

COMMERCIAL DEBT RECOVERY

RDP Law's Dispute Resolution team is different to others. The team are experts at not just battling conflicts for clients but also at settling them, across a wide spectrum covering all aspects of commercial litigation, debt recovery, professional negligence, property litigation, contentious probate, contentious intellectual property disputes, data protection and GDPR litigious matters.

The team are best known for their clever, pragmatic approach to problem-solving and using alternative dispute resolution methods or where necessary, Court action to achieve the desired outcome. Regardless of who works on your matter they will be supervised by James Davies, a Director of over 15 years post qualification experience.

Fees

Price transparency is at the heart of the services we offer within the dispute resolution department. For all uncontested debt recovery claims up to a value of £100,000.00, we will provide you at the outset a detailed summary of potential costs per stage of the process.

Our prices vary depending on the claim value, complexity of issues and prospects of recoverability and are based on the hourly rates of the fee earner working on your matter. All the work we undertake on your behalf will be charged in accordance with our hourly rates.

Our current hourly rates are:

Rhys Evans (Solicitor)	£200.00 per hour plus VAT
Clare O'Sullivan (Solicitor)	£200.00 per hour plus VAT
Robert Davies (Director/Solicitor)	£200.00 per hour plus VAT
James Davies (Director/Solicitor)	£200.00 per hour plus VAT
Paralegal/Trainee solicitor	£100.00 per hour plus VAT

The firm's hourly rates are reviewed in May and November of each year.

Regardless of who works on your claim, a typical non-contested debt recovery matter will comprise of three separate and distinct stages. We provide an estimate of cost per stage, set out below.

Stage 1 – The Pre-Action Stage

During this stage, a claimant will be required to evidence its claim by corresponding with the defendant. We would also advise you on the contractual position of any undisputed debt and calculate any interest payable.

Typically, for a non-contested claim, we would recommend sending three letters. The first will be a letter before action. This is a detailed and robust letter, setting out the contractual matrix, the sums owed, and confirming how payment should be made. The second will be a follow up chaser letter. The third and final letter will give a final warning, confirm our intention to issue proceedings unless payment is made within 14 days.

Law

It is difficult to estimate a definite timescale to debt recovery matters, but due to the protocol requirements, such action will be taken in compliance with said rules. This means, no action can be taken by a creditor for at least 30 days from the date of the letter before action to the debtor, and a reasonable time is provided thereafter for the debtor to seek legal advice on its position.

We will endeavour to assess and review documents fully and in detail upon receipt of all contractual documents relevant to the claim and to do so within 14 working days of receipt of such documents and acceptance of the firm's terms and conditions of engagement.

For a non-complex matter with no unforeseen circumstances, it is likely that Stage 1 will be concluded within 3 months.

For a typical non-defended claim, our fees are estimated to be in the region of:

Stage 1			
Claim Value	Estimated Fees (Net of VAT)	VAT thereon	TOTAL FOR STAGE
Between £0 £10,000	£1,250.00	£250.00	£1,500.00
Between £10,001 £25,000	£1,750.00	£350.00	£2,100.00
Between £25,001 £50,000	£2,500.00	£500.00	£3,000.00
Between £50,001 £100,000	£3,500.00	£700.00	£4,200.00

* For claims valued in excess of £100,001 please contact our office for a fee estimate

The above-mentioned fee estimate is provided based on the following assumption:

1. That we are only instructed to send three letters i.e. a letter before action, a chaser letter, and a further letter warning of our intention to issue proceedings at court.
2. That it is a straightforward contractual claim, with no complex issues to resolve.
3. That the defendant has no defence to the claim.
4. That the defendant does not enter into complicated or lengthy correspondence.

Stage 2 – Court Proceedings – Obtaining Judgment in default on your behalf

If the correspondence mentioned in Stage 1 does not produce the desired result, the next stage is for us to advise a claimant on whether it is cost effective to issue proceedings at court. This could involve instructing a private investigator to prepare a *pre-sue means assessment report and for us to advise on the prospects of success in proceeding with the claim.

