|
| Mr Wakash Waheed<br>(Partner) | £200.00 (plus VAT of £40) =<br>£240.00 per hour | Grade A - 8 years   |

### Costs

Work carried out on debt recovery matters is either charged at an hourly rate or a fixed fee depending on whichever is appropriate. You will be informed from the outset which will apply.

#### Fixed Fees

A fixed fee means we would agree the scope of the work and you will only be charged that amount irrespective of the time it actually took to carry out that work. If we agree a fixed fee, we will always set out the scope of work that the fee covers, but these are broadly in line with the estimates that you see below covering the work involved in all the key stages set out below.

For example, if you instructed us to prepare a Letter Before Action, our fee estimate below for this work is £200 - £500 plus VAT (plus VAT of £40 to £100) = £240 - £600 (*see under "Pre-issue"*). In appropriate instances, as an estimate, we can agree to fix our fee at a figure in

between this range based on the expected amount of time that is required to be spent. The same process will apply to the other key stages below in line with the estimates provided if we agree a fixed fee.

Hourly Rates

If we agree to proceed on an hourly rate basis, we will give you estimates of costs which will confidently be in line with what you see below. Please note the figures provided below are estimates only. There may be instances where additional or increased fees apply, such as if the matter becomes prolonged or if there are documents to review or other matters to consider in carrying out our services. Rest assured, we will always keep you informed regarding any fees charged by this firm and if we have agreed an hourly rate, will always give you an estimate in line with this. Where appropriate, we would be willing to agree fixed fees for certain stages of work in line with the estimates below.

VAT is currently calculated at 20%.

**Any reference to VAT in this document means it has been calculated at 20% which is the current VAT rate.**

In respect of the estimates provided below, please note the disbursements you are likely to incur are contained in separation section in the tables that you see, titled Disbursement or Court Fee. These are third party expenses.

You may recover some of your fees from the debtor if your claim is successful. As of 1 October 2023, a fixed costs regime was introduced by the then Government for the majority of claims valued between £10,000.00 - £100,000.00. Certain types of claims are excluded from this, but debt recovery claims are captured by the new regime. The fixed costs regime does not affect your retainer with this Firm in respect of the charges to you for the services we provide or the work we carry out on your case. In reality, there may be times where the costs you incur with this Firm exceed the amount you recover under the fixed costs regime.

**Pre-issue**

Letter Before Action

At this stage, we will conduct an initial review of the relevant documents, draft a Letter Before Action, evaluate any response from the debtor, and advise you on the next steps. Our goal is to send the Letter Before Action to the debtor within five working days of receiving all necessary information, though this can vary depending on complexity of the case. The debtor will have either 14 or 30 days to respond, depending on whether they are an individual or a company.

| <b>Debt Value</b> | <b>Disbursement</b> | <b>Our Fee estimate (plus VAT)</b>                  | <b>T i m e Estimate</b>          |
|-------------------|---------------------|-----------------------------------------------------|----------------------------------|
| Up to £100,000    | N/A                 | £200 - £500 (plus VAT of £40 to £100) = £240 - £600 | 8 weeks from date of instruction |

The costs set out in this stage do not include any review of preliminary documents or evidence that would take us more than 30 minutes to review. You will appreciate if we require sight of documents to assist us formulate the letter before action, then any review of documents that takes us longer than 30 minutes to review will either be agreed with you on a fixed fee basis or an hourly rate depending on whichever is appropriate.

Please also note the costs for this Firm to liaise with the debtor in relation to settlement or the debt itself are not included in this stage (see below).

### Pre-issue discussions/negotiations

Any negotiations with the debtor, following our advice on their response to the Letter Before Action (via telephone, post, and/or email), and prior to initiating court proceedings, will be charged at the applicable hourly rate. We anticipate that pre-issue discussions or negotiations, if necessary, will not exceed 2-3 hours over a period of four weeks, but this estimate could change depending on any evidence that may need to be reviewed that might be presented by the debtor.

| Debt Value     | Disbursements | Our Fee estimate (plus VAT)                         | Time Estimate |
|----------------|---------------|-----------------------------------------------------|---------------|
| Up to £100,000 | N/A           | £300 - £500 (plus VAT of £60 to £100) = £360 - £600 | 4 weeks       |

This estimate does not include the cost of monitoring compliance with any repayment plan that may be agreed upon with the debtor.

### Post-issue

If the debtor fails to respond to the Letter Before Action or disputes the debt and negotiations reach an impasse, County Court proceedings may be initiated to prompt payment, re-engage in negotiations, or pursue recovery through the court process. Please note that once County Court proceedings are issued, it may take 12 to 18 months for the Court to schedule a final hearing.

### Issuing a Claim Form

Issuing a Claim Form (on the assumption that the preparation of the claim is straightforward and submitted online via the Court's MCOL Service).

| Debt Value      | Court Fee (Disbursement) | Our Fee estimate (plus VAT)                 | Time Estimate                                                                               |
|-----------------|--------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------|
| Up to £300      | £35                      | £ 250.00 (plus VAT £50.00)<br>= £ 300.00    | Within 5<br>working days<br>of instruction<br>and receipt of<br>all required<br>information |
| £300 - £500     | £50                      | £ 250.00 (plus VAT £50.00)<br>=<br>£ 300.00 |                                                                                             |
| £500 - £1,000   | £70                      | £ 250.00 (plus VAT £50.00)<br>=<br>£ 300.00 |                                                                                             |
| £1,000 - £1,500 | £80                      | £ 250.00 (plus VAT £50.00)<br>=<br>£ 300.00 |                                                                                             |
| £1,500 - £3,000 | £115                     | £ 300.00 (plus VAT £60.00)<br>=<br>£ 360.00 |                                                                                             |
| £3,000 - £5,000 | £205                     | £ 400.00 (plus VAT £80.00)<br>=<br>£ 480.00 |                                                                                             |

|                    |                      |                                                                           |
|--------------------|----------------------|---------------------------------------------------------------------------|
| £5,000 - £10,000   | £455                 | £ 500.00 (plus VAT £100.00) = £600.00                                     |
| £10,000 - £100,000 | 5% of value of claim | £ 500.00 - £5,000.00 (plus VAT £100.00 - £1,000.00) = £600.00 - £6,000.00 |

