

Debt collection

I do not pretend to be an expert litigation solicitor, but am happy to handle simple debt collection (eg: unpaid invoices) on your behalf, as follows –

Letter before action

I can send a "letter before action", giving the debtor a final opportunity to pay the debt, and threatening court proceedings in default. Receiving a solicitor's letter like this often prompts debtors to pay up to avoid court proceedings. I would need to know –

- the name and address of the debtor
- the amount and date of the debt

and usually the simplest way to give me this is to send me a copy of the invoice

Cost: I charge a nominal fee of £25 + VAT per letter – this is really more of a service to my commercial clients than a profitable part of my business

Statutory demand

I can prepare a statutory demand and arrange for it to be personally served on the debtor. This gives the debtor 21 days to pay (or challenge) the claim, failing which you would be entitled to issue bankruptcy or winding up proceedings, if you do so within 3 months of service of the demand. This procedure should not be used where you think the debtor is likely to dispute liability, as it simply slows things down and causes you extra unrecoverable costs. I would need the same information as above

Cost: My fee for preparing the demand is £250 + VAT. The process server who serves it would usually charge £75 to £100 + VAT

County Court proceedings

If the letter before action fails to produce a payment, I can issue County Court proceedings on your behalf. If these are undefended, I can enter a default judgement for you, then discuss methods of enforcing that judgement. If the proceedings are defended, you would have to instruct a litigation solicitor to take over the case (if the claim is over £5,000) or take it over yourself (if it is a "small claim" not exceeding £5,000). I can put you in touch with a litigation solicitor, if needed. I would need a copy of the unpaid invoice(s) to issue the claim.

Cost: My fee would be £450 + VAT. There would also be a court fee, the amount of which would depend on the value of the claim. That court fee and some of my fee would be recoverable from the debtor if the claim is successful.

Please note:

Where the debtor is a business, you can claim (a) interest and (b) fixed debt recovery costs under the *Late Payment of Commercial Debts (Interest) Act 1998*, as amended. Part of my service would be to calculate what sums you are entitled to collect in this way, and to include them in the appropriate claim.

You may have insurance cover, or membership of a trade organisation, that can assist in paying legal expenses, though you would probably need to use the insurer's or association's panel solicitors to claim this.

Please contact me (by email, post or telephone) if you have any questions or want to instruct me to handle any of this work for you

- Justin Nelson
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