

## Debt Recovery

### Up To £100,000 Pricing Guide

Effectively managing late or non-payment of debts is key to reducing the risk of overdue payments turning into bad debts. If it is a business debt, maintaining your business' reputation is also an important commodity and goes hand in hand with debt recovery. The Dispute Resolution team at Herrington Carmichael provides bespoke debt collection services for individuals and businesses, with experience in all business sectors and industries. We provide a comprehensive debt collection service to assist you in recovering your debts and aim to make our charges as clear as possible.

We are required by the Solicitors Regulation Authority to publish the pricing information below. Please note, the below is applicable only to the stated circumstances, and unless a fixed fee is stated it is purely an indicative guide. Please contact us for an accurate fee proposal based on your particular facts and circumstances. This type of work is supervised by the Head of Department, Stephen Baker.

#### A) UNDEFENDED DEBT RECOVERY (INVOICES)

Hourly rates:

|                                                                                                          | £ excl VAT at 20% | £ incl VAT at 20% |
|----------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Debt Recovery Paralegal / Senior<br>Apprentice Solicitor / Trainee Solicitor<br>("Debt Recovery Lawyer") | £195              | £234              |

#### Sending the Debtor a Letter of Demand / Letter Before Court Action

We offer a fixed fee of £240.00 incl VAT at 20% (£200.00 excl VAT at 20%) for a single letter of demand or Letter Before Action (LBA) relating to up to five undisputed unpaid invoices only. All other LBAs are charged on a time spent basis – please see Section B below.

Our fee includes:

- Taking your instructions and reviewing documentation
- Undertaking appropriate searches with the Individual Insolvency Register and Companies' House online
- Receiving payment and sending it to you if the debt is paid (payment is made by BACS – other methods of payment may incur additional charges)
- Preparing a first draft of a letter of demand or LBA; and
- Sending a letter of demand or LBA by post and / or email (personal service will incur additional charges)

For a matter to be eligible for this fixed fee price structure, the service is provided on a number of assumptions, and we will need to be supplied with the following information/documents:

1. Full name and current address of the debtor
2. Copies of the outstanding invoice(s) issued to the debtor by you or some other document showing the debtor owes you money, e.g. statement of account
3. If there has been partial payment of the debt, an up-to-date statement showing the balance that is still due
4. If you want to add interest for late payment under your contract terms, a copy of the terms
5. Any emails or other correspondence where the debtor has admitted the debt and/or given some explanation as to why it has not been paid

## Assumptions

1. Your claim is against a single debtor based in England & Wales
2. Your claim is in relation to unpaid invoice(s) which are not disputed
3. Excluding the invoices themselves, there are only a limited number of supplemental documents (not more than 5) to review; and
4. Your claim is for a simple, undisputed debt claim with no added complexities or complications such as working out the correct legal entity that owes the debt

The fixed fee assumes you can provide the above information in a single or limited number of email communications. If we have to carry out investigations because e.g. information is missing, or the identity/location of the debtor is unclear, etc., that work will be charged on a time spent basis at an hourly rate of £195.00 plus VAT.

If the debtor is an individual or an unincorporated business (i.e. not a Company), we are required to give them at least 30 days to respond to the LBA.

**NOTE: We do not offer fixed fee arrangements covering the entire duration of the matter to our clients. The eventual cost of dealing with your matter until its conclusion is dependent on the time spent calculating the claim, reading the relevant documents you provide, and case developments generally.**

**If the debtor is disputing the sum, we cannot deal with it under the fixed fee. We will be able to review the papers, advise and act for you in a disputed claim but all of that work will be charged on a time spent basis and we will provide you with a fee estimate based specifically on the individual needs of your case – please see section B below.**

## Issued Court Claims

These costs apply after the LBA where your claim is in relation to an unpaid invoice(s) which is/are not disputed, a claim is issued with the Court and enforcement action (such as instructing bailiffs and High Court Enforcement Officers) is not needed following judgment. If the other party disputes your claim at any point, we will discuss any further work required and provide you with revised advice about costs, if necessary, which could be on a fixed fee (e.g. if a one-off letter is required), or an hourly rate if more extensive work is needed – please see Section B below.

