

## SRA Transparency Rules - *Service and fees information – Debt Recovery.*

In accordance with the Solicitors Regulation Authority Transparency Rules every firm of solicitors is required to provide on its website details of the services that it provides and the costs that can be anticipated by individuals who instruct us to assist them in relation to the recovery of debts with a value of up to £100,000.

We can provide as little or as much assistance and involvement as you require. Each matter is different and depends upon the circumstances of the case – including such factors as the size of the debt; the nature of any dispute in relation to the debt; the nature/financial means of the debtor. Please note the following information is provided as a general guide only. We will provide a written estimate of fees to all clients and potential clients having regard to the services that you are asking us to provide and to the individual circumstances of the claim to which those services relate. We would encourage you to speak to us to discuss your specific requirements.

### **The Small Claims Court**

Debts with a value of less than £10,000 will generally proceed in the Small Claims Court, where the standard position (in the absence of unreasonable conduct) is that only very limited costs can be added to the debt and recovered from the debtor. It is, therefore, generally important that costs be kept to a minimum whilst at the same time ensuring that the case has the best chance of success.

In order to help you minimise the legal costs that you will incur, we are generally happy to advise clients how to undertake work in the Small Claims Court themselves and, to enable them to do so, provide an advisory service as the case proceeds. Such advice will be provided at the individual lawyer's hourly rate so that you can decide how much or how little advice you require. These rates are set out below. We undertake a debt recovery case for you in the Small Claims Court the fee will depend upon whether the cases defended.

If it is not contested, a judgment may be obtained as soon as the debtor fails to acknowledge service of the claim or fails to file a defence.

Where appropriate, Small Claims Court work will be undertaken by one of our litigation paralegals or trainee solicitors under the close supervision of a solicitor. The supervised time of paralegals and trainee solicitors is charged at the rate of £125 plus vat per hour.

The following should be regarded as an indication, based on our experience, of the range of costs which you are likely to incur if you instruct us on a Small Claims Court debt recovery action:

Taking initial instructions from you, reviewing papers, sending a protocol compliant Letter of Claim	£75 plus vat to £175 plus vat
Arranging for County Court proceedings to be issued and served, obtaining judgment in default of an acknowledgement or defence	£150 plus vat to £350 plus vat

Taking all steps from receipt of a defence through to a contested Small Claims Court hearing	£750 plus vat to £1,500 plus vat.
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In addition, in the Small Claims Court, you should expect to incur a number of disbursements (expenses). Typically, these will include

Courts issue fees: these range from £35 to £455, depending on the amount being claimed;

Court Listing fee: these range from £25 to £335 depending on the amount being claimed;

Advocates fee (for a lawyer to attend the final hearing with you): £500 to £750 plus vat.

The typical time frame for obtaining a default judgment is 2 to 4 months.

The time that it takes for a contested case to reach a final hearing in the Small Claims Court can vary widely from court to court but a period of up to 12 months is not unusual at the current time.

### **County Court**

Debts with a value of £10,000 to £100,000 will generally proceed in the County Court as either Fast Track or Multi-Track cases.

Court rules require the parties to follow relevant pre-action protocols with a view to avoiding the necessity of issuing court proceedings if possible. This will include, for example, considering ways of resolving disputes through means such as mediation.

There are large range of factors that affect the cost that you are likely to incur including the amount of investigation that is required to obtain relevant evidence, whether there are highly technical legal or other issues involved, the amount of documents involved, the number of witnesses required and the extent to which the claim is disputed.

We will, therefore, generally agree to work for you at an hourly rate, but we will provide estimates for each stage and, if possible, fixed fees for particular stages.

Work undertaken by Christopher Jackson a specialist litigation solicitor (qualified in 1991) will generally be charged at the rate of £250 per hour plus VAT.

If a highly contested and complex case is pursued through to a contested trial, costs in excess of £100,000 plus VAT could be incurred but it is always the aim to resolve disputes at an early stage. If a debt can be resolved prior to proceedings being issued, it may be that only a few hours work is required and this will be invoiced at the agreed hourly rate.

In addition, in the County Court, you should expect to incur a number of disbursements (expenses). Typically, these will include:

Court Issue fees - 5% of the amount claimed;

Application fees - £255.

It may also be appropriate in some cases to instruct a Barrister to assist – typically to provide specialist legal advice or to undertake advocacy. Barristers' fees will depend upon factors such as the area of expertise, the amount of work required and the level of qualification of the Barrister. Junior Barristers

typically charge their time at the rate of about £250 per hour plus vat but the most senior Barristers (usually known as QCs) charge significantly more.

The typical time frame for obtaining a default judgment in the County Court is 2 to 4 months.

The time that it takes for a contested case to reach a final hearing in the County Court can vary widely from court to court and will also depend upon the complexity of the case but a period of up to 1 to 2 years is not unusual at the current time.

Gisby Harrison 1 January 2021