Law

If we consider that a claim is cost effective to pursue, we may advise a claimant to issue proceedings at court. This involves drafting a claim form and particulars of claim and paying a court fee at court.

We estimate the time to complete this stage will be around 10 weeks.

* On average a typical pre-sue means assessment report will cost in the region of £350.00 + VAT

For a typical non-defended claim, our fees are estimated to be in the region of:

Stage 2			
Claim Value	Estimated Fees (Net of VAT)	VAT thereon	TOTAL FOR STAGE
Between £0 £10,000	£2,500.00	£500.00	£3,000.00
Between £10,001 £25,000	£3,000.00	£600.00	£3,600.00
Between £25,001 £50,000	£3,500.00	£700.00	£4,200.00
Between £50,001 £100,000	£4,000.00	£800.00	£4,800.00

* For claims valued in excess of £100,001 please contact our office for a fee estimate

The above-mentioned fee estimate is provided based on the following assumption:

1. That we consider that the claim has prospects of success in excess of 51%.
2. That the defendant has not defended the claim during the Stage 1 correspondence stage.
3. That it is a straightforward contractual claim, with no complex issues to resolve.
4. That the defendant does not defend the claim.
5. That we obtain judgment in default.
6. That we are not required to attend any court hearing.
7. That no applications to court are required other than for default judgment.

Stage 3 – Enforcement

Once we obtain judgment in default, the next stage is to enforce that judgment through the court process. As each case is different and with enforcement options being variable, we cannot give an exact time frame or fee estimate for this aspect of the work, which will be case specific.

We aim to begin Stage 3 as soon as possible and as soon as we receive instructions from you that we can proceed with entering judgment and pursuing enforcement action.

However, to give you an indication of potential costs, please refer to the following:

Potential Option	Estimated Fee (exclusive of VAT)
Order for Questioning	£750 to £1,000
Attachment of Earnings	£500 to £800
Third Party Debt Order	£500 to £800
Uncontested Charging Order	£1,200 to £2,000
Warrant / Writ of Control	£350 to £750
Statutory Demand	£350 to £750
Bankruptcy Petition	£750 to £1,500
Winding Up Petition	£1,250 to £1,500

Contested Disputes

The vast majority of claims are defended by a defendant. For debt recovery claims, this could be on the basis of a contractual dispute. The defendant may also bring a counter claim against a claimant. If this happens, and on the assumption that our fees may exceed those stated above, we can advise on the potential cost implications and estimate of costs, tailored to your specific requirements.

Please note, that if your claim is defended, you will continue to be charged on the basis of our current hourly rates (exclusive of VAT, disbursements and expenses).

We do not provide a fixed fee for each stage of the process. Any fee estimates provided above are an indication of our potential fees only. Similarly, we do not typically provide conditional fee agreements, or damages-based agreements, but we can discuss potential funding options with you, on a case by case basis.

With claims issued at court, if the proceedings become protracted, for a typical claim, you may be required to budget more than £80,000.00 plus VAT and counsel fees for progressing a case through to a final trial. Enforcement costs could be in addition to that amount.

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There may be some disbursements and fees to third parties for example search fees, court fees, process server fees, expert and agent's fees to attend court that will need to be taken into account not quoted below. Again, we will provide you with an estimate of the disbursements that you are likely to incur.

There is a principle in litigation where the losing party pays the winning parties' costs. If successful in the litigation, you would expect a court to award you costs in addition to any judgment sum. Typically, you would expect to recover between 60% to 70% of the costs you incur. However, although you may obtain a costs order against the defendant, you could still be left with the difficult task of recovering your costs from them.

For this reason, we will always seek to provide you with the best possible cost estimates at an early stage of a dispute, so that you can make an assessment on whether the claim is genuinely cost effective to progress, or whether it may be more cost effective to settle.

Disbursements

A court fee is payable to the court on issuing a claim.

