

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, commercial debt recovery (not personal debt recovery), professional negligence, property litigation and contentious probate 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 17 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:

| | |
|------------------------------------|------------------------|
| Robert Davies (Director/Solicitor) | £300.00 per hour + VAT |
| James Davies (Director/Solicitor) | £260.00 per hour + VAT |
| Mukesh Basra (Consultant) | £220.00 per hour + VAT |
| Paralegal/Trainee solicitor | £120.00 per hour + VAT |

VAT is currently charged at 20%.

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.

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The third and final letter will give a final warning, confirm our intention to issue proceedings unless payment is made within 14 days.

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 FEE |
| Between £0 £10,000 | £1,375 + VAT |
| Between £10,001 £25,000 | £1,925 + VAT |
| Between £25,001 £50,000 | £2,750 + VAT |
| Between £50,001 £100,000 | £3,850 + VAT |

VAT is currently charged at 20%.

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.

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 FEE |
| Between £0 £10,000 | | £2,750 + VAT |
| Between £10,001 £25,000 | | £3,300 + VAT |
| Between £25,001 £50,000 | | £3,850 + VAT |
| Between £50,001 £100,000 | | £4,400 + VAT |

VAT is currently charged at 20%.

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.

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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 | £825 to £1,100 |
| Attachment of Earnings | £550 to £880 |
| Third Party Debt Order | £550 to £880 |
| Uncontested Charging Order | £1,320 to £2,200 |
| Warrant / Writ of Control | £385 to £825 |
| Statutory Demand | £385 to £825 |
| Bankruptcy Petition | £825 to £1,650 |
| Winding Up Petition | £1,375 to £1,650 |

VAT is currently charged at 20%.

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*). A fee estimate will be provided before any of these costs incur.

**See below Disbursements section for more information.*

We do not provide a fixed fee for each stage of the process. Any fee estimates provided above 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.

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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.

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

Disbursements are costs payable to other organisations which are incurred by us in acting for our clients in these matters.

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

An example of additional expenses that may be applied is:

- Electronic identification verification:
 - £2.40 (plus VAT) per individual
 - £8.50 (plus VAT) per LTD or LLP, any parent company
 - £5.76 (plus VAT) per sole trader, partnership, PLC

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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.

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 |
| Land Registry Office Copy Search Fee | £3 per document | Yes |
| Affidavit Fee | £5 plus £2 per exhibit | Yes |

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Details of work and experience:

Mukesh Basra - Consultant Senior Solicitor

Mukesh joined the firm in September 2021 as a Consultant Senior Solicitor working in the Dispute Resolution Department.

Mukesh was admitted as a Fellow of the Chartered Institute of Legal Executives in 1991 and as a Solicitor of the Senior Courts of England and Wales in 1997.

Mukesh is also an Accredited Civil and Commercial Mediator/Qualified Dispute Resolver and was awarded a Master in Laws (LLM) by Nottingham Trent University in 2007 in advanced litigation and dispute resolution.

Mukesh has over 35 years-experience in dealing with civil and commercial litigation disputes and gives practical advice whilst approaching disputes in a commercially aware manner.

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 17 years post qualification experience.

Lewis White – Litigation Paralegal

Lewis is a paralegal within the litigation team, supporting the team on all matters when required.