| Debt Value              | Court Fee (no VAT applicable) | £ excl VAT at 20%                                             | £ incl VAT at 20%                          |
|-------------------------|-------------------------------|---------------------------------------------------------------|--------------------------------------------|
| Up to £300.00           | £35.00                        | Time spent basis at an hourly rate of £195                    | Time spent basis at an hourly rate of £234 |
| £300.01 to £500         | £50.00                        | Time spent basis at an hourly rate of £195                    | Time spent basis at an hourly rate of £234 |
| £500.01 to £1,000       | £70.00                        | Time spent basis at an hourly rate of £195                    | Time spent basis at an hourly rate of £234 |
| £1,000.01 to £1,500     | £80.00                        | Time spent basis at an hourly rate of £195                    | Time spent basis at an hourly rate of £234 |
| £1,500.01 to £3,000     | £115.00                       | Time spent basis at an hourly rate of £195                    | Time spent basis at an hourly rate of £234 |
| £3,000.01 to £5,000     | £205.00                       | Time spent basis at an hourly rate of £195                    | Time spent basis at an hourly rate of £234 |
| £5,000.01 to £10,000    | £455.00                       | Time spent basis at an hourly rate of £195                    | Time spent basis at an hourly rate of £234 |
| £10,000.01 to £100,000  | 5% value of the claim         | Time spent basis at an hourly rate of £195                    | Time spent basis at an hourly rate of £234 |
| £100,000.01 to £200,000 | 5% value of the claim         | Please contact our firm directly for a tailored cost estimate |                                            |
| More than £200,000.01   | £10,000                       | Please contact our firm directly for a tailored cost estimate |                                            |

*HMCTS court fees are correct as of March 2026.*

Please note that anyone wishing to proceed with a claim should note:

- Only part of our fees can be recovered as allowed by court rules under the *fixed recoverable costs* regime
- The VAT element of our fee cannot be reclaimed from your debtor if you are registered for VAT
- The costs quoted above are for the drafting and serving of claim papers within England and Wales Jurisdiction only and in undefended debt claims only. Any defended work is likely to be handled by a Solicitor; their hourly rates range from £225 - £450 plus VAT depending on experience – see Section B below.

Our fees for this stage include:

- drafting and issuing the claim.
- Where no Acknowledgment of Service or Defence is received, applying to the court to enter Judgment in default
- When Judgment in default is received, writing to the other side to request payment.
- If payment is not received within 1 month from the date of the Judgment, providing you with advice on next steps and likely costs

## Timing

If we are provided with all of the required information and documentation when requested, we would typically be able to review the papers and produce the letter of demand/LBA within 3 business days of the date of receipt of the information and documents.

We are unable to provide an accurate indication of how long it can take to receive payment from a debtor, and it is dependent on whether or not it is necessary to issue a court claim and whether the debtor pays promptly on receipt of judgment in default (once obtained). If the debtor pays in accordance with the requested timescales as set out in a letter of demand/LBA, the matter could take anywhere between 4 to 12 weeks. If an issued court claim and enforcement action is needed, the matter will take much longer, and indicative timescales will be provided at the appropriate junctures.

## Starting the Court Claim

If the Letter of Demand/LBA is ignored or no payment is made, we can look to issue a Court claim. Our additional fees for preparing a claim form for issue for simple debt claims and lodging them with the Court will be charged on a time spent basis of £195 per hour excl VAT at 20% (£234 per hour incl inclusive of VAT at 20%). Preparing the claim form for simple debt claims generally takes in the region of 2 hours, so in the region of £400 excluding VAT at 20% plus the court fee. This work excludes the preparation of a separate and more detailed Particulars of Claim document, which would be charged in addition, with a barrister's involvement if necessary for more complex matters (following discussion with you).

