

## Guidance on Debt Recovery Fees

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### Debt Recovery for businesses up to the value of £100,000 - cost and service information

#### Our Services

Boodle Hatfield has a wealth of experience in helping clients with debt recovery.

Our advice and assistance generally includes the following:

- Advice on the debt claim
- Advice on settlement/alternative dispute resolution (ADR)
- Preparation of all associated Court documents (with the assistance of Counsel, as required)
- Advice as the claim progresses at each stage
- Advice on enforcement once a Court order is obtained

Please see our [Overview](#) for a fuller summary of the key stages involved and the likely timescales.

#### Our Team

We have an experienced team of lawyers available to help with debt recovery matters.

A Partner in our Litigation team will have overall responsibility for each matter and will supervise the work of the team very closely. The day to day work will usually be handled by an Associate with support from Legal Assistants or Trainee solicitors as required. All Partners and Associates of the firm are fully qualified solicitors.

We will provide you with details of the experience and qualifications of the team dealing with your debt recovery matter when confirming our appointment.

The details of the full Litigation team can be viewed on our website [here](#).

#### Our Fees

Our fees for debt recovery for businesses work are based on the time we spend on the matter at the applicable hourly rates in force at the time. They are not dependent on the size of the debt (see Terms of Business [here](#) for more information).

Our hourly rates depend on the level of experience and seniority of the person undertaking the work. We always seek to have work carried out at the appropriate level to be as cost-effective as possible for our clients. Our current hourly rates for this type of work range between the following amounts:

- Partners £440 - £475 plus VAT per hour
- Associates £275 - £440 plus VAT per hour
- Trainee solicitors £175 - £195 plus VAT per hour
- Legal assistants £145 - £175 plus VAT per hour

All rates are subject to the addition of VAT at 20% where the work relates to UK land or the client is based in the UK or European Economic Area.

## Disbursements

Disbursements are costs and expenses related to a matter that may, though not always, be payable to third parties, such as court fees. We handle the payment of the following disbursements on behalf of clients on typical debt recovery matters to ensure a smoother process and these are charged in addition to our fees such as:

- **Court fees** (no VAT is payable on Court fees)
- Counsel's fees (plus VAT)
- Photocopying large numbers of documents (for bundle preparation for example) (plus VAT)
- Courier fees (plus VAT)

The following costs may be also payable which are additional to the charges for our services and the disbursements mentioned above:

- Costs of tracing debtor (if address not known) (plus VAT)
- Costs of e-disclosure specialist providers (plus VAT)
- Expert fees (plus VAT)

## Typical costs

We do not charge fixed fees for this type of work. The costs (and length of time it will take) will depend upon how complex the debt claim is. While we cannot give exact prices for the total cost of the advice, the following ranges are given as a guide for budgeting purposes only.

For a straight-forward debt recovery claim for a known debt (not a damages claim) owed by another business our fees range from around £7,500 to £12,500 plus VAT and disbursements up to the hearing, to about £12,500 to £25,000 for a more complex debt recovery matter with more complicated facts or more than one contract involved for example.

A straight-forward debt recovery claim is one where:

- Documents are all in order (i.e. signed and executed correctly) and not disputed and are provided in a coherent, organised fashion
- Only limited disclosure is necessary (no electronic disclosure)
- Only limited witness evidence is required
- No expert evidence is required
- Assuming half a day hearing with a junior barrister attending (Counsel's fees in addition)

A junior barrister's (up to 2 years call) hourly rate would be between £125 and £225 plus VAT per hour. A more senior barrister's hourly rate would be higher. We would expect junior Counsel's fees for half a day's hearing to range from £750 to £2000 plus VAT. The facts of the case and number of documents will impact how long it takes Counsel to prepare for the hearing. We will always advise in advance of Counsel's estimated fees.

If successful and the Court makes an order, the costs of enforcing the order (if necessary) will depend on the method of enforcement that is pursued.

These figures may however vary according to the circumstances of each matter. That's why we always give an individual cost estimate at the start of each matter taking into account the features of the case. If complications arise, we will always advise on the potential impact on costs before any additional charges are incurred.

More complex matters will incur further costs such as in a case where:

- Documents are not complete or have not been executed properly
- Papers are not provided in an organised way
- Further investigation and advice in respect of any counterclaim is required
- Expert evidence is required
- Electronic disclosure is required or anything other than limited disclosure
- Conferences with Counsel are necessary

- Multiple witness statements are required
- Tracing the defendant is necessary
- Service other than by post within the jurisdiction is required
- Dealing with insolvency is necessary
- The defendant is acting as a litigant in person
- The defendant is an individual - therefore the Pre-Action Protocol for debt claims applies

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