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JEFFERIES' DEBT RECOVERY

Jefferies offer a full range of services for both personal and business-to-business debt collection, from high volume to intermittent debts. Our specialist debt recovery team have a high success rate in recovering debts, often before County Court proceedings have to be issued.

We also have considerable experience of dealing with the trickier aspects of enforcing judgments obtained in the County Court, which can include obtaining charging orders over property owned by a debtor (or guarantor) and instructing the High Court Enforcement Officer to levy execution against a debtor's assets or goods.

Our targeted services are both timely and cost-effective, which is of paramount importance in a sector where speed is of the essence. We take a streamlined case management approach to ensure that our clients are at the front of the queue when chasing payment from elusive or intransigent debtors.

We set out below the steps that can be taken to attempt to recover a debt, from writing an initial letter to the debtor demanding payment, through to enforcement methods, and the fees that will apply at each stage. The tables will help you to make a commercial decision about the amount you wish to pay to take action to recover a debt, the stages you wish to pursue, and the amounts you may be able to recover from the debtor, in order that the cost of enforcement does not become disproportionate the size of the debt.

STEP 1 - THREAT OF LEGAL ACTION AND DEMAND FOR PAYMENT

Once you instruct us to pursue the debtor, we will undertake an initial review of the relevant documentation and then carry out a web-based search to ensure that the debtor is not insolvent. If the debtor is a company, we will also carry out a search of Companies House and for alternative addresses.

We will then write a solicitor's letter to the debtor demanding payment of the money owed, and threatening Court proceedings (or insolvency proceedings). This initial step can often prompt payment, or proposals for payment from the debtor, which makes the process swift and cost effective.

We aim to send the Solicitors letter within 10 days of instructions. The Debtor is given 30 days to make payment in full.

Where the debtor is a company or business, you may be entitled to interest and compensation on the sum owed under the Late Payment of Commercial Debts (Interest) Act 1998. We will explain this to you in more detail when you instruct us.

Note that under the new Pre-Action Protocol for Debt Recovery matters, if you are a business pursuing an individual for a debt (including a sole trader or guarantor), there are procedures and time limits that should be complied with. More information about this can be found **here**.

The table below sets out our fee for dealing with Step 1, where the debt is paid immediately, and no disputes or defences are raised. The amount payable depends on the amount of the debt owed, and the fixed fee ranges are set out in this table

DEBT OWED	OUR FEE
Up to £1,000	£80 plus VAT
£1,001 to £5,000	£100 plus VAT
£5,001 to £10,000	£150 plus VAT
£10,000 +	£200 plus VAT

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STEP 2 – OPTION A: ISSUING A COUNTY COURT CLAIM

We will discuss with you the best course of action at the outset of Stage 2.

If the solicitor's letter does not prompt payment, and no dispute is raised by the debtor, we will commence formal legal proceedings, by issuing a claim in the County Court against the debtor. The Court will "issue" the claim, normally within 10 days, and then send it to the debtor, who will have 14 days to respond to the claim or pay the debt. This is Option A.

If the debtor does not respond to the claim or pay the debt, we will request that a County Court judgment is entered against them. The Court ordinarily send the Judgment out within 10 days.

Once judgment has been entered, you may be entitled to recover certain "fixed" costs from the debtor. This is the Court fee that was paid on issue of the claim plus a fixed amount as a contribution towards your legal costs.

Our fees depend on the amount that is owed to you by the debtor. The table below sets out the fees and Court fees that will be payable in Stage 2 (Option A), where the claim is undefended, and the amount that is usually recoverable from the debtor.

DEBT OWED	OUR FEE	COURT FEE	RECOVERABLE FROM DEBTOR
Up to £1,000	£120 plus VAT	£35 to £70	£85 to £140
£1,001 to £5,000	£180 plus VAT	£80 to £205	£160 to £285
£5,001 to £10,000	£250 plus VAT	£455	£555
£10,001 to £50,000	£350 plus VAT	5% of value of claim	Court fee + £100
£50,001 to £100,000	£450 plus VAT	5% of value of claim	Court fee + £100
£100,001 to £200,000	£550 plus VAT	5% of value of claim	Court fee + £100
£200,001 +	£650 plus VAT	£10,000	£10,000 + £100

STEP 2 – OPTION A: ISSUING A COUNTY COURT CLAIM

If the solicitor's letter does not prompt payment, and no dispute is raised by the debtor, you may choose (as an alternative to County Court proceedings), to commence insolvency proceedings against the debtor. We will discuss with you the best course of action, and whether Option A or Option B is preferable.

This will involve sending a "statutory demand" to the debtor, which will threaten insolvency proceedings (either bankruptcy or winding up in the case of a company) if payment is not made.

To commence formal insolvency proceedings, you must be owed:

(a) more than £750 for a debt owed by a company, and

(b) more than £5,000 for a debt owed by an individual.