In addition, you will have to pay a Court fee at the point the claim form is lodged with the Court. This is set by the Court and starts from as little as £35.00, but the fee increases on a sliding scale, depending on the amount you are claiming (see above).

Once we know the sum you are claiming and have calculated any applicable interest, we can confirm the amount of the payable Court fee. We will need to be placed in funds in order to pay Court fee on your behalf and issue the claim.

The Courts can experience prolonged delays, making it difficult to provide revised timing information as to when a claim is eventually issued by the Court. Ordinarily, it might take up to 4 weeks from us sending the claim to the Court for the Court to deal with the claim form and send it to the debtor. The debtor has a further 2 weeks to respond to the claim, from the date of service of the claim.

How a debtor responds to the claim will have a direct bearing on the likely next steps and costs, which we outline briefly below.

## **Applying for Default Judgment**

Default judgment is usually available when a debtor, having been properly served with a claim, fails to respond by filing an Acknowledgement of Service or a Defence. It can be very useful for bringing claims to a swift conclusion, but it is not available or suitable for all types of claims. It can take typically up to 3-4 weeks to receive the Judgment. This will be for the sum claimed plus the Court fee and a fixed proportion of your legal costs. The Court allows you to add either £22 or £30 depending on the value of the claim for the additional costs of applying for Judgment.

At the time of writing, there is no court fee payable to apply for judgment in default, however typically it takes up to an hour of chargeable time to draft the relevant court form (N225), including the updating of incurred interest, and filing it with the Court. Therefore, this would cost in the region of £195 excluding VAT.

If an Acknowledgment of Service is filed with the Court, but a Defence is not filed after a further 14 days (28 days in total) then our costs to apply for Judgment in default would be in the region of £250 excluding VAT.

As a guide only, our total fees for issuing a Court claim in respect of an undisputed invoice through to default judgment are typically £702 - £1,200 incl VAT at 20% (£585 to £1,000 excl VAT at 20%), excluding Court fees.

## **Admission of whole of the claim**

If the debtor responds by admitting all of the debt, but requests to pay by instalments, we can assist with those discussions on your behalf. After receiving the debtor's proposed instalment plan, it is usually the case of either accepting that offer or requesting that the Court determine a payment schedule, usually without a hearing.

Assisting with those discussions will be charged on a time spent basis at £195 to £225 per hour excl VAT at 20% (£234 to £270 per hour incl VAT at 20%).

## **Admission of part of the claim**

The debtor can admit part of the claim if they dispute the claim amount. Similar to admitting the whole of a claim, a debtor needs to confirm the part that is admitted along with a payment proposal. However, they must also file a Defence stating why they do not owe the full amount of the claim. It then falls to you as the Claimant to confirm if you wish to:

1. Accept the amount admitted in satisfaction of the claim.
2. Not accept the amount admitted in satisfaction of the claim; or
3. Accept the amount admitted, but not the repayment offers

This list is not exhaustive, and other defences could be available. If the admission is rejected, court proceedings will continue on a defended basis.

Depending on the value of the issued claim, if the debtor responds to the claim by disputing part of the sum claimed and you ask us to deal with the defended part on your behalf, the work carried out will be charged on a time spent basis. We will again give you a range of estimated costs at this point (see Section B below).

## **Full defence to a claim**

If a debtor disputes the whole claim, the matter will be a defended matter. A debtor might defend a money claim on the basis that:

1. They have already paid the amount claimed
2. It has been issued for the wrong amount
3. It has been issued against the wrong person; or
4. It was issued out of time

This list is not exhaustive, and other defences could be available.

In these scenarios, our standard hourly rates outlined in Section B below, would apply.

## **Enforcing a Judgment**

If the Debtor still does not pay having received the Judgment from the Court, you will be faced with having to take steps to enforce the Judgment. The Court will not automatically do this for you. If you ask us to do this work, it will not be on a fixed fee basis.

