

How does Debtlink work?

Four easy steps to recovering your debt

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LETTER OF CLAIM

2

ISSUE THE CLAIM

3

REQUEST JUDGMENT

4

ENFORCING JUDGMENT

Our debt recovery experts

Our team has over 40 years of collective experience in collecting debts and commercial litigation.

We have 3 members of the team who may work on your matter - Luke Richards, Tyler Richards and a trainee.

They will be supervised by Toby Claridge and Jeremy Crook.

More details regarding the Debtlink team can be found on the web-site page and their biographies <https://www.stephens-scown.co.uk/business/corporate-and-commercial/debt-recovery/>

Stage 1 - Letter of Claim

Our initial Letter of Claim demanding payment is usually enough to encourage payment of the debt. Over 50% of debtors provide payment upon receiving our letter.

For **£70 plus VAT** we will:

- Take your instructions;
- Prepare and send a Letter of Claim to your debtor (including contractual or statutory interest if appropriate); and
- Forward any payment received from your debtor to you.*

* Please note in some cases you could recover the debt, interest, an additional statutory penalty and 100% of your legal costs.

Stage 2 - Issue the Claim

In the event that payment is not received following the Letter of Claim, we can issue a claim on your behalf. That claim will include either contractual, or statutory interest and you will also need to pay a Court issue fee depending on the value of your claim.

Our costs of issuing the claim are based on the value of your claim. If the claim is undisputed and the debtor pays you will recover the debt, interest, a statutory penalty (if relevant), the court fee and up to 100% of your legal costs.

Court fees and our fixed costs for issuing claims in relation to undisputed debts

Debt value (including any interest claimed)	Court fee not subject to VAT	Our fee (plus vat)	Total (including VAT)
Up to £300	£35	£150	£215
Greater than £300 but no more than £500	£50	£150	£230
Greater than £500 but no more than £1,000	£70	£200	£310
Greater than £1,000 but no more than £1,500	£80	£225	£350
Greater than £1,500 but no more than £3,000	£115	£250	£415
Greater than £3,000 but no more than £5,000	£205	£275	£535
Greater than £5,000 but no more than £10,000	£455	£300	£815
Greater than £10,000 but no more than £15,000	5% of the value of the claim	£350	between £920 and £1,170 depending on the value of the claim
Greater than £15,000 but no more than £50,000	5% of the value of the claim	£400	between £1,230 and £2,980 depending on the value of the claim

Stage 3 - Request judgment

If the debtor either admits or fails to acknowledge or defend the claim we will request judgment on your behalf. There is no court fee for this but we will charge an additional fee for that request depending on a) the value of your claim (including interest) and b) whether the debtor has admitted the claim or failed to acknowledge or defend it.

When you obtain judgement it will include the debt, interest, a statutory penalty (if appropriate), the court fee, up to 100% of your legal costs up to and including the issue of the claim and a contribution towards our costs for requesting judgment.*

Fixed costs for requesting judgment in relation to undisputed debts

Type of request	Value of claim (including interest)	Our fee (plus VAT)
Request for judgment in default of acknowledgment of the claim	Between £25 and £5,000	£72
Request for judgment in default of acknowledgment of the claim	Over £5,000	£80
Request for judgment in default of the debtor defending your claim	Between £25 and £5,000	£75
Request for judgment in default of the debtor defending your claim	Over £5,000	£85
Request for judgment on the debtor's admission of your claim and your acceptance of the debtor's offer to pay	Between £25 and £5,000	£90
Request for judgment on the debtor's admission of your claim and your acceptance of the debtor's offer to pay	Over £5,000	£105
Request for judgment on the debtor's admission of your claim where the Court decides the date and time for payment	Between £25 and £5,000	£105
Request for judgment on the debtor's admission of your claim where the Court decides the date and time for payment	Over £5,000	£120

* Please note in some cases the statutory penalty could mean that you will recover all of our costs for requesting judgment.

Stage 4 - Enforcing judgment

If you obtain judgment and the debtor fails to pay you have various options to enforce the judgment. Details of the related Court fees and our costs are set out below.

If you successfully enforce the judgment you will recover the judgment debt plus the Court fee and an amount in relation to our costs for enforcing the judgment.*

Enforcement Option	Court Fee	Our fee (plus VAT)
Warrant of Control - County Court	£110	£50
Re-issue Warrant of Control	£33	£25
Writ of Control (for judgment debts in excess of £600) - High Court	£71	£115
Charging Order	£119	£200
Attachment of Earnings Order	£119	£100 + £75 for each attendance at a hearing
Third Party Debt Order	£119	£150

Key points

Anyone wishing to proceed with a claim should note that:

- The VAT element of our fee cannot be reclaimed from your debtor if you are VAT registered.
- Interest claimed on your debt may take the debt into a higher banding, with a higher Court issue fee and costs.
- Please note that the Late Payment of Commercial Debts (Interest) Act 1998 (the Act) allows you to claim interest from the date for payment of each invoice. For applicable debts, if your debt is comprised of a number of invoices we will claim interest under the Act in relation to the total amount due but it will only be from the date for payment of your last invoice. We can claim interest in relation to each invoice at an additional cost. If this is something you are interested in please speak with us.

Optional extras

- Processing and administering any instalment payments at a cost of £15 plus VAT per instalment.
- Initial advice on options if a claim is disputed at a cost of £70-£150 plus VAT depending on complexity.
- Initial advice on enforcing the judgment at a cost of £75 plus VAT.
- Enforcing the judgment via a statutory demand at a cost of £300 plus VAT. Please note that the process server's fees for serving the demand will be in addition. Initial advice on any response to the statutory demand will be at a cost of £150 plus VAT.
- Application for debtor to attend court for questioning at a cost of £120 plus VAT plus a Court fee of £59. Preparation of additional questions for examination at a cost of £70 plus VAT. Please note that process server's fees will be in addition to these costs.
- Any additional work not included above will be charged on a time spent basis at an hourly rate of £140 plus VAT.

Exclusions

- Making external enquiries or advising you on whether your debtor has sufficient assets.
- Contacting the debtor to request payment once judgment has been obtained.
- Any debts in excess of £50,000 (these are not included in the Debtlink service). To discuss debts over £50,000 please contact a member of the team.

Timescales

Timescales will largely depend on how the debtor responds to your Letter of Claim or Claim. If Court proceedings are not necessary, matters usually take around 2 to 5 weeks from receipt of instructions from you to receipt of payment from the debtor. If it is necessary to issue a claim and the debtor pays promptly on receipt of the claim or judgment, then matters usually take around 2 to 3 months to conclude. These are however general guidelines and additional factors such as whether the debtor is a Limited Company or an individual and how quickly the Court deals with your claim can cause matters to be delayed.

If enforcement action is needed, the matter will take longer to resolve.

* Please note there could be a shortfall in the recovery of your enforcement costs.