To issue a claim for money, the fees are based on the amount claimed, including interest, as set out in the following table:

Value of your claim				Fee payable	
				Court issued claim	Filed via SDT/MCOL*
Up to	£300			£35	£25
Greater than	£300	but no more than	£500	£50	£35
Greater than	£500	but no more than	£1,000	£70	£60
Greater than	£1,000	but no more than	£1,500	£80	£70
Greater than	£1,500	but no more than	£3,000	£115	£105
Greater than	£3,000	but no more than	£5,000	£205	£185
Greater than	£5,000	but no more than	£10,000	£455	£410
Greater than	£10,000	but no more than	£200,000	5% of the value of the claim	4.5% of the value of the claim
Greater than	£200,000			£10,000	N/a

* Maximum amount for Secure Data Transfer (SDT) or Money Claim OnLine (MCOL) £99,999.99

Secure Data Transfer is a secure system to enable customers issuing in bulk to upload and transfer data files directly from their systems to HM Courts & Tribunals Service systems.

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We have set out some of the potential costs which may be payable to third parties in relation to your claim below. The disbursements which are applicable to you will depend upon the individual circumstances of your case.

Disbursement	Cost	VAT?
Tracing Agent Fees	From £75	Yes there is VAT to be added
Process Server Fees	From £90	Yes there is VAT to be added
High Court Enforcement Officer Abortive Fee	£90	Yes there is VAT to be added
Official Receiver's fee	Please refer to HMCTS website	Yes there is VAT to be added
Barrister Fees for initial advice	From £800 to £3,000 (dependent on nature and complexity of instruction)	Yes – usually if the barrister is VAT registered
Land Registry Office Copy Search Fee	£3 per document	No VAT to be added
Affidavit Fee	£5 plus £2 per exhibit	No VAT to be added

Details of work and experience:

Rhys Evans – Senior Associate

Rhys is a senior associate within RDP's litigation department, with over 7 years post qualification experience. An expert at all things litigious, Rhys Evans has extensive experience in providing bespoke and technical advice over a broad range of complex and high value disputes whilst understanding client needs and the commercial context in which they operate.

Specifically, Rhys acts for a varied and nationwide client base such as accountants, healthcare professionals, private hospitals, dentistry practices, property developers, landowners, investors, occupiers, private individuals, agricultural clients and national retailers on all aspects of commercial and property litigation. Around 10% of his time is spent on debt recovery.

Rhys' recent litigation work has covered:

- Acting for public sector and corporate clients in relation to multi-million-pound commercial disputes involving multiple parties, and including contractual disputes, professional negligence, nuisance and other tortious liability claims involving property.
- Advising land owners on an entire array of disputes resulting from their agricultural portfolios.
- Advising in relation to a full spectrum of commercial landlord and tenant issues.

Clare O'Sullivan – Senior Associate

Clare is a senior associate within RDP's litigation department, with over 8 years post qualification experience. Prior to joining private practice, she was an associate at the FSA's (now the FCA's) Enforcement Division. She has extensive in providing bespoke and technical advice over a broad range of complex and high value disputes, including commercial, banking and financial services. Around 10% of her time is spent on debt recovery.

Clare's recent litigation work involves:

- Advising corporate clients in relation to multi-million-pound commercial disputes involving multiple parties, and including contractual disputes, professional negligence, negligence, nuisance and other tortious liability claims;
- Acting for private individuals and trustees to recover losses sustained either through the Courts, the Financial Ombudsman Service and the Financial Services Compensation Scheme in relation to pension disputes, banking disputes, mismanagement of investments and other investments.
- Acting for an FCA regulated firm in relation to the investigation undertaken by the FCA's Enforcement Division.

Robert Davies - Director

Chairman, Robert Davies MBE, with over 44 years of experience, is highly regarded within the South Wales property and legal sector. He has a particular expertise in advising with regards to the more contentious commercial and residential property developments and is regularly instructed in relation to some of South Wales' larger and more exciting development proposals. His reputation and astute, pragmatic approach to dispute resolution often achieves outcomes on matters which are commercial and practical in nature. A true rainmaker, Robert's influence in the South Wales market knows no bounds.

James Davies - Director

Regardless of who works on your matter they will be supervised by James Davies, a Director of over 15 years post qualification experience.