

Our Commercial Debt Recovery Service

Our commercial debt recovery team offer an efficient and effective service which is now available on a fixed fee basis. We can obtain a County Court Judgment on your behalf at a fixed cost of £100 plus VAT (and court fee).



The debt recovery process

At Neil Myerson we understand how important it is for every business to convert outstanding debts into payment as quickly as possible. This is why we offer a professional and cost effective service to recover these debts on your behalf.

Letter of Demand

For debts under £10,000 all you need to do is send us the completed commercial debt instruction form, (available on request or as a download from our website) and we will immediately send out a letter of demand to the debtor. This letter will demand payment within 7 days and threaten court proceedings if payment is not made within this time.

In some circumstances it may be more appropriate at this stage to serve a statutory demand on a debtor. Further details of this process and the costs involved are available on request.

Issuing Proceedings

We will contact you again (at the end of the 7 day period) to confirm whether or not the debtor has responded to our letter or settled the debt. If not, on receipt of your instructions and the appropriate court fee we will issue proceedings in the county court.

Once proceedings have been issued the debtor has 14 days to respond to the claim and up to 28 days to serve any defence.

If the debtor files a defence the matter will be passed to our commercial litigation department and you will be given specific advice relevant to your particular matter.

Entering Judgment

If the debtor fails to respond to the proceedings within 14 days we will ask the court to enter Judgment in default for the debt, interest and fixed costs. This is a County Court Judgment (CCJ) and if it is not paid within one month of the date of the Judgment, will be entered against the name of the debtor at the Central Registry of Judgments. Credit reference agencies use this information when carrying out credit checks. An unsatisfied Judgment i.e. a Judgment that has not been paid will affect an individual's or a Company's ability to obtain credit. Judgment debts of £5000 or over will continue to carry interest until paid or settled.

Our Fees

The following costs (plus VAT) will apply to an undefended claim up to the point that Judgment is entered.

1. **Letter of Demand** - £15 per letter for debts under £10,000
2. **Issuing Proceedings** - £65 (plus court fee)
3. **Entering Judgment** - £20

TOTAL COST OF OBTAINING A JUDGMENT - £100 (PLUS VAT AND COURT FEE)

Any sums recovered from the debtor in respect of costs shall be paid to this firm (applies to fixed fee undefended claims only). The maximum you will be charged is therefore £100 plus any costs recovered.

Please note that where a claim is defended and the matter is referred to our litigation department our usual fees will apply. Our usual fees are based on the time spent on a particular matter and will be charged at our standard hourly rates.

Enforcing a Judgment

Obtaining a Judgment against a debtor does not mean that you will automatically receive payment of the Judgment debt. The Judgment is a court order that enables you to take further steps to enforce the Judgment against the debtor to recover the debt. There are a number of methods of enforcing a Judgment and the method used will depend on the assets of the debtor. We can discuss your options in more depth with you at the appropriate time. Any background information that you have about the debtor will assist in deciding the most effective method of enforcement to use:

The methods of enforcement are:

- a. **Charging Order** - this is a charge against the property of a debtor and places a restriction on the registered title of the property. The debtor will be unable to remove the restriction without your consent. Once you hold a charging order it is also possible to make an application to the court to sell the charged property to recover the Judgment debt.
- b. **Bailiffs** - can visit the property of the debtor and seize goods to the value of the Judgment debt.
- c. **Statutory Demand** - this is a formal demand for payment and is a precursor to other insolvency action against either an individual or a company.
- d. **Winding Up Petition** - this is an application to the court to wind up a company on the basis that it is unable to pay its debts as they fall due.
- e. **Bankruptcy Proceedings** - this is an application to the court to make an individual bankrupt on the basis that they are insolvent and unable to pay their debts as they fall due.
- f. **Attachment of Earnings Order** - this is an order by the court that a debtor's employer must pay some of the debtors earnings into court. The court then releases monies in part payment of the debt. This continues on a regular basis until the Judgment debt is paid in full.
- g. **Third Party Debt Order** - this order is usually made against a bank or building society and orders a third party who owes money to the debtor to pay money to you in part or full satisfaction of the Judgment debt.

WE CAN ALSO AGREE A COMPETITIVE FIXED FEE STRUCTURE FOR DEBTS OVER £10,000. PLEASE CONTACT A MEMBER OF OUR DEBT RECOVERY TEAM FOR MORE DETAILS.

If you require any further assistance please do not hesitate to contact us or visit our website:

The Commercial Debt Recovery Team – All members of the commercial debt recovery team are qualified solicitors experienced in all aspects of commercial litigation.



Sarah is the first point of contact for all commercial debt recovery matters and manages the whole recovery process.

Sarah Wellicome
sarah.wellicome@neilmyerson.co.uk



Adam is a solicitor in the commercial litigation department and deals with a wide range of debt recovery and other litigation matters.

Adam Maher
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Tim is a partner in the commercial litigation department with many years of experience of the debt recovery process and commercial litigation.

Tim Norman
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Our commercial litigation department can also advise you and your business in relation to a wide range of commercial litigation issues including:

Contract disputes
Shareholder and partnership disputes
IT and intellectual property disputes
Property disputes
Mediation and alternative dispute resolutions

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