We will advise you on what steps to take but any work we do in the enforcement process will be charged to you on a time spent basis at £234 per hour incl VAT at 20% (£195 per hour excl VAT at 20%), depending on the type of enforcement request. We will give you a range of likely estimated costs (including details of further Court fees) at this point.

The fixed fee work, any additional work to obtain the undefended Judgment and dealing with most of the enforcement options on your behalf will be carried out by a Debt Recovery Lawyer.

## **Key Stages Undefended Debt**

1. *Letter of Demand/LBA sent to the debtor.*
2. *If the debtor fails to pay/ make an acceptable instalment offer – Court Claim issued.*
3. *If the debtor fails to pay/ make an acceptable instalment offer and no Defence is filed – application for Default Judgement.*
4. *If Judgement remains unpaid – enforcement*

## B) DEFENDED DEBTS AND FURTHER DEBT RECOVERY COSTS

The matter will be treated as defended in two scenarios. A dispute being raised following a letter of demand or LBA and following the issue of court claim with a Defence being filed.

If once a letter of demand/LBA has been issued in respect of an undisputed invoice(s), the claim is defended and you wish us to continue to act for you, the case will be passed to a Solicitor in our [Dispute Resolution team](#) who will provide you with our charging rates and a range of estimated fees at that point. Currently our standard charging rates are as set out in the table below.

Likewise, after a claim is issued, if a Defence is filed by a debtor, either within 14 days of service of the Claim Form or 14 days after the filing of an Acknowledgment of Service (28 days following service of the Claim Form), this will need to be considered and further advice provided, if appropriate. Our standard hourly rates would also apply. On the basis that it takes between two to three hours to consider the Defence, and discuss its contents with you and advise, our charges would be in the region of £350 to £525 excluding VAT (based on a Debt Recovery Lawyer providing the initial advice upon receipt of the Defence).

If however, the Defence contains matters which means that the claim becomes more complex and heavily disputed on substantial grounds, then it is likely a more senior lawyer will need to be involved. Although our standard hourly rates apply, we would provide you with cost estimates for the relevant phase of work.

Fees and timings for defended debts are all dependent on the facts and circumstances of the case.

Charging rates for our Dispute Resolution team are as follows:

|                              | £ excl VAT at 20% | £ incl VAT at 20% |
|------------------------------|-------------------|-------------------|
| Debt Recovery Lawyer         | £175 to £195      | £210 to £234      |
| Solicitor                    | £225              | £294              |
| Senior Solicitor             | £275              | £330              |
| Legal Director               | £345              | £414              |
| Partner                      | £435              | £522              |
| Head of Department (Partner) | £450              | £540              |

Timescales for defended debt recovery work are highly fact dependent – we are therefore unable to provide a typical timescale, as timeframes will depend on many factors including the complexity of the case and current Court timescales. Defended debt claims could potentially take more than a year.

*Key Stages Defended Debt* (please see additional information shown below and Section B)

1. *As above*
2. *As above*
3. *Defence or Partial Admission filed*
4. *Court allocates the claim to a “track” and issues a series of actions (Directions) which both parties must complete and the timetable in which to do so.*
5. *The Court may offer a mediation process (not currently compulsory but the Court does encourage the parties to engage in Alternative Dispute Resolution).*
6. *If mediation is not taken up or is unsuccessful; documents relevant to the Claim/Defence must be disclosed by the parties to each other.*
7. *Witness Statements must be prepared and filed with the Court/disclosed by the parties to each other.*
8. *A Hearing date will be fixed by the Court for the parties to attend and present their respective cases and the Judge will give the decision.*
9. *If claim is successful (in full or in part) Judgement will be issued requiring debt to be paid and specifying by when.*

*If Judgement remains unpaid – enforcement*

Please contact us for a fee proposal tailored to your particular facts and circumstances.

*“The team provides a professional service. Always available to answer any questions and give help where needed.”*

-Legal 500



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