### Defence

If the Defendant submits a Defence to the claim, we will provide you with a fee estimate to help you assess whether it is financially viable to proceed, along with advice on the likelihood of success based on the information contained in the Defence. In order to do this, we may need to refer the matter to Counsel (Barrister) for advice on prospects depending on the complexity of the matter.

### Instruction of Counsel (Barrister)

Counsel may charge a fee for their services to advise or carry out any work, but we will always source the most suitable Counsel for your matter, depending on expertise. We will always let you know their fee indication inc VAT so you can make an informed decision.

The amount Counsel (Barrister) charge will depend on factors such as the volume of documents involved in your case, issues raised in the Defence and the seniority / expertise of counsel.

The hourly rate as outlined above, and the following Court Fee would apply if the matter proceeds to a final hearing, unless we are able to agree fixed fees for certain stages of work.

| Debt Value         | Court Fee (Disbursement) | Time Estimate                           |
|--------------------|--------------------------|-----------------------------------------|
| Up to £300         | £25                      | 12 – 18 months to reach a final hearing |
| £300.01 - £500     | £55                      |                                         |
| £500.01 - £1,000   | £80                      |                                         |
| £1,000.01 - £1,500 | £115                     |                                         |
| £1,500.01 - £3,000 | £170                     |                                         |
| More than £3,000   | £335                     |                                         |

### Judgment

If the debtor fails to respond to the claim within 14 days of service of the Claim Form, or admits liability for the full amount, you may request the Court to enter Judgment against the debtor. Typically, the Court will issue Judgment within 1 to 2 weeks from the date of the request.

| Debt Value     | Disbursements | Our Fee estimate (plus VAT)          | Time Estimate                    |
|----------------|---------------|--------------------------------------|----------------------------------|
| Up to £100,000 | N/A           | £ 100.00 (plus VAT £20.00) = £120.00 | 1 – 2 weeks from date of request |

This estimate does not cover the cost of addressing any application the debtor may file to set aside the judgment. Any such costs will be charged at an hourly rate.

### Enforcement

If the debtor fails to pay any judgment rendered against them, enforcement can be pursued through the following methods:

| Enforcement Action                                        | Disbursements                                                               |                   | Our Fee estimate(plus VAT)           | Time Estimate         |
|-----------------------------------------------------------|-----------------------------------------------------------------------------|-------------------|--------------------------------------|-----------------------|
| Charging Order                                            | Land Registry Search Fee<br>Court Fee<br>Registering Interim Charging Order | £3<br>£110<br>£40 | £ 400.00 (plus VAT £80.00) = £480.00 | Approx. 12 weeks      |
| County Court Bailiffs                                     | Court Fee                                                                   | £83               | £ 200.00 (plus VAT £40.00) = £240.00 | Approx. 6 - 12 months |
| High Court Enforcement                                    | Court Fee for obtaining Writ of Control (valid for 12 months)               | £ 71              | £ 300.00 (plus VAT £60.00) = £360.00 | Approx. 3-9 months    |
|                                                           | Abortive Fee if unsuccessful                                                | £75               | £ 300.00 (plus VAT £60.00) = £360.00 | Approx. 3-9 months    |
| Application for Third Party Debt Order                    | Court Fee                                                                   | £ 119             | £ 300.00 (plus VAT £60.00) = £360.00 | Approx. 3-6 months    |
| Attachment of Earnings Order                              | Court Fee                                                                   | £ 119             | £ 300.00 (plus VAT £60.00) = £360.00 | Approx. 3-6 months    |
| Application to call the debtor into Court for questioning | Court Fee<br>Bailiff service of Order                                       | £59<br>£119       | £ 400.00 (plus VAT £80.00) = £480.00 | Approx. 3 - 6 months  |

Please note that the fees outlined above are based on the assumption that the debtor does not challenge any enforcement actions taken. Increased fees (charged at an hourly rate) may apply if the debtor contests the enforcement action, leading to the Court scheduling a hearing. Typically, enforcement actions take approximately 3 to 6 months to resolve.

Please also note that the fees mentioned above do not include costs for negotiating with the debtor if they wish to reach a payment agreement after enforcement action has commenced. In such cases, any negotiations will be charged at the applicable hourly rate. We anticipate that these negotiations, if the debtor is cooperative and forthcoming with

information regarding their financial circumstances, will not exceed 2 to 3 hours over a period of four weeks.

We cannot guarantee that enforcement action will result in the payment of the judgment debt, as this will depend on the debtor's asset position.

### **Our Debt Recovery Team**

#### **Wakash Waheed**

#### **Head of the Civil and Commercial Litigation Department – Solicitor/Partner**

Wakash is Head of the Civil and Commercial Departments. He has been a practicing Solicitor for over 8 years and advises and represents on a wide range of legal matters relating to general civil and commercial matters.

### **WHITEROSE BLACKMANS SOLICITORS LLP**

Update: September 2024