Our fees for sending a statutory demand to the debtor will depend on the amount you are owed. Our fees for an unopposed statutory demand are set out in the tables below. A statutory demand will need to be personally handed to the debtor, and so the tables also include the likely fee for a "process server" to deliver the demand to the debtor. Please note that the process server's fee may exceed the amount set out in the tables below, if the debtor proves difficult to locate.

To serve statutory demand on a company:

DEBT OWED	OUR FEE	PROCESS SERVER'S FEE (ESTIMATED)
Between £750 and £10,000	£250 plus VAT	£100 to £150 plus VAT
£10,001 +	£350 plus VAT	£100 to £150 plus VAT

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To serve statutory demand on an individual:

DEBT OWED	OUR FEE	PROCESS SERVER'S FEE (ESTIMATED)
Between £5,000 and £10,000	£250 plus VAT	£100 to £150 plus VAT
£10,001 +	£350 plus VAT	£100 to £150 plus VAT

STEP 3 - ENFORCEMENT ACTION

Where you have obtained a County Court judgment against the debtor (i.e. where steps 1 and 2, Option A have been completed), if the debtor does not pay the debt, we will discuss with you the most appropriate way to "enforce" the judgment against the debtor to recover the money owed to you.

There are a number of different enforcement methods that can be undertaken. One of the most common is to instruct a High Court Enforcement Officer (bailiff) to attempt to seize assets, goods or money owned by the debtor, in order to sell them if the debtor fails to make payment.

Where the debtor owns a property in their name, it may be possible to obtain a "charging order", which is essentially an order of the Court, securing the debt against the debtor's interest in the property. When the property is sold, you would be entitled to payment of your debt out of the sale proceeds.

Whilst not an enforcement method in itself, if further information is required about the debtor's financial means, employment and assets, we can apply to the Court for an order that the debtor attends at Court for questioning. The debtor will be ordered to attend Court and will have to answer questions about their financial circumstances.

The table below sets out our fees for dealing with the main types of enforcement action. We will of course discuss with you at the outset and at stage 3 the method of enforcing the judgment which potentially has the best chance of success.

ENFORCEMENT ACTION	OUR FEE	COURT FEES
Application for an order that the debtor attends Court for questioning	£120 plus VAT	Court fee: £55 + process server's fee £100 to £150 plus VAT
Application for Writ of Control - High Court Enforcement Officer (Bailiff)	£120 plus VAT	Court fee: £66 If unsuccessful bailiff's fee of £75 plus VAT is payable
Application for attachment of earnings order	£120 plus VAT	Court fee: £110
Application for Third Party Debt Order	£150 plus VAT	Court fee: £110
Charging Order (if undefended)	£300 plus VAT	Court fee: £110 Land Registry search fee: £3 to £6 Land Registry restriction fee: £40

STEP 4 - INSOLVENCY PROCEEDINGS

Where we have sent a statutory demand to the debtor, or alternatively when you have obtained a County Court judgment against the debtor, you may choose to commence formal insolvency proceedings. This involves presenting at Court a "petition" against the debtor for a bankruptcy order if the debtor is an individual or a winding up order if the debtor is a company.

We can discuss with you the procedure and the possible consequences of formal insolvency proceedings at the outset and at Step 4.

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The table below sets out the likely fees for dealing with an uncontested bankruptcy or winding up petition. Please note that the fees set out in the table below are estimates only and may be subject to change depending on the circumstances of the case.

For an undefended bankruptcy petition:

OUR FEE (ESTIMATED)	**£1,200 to £1,500 plus VAT**
Court fee on presentation of petition	£280
Search fee on presentation	£11 or £45
Official Receiver's Deposit (as at 26th November 2018)	£990
Process server's fee (estimated)	£100 to £150 plus VAT
London Gazette publication fee (estimated)	£90 plus VAT
Advocacy fees (estimated)	£200 to £250 plus VAT

For an undefended winding up petition:

OUR FEE (ESTIMATED)	**£1,500 to £1,800 plus VAT**
Court fee on presentation of petition	£280
Search fee on presentation	£11 or £45
Official Receiver's Deposit (as at 26th November 2018)	£1,600
Process server's fee (estimated)	£100 to £150 plus VAT
London Gazette publication fee (estimated)	£90 plus VAT
Advocacy fees (estimated)	£200 to £250 plus VAT

Please note:

- The Court fees set out above are subject to review and change. The fees set out above are correct as at 26th November 2018.
- The official receiver's deposit is subject to review and change. The deposits set out above are correct as at 26th November 2018.
- You may not be entitled to recover the VAT element of our fees from the debtor.
- Interest and compensation may take the debt into a higher Court fee band.
- Where fees are estimated, we will provide you with an up to date fee estimate at the outset of the case.

CONDITIONAL FEE ARRANGEMENTS (CFA) / DAMAGE BASED AGREEMENT (DBA)

It may be possible for us to act on the basis of CFA or DBA. This depends upon our discretion following an assessment of viability of your case. It would normally take 2-4 weeks for us to complete our assessment on the merits of your claim. There is no cost for this assessment. If we act on this basis you will be advised of the full terms of the agreement, including a success fee, if any. You will be responsible for the disbursements as detailed above..