



taylorwalton
SOLICITORS

Debt Recovery

Services

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Introduction

Whatever the size of your business, late or non-payment of bills by customers can soon have dire consequences on your overall cash flow. One way of avoiding this problem is to obtain legal assistance from an early stage. Personal attention from a legal expert is often the difference between effective debt recovery and "the cheque in the post" which never arrives.

Taylor Walton has a large department that deals exclusively with all aspects of debt recovery, including the taking of winding-up and bankruptcy proceedings. Our computerized systems enable us to offer an efficient and cost-effective service that compares favourably with many debt collection agencies. The service includes invaluable added support from qualified solicitors and legal executives for representation in the High Court or County Court, should this become necessary.

The Firm

Through growing client demand we have established one of the leading law offices in Hertfordshire and Bedfordshire. The Partners and staff operate as a team to provide a service based on technical skill, commercial awareness, efficiency and good speed of response. We have built up and continue to strive to maintain our good reputation.

Taylor Walton has for many years enjoyed a leading position in the Debt Recovery field and provides a comprehensive and effective service.

Our Approach to Debt Recovery

The firm has developed and continues to expand its Debt Recovery Department. We approach Debt Recovery as an integral part of our clients' credit control procedures. As such we appreciate that the service has to be efficient, cost effective and tailored to our clients' particular needs.

Range of Services

We offer a complete range of Debt Recovery Services.

- Letters before Action
- Advice and guidance on the methods of the recovery and enforcement
- Automated Debt Recovery System
- Recovery Proceedings
- Enforcement Proceedings.

Giving You the Advantage

Experience tells that it is essential to take urgent and effective action against debtors immediately upon receipt of instructions. We, therefore, provide clients personal attention to their needs and this can be a major advantage in producing results.

A diary system is operated on our system which incorporates automatic recalls. The commitment to quality service is reflected in our continued investment in information technology. In addition the Debt Recovery team forms part of our large Litigation Department and is therefore able to draw from the experience and expertise of senior lawyers in that Department.

Improving the Service

Our approach is to collect monies due using the most effective and financially appropriate method possible. Often a well-worded solicitor's letter can reap significant success when other avenues have failed.

We appreciate that the debtor's ability to pay is an essential element in debt recovery. Our automated system of Debt Recovery dispenses with the manual work of form filling and interest calculations and has a built in diary that never forgets. Our system is designed to cope with debts of any size. In conjunction with the automated system our experienced staff follow up letters with enquiries on the telephone and if necessary tracing agents are appointed.

Reports

It is the Firm's policy to provide regular reports and updates on all matters and Debt Recovery is no exception. Reporting intervals will be agreed upon with you upon receipt of instructions.

Costs

Details of our basic charges are enclosed and you will see that using our services can be inexpensive. This is principally because only solicitors can claim fixed costs from the debtor through the courts. In most cases this covers a large proportion of our charges. We would also stress that we do not charge on monies recovered.

Employing a solicitor frees your time to pursue your core business and future profits. Even simple Debt Recovery proceedings can become bogged down by difficult County Courts or unexpected problems which, unless you are a specialist and have access to the law, you may be unable to deal with satisfactorily.

For further assistance or more detailed information do not hesitate to contact Sarah Hills, the Manager of the Debt Recovery Department at Taylor Walton on 01582 731161, or contact Andrew Knight, Tracy Harris or James Carpenter (the partners in the department) by telephoning on 01582 731161, by fax on 01582 457900 or by e-mail at andrew.knight@taylorwalton.co.uk; tracy.harris@taylorwalton.co.uk or james.carpenter@taylorwalton.co.uk Alternatively, simply fax the relevant details using a copy of the Debtor Information Sheet overleaf together with your details.

Debtor Information Sheet

Instructions to Taylor Walton Debt Recovery Department

Please complete and return to Taylor Walton Debt Recovery Department - Fax Number: 01582 457900

From: _____ Company: _____

Tel No.: _____ Fax No.: _____

Name of Debtor:	
Address of Debtor:	
Debtor's Business:	
If Debtor Limited Company, Registered Office Address Details:	
Amount outstanding:	
What is debt in respect of (e.g. rent/property licences/sales):	
Details of unpaid invoice(s), e.g. date of invoice, invoice number, amount and date due (please supply copy invoice/terms & conditions of trading):	
Credit period (include rate of interest to be charged on unpaid invoices):	
Details of any security held (e.g. personal guarantees/ retention of title clause):	

INSTRUCTIONS TO DEBT RECOVERY DEPARTMENT:

Upon receipt of this instruction sheet, please would you:

- Telephone us so we can discuss the outstanding debt and how you recommend we proceed
- Despatch claim letter to debtor
- Draft proceedings for issue. Please telephone us to explain the amount of the issue fee.

Signed:.....Dated:.....

Taylor Walton Debt Recovery Services : Costs and Fees

Taking your Instructions and sending Letter before Action £20.00

If debt is paid following Letter before Action, our costs are £20.00 plus VAT. However, please see note 3 below.

If debt not paid following Letter Before Action, or if there are no satisfactory negotiations, you can instruct us to start either County Court proceedings or Insolvency Proceedings.

County Court Proceedings

Our costs for preparing, issuing and serving proceedings. The costs vary depending upon the size of the debt.

1. Debt	2. Our Costs where Court serve documents	3. Our Costs where service is by us (for one Defendant)	4. Court Fee
Up to £300.00	£50.00	£60.00	£30.00
£300.01 to £500.00	£50.00	£60.00	£50.00
£500.01 to £1,000.00	£70.00	£80.00	£80.00
£1000.01 to £5,000.00	£80.00	£90.00	£120.00
£5000.01 to £15,000.00	£100.00	£110.00	£250.00
£15000.01 to £50,000.00	£100.00	£110.00	£400.00
£50,000.01 to £100,000.00	£100.00	£110.00	£700.00
£100,000.01 to £150,000.00	£100.00	£110.00	£900.00

If debt not paid at this stage you pay our costs ie. Column 2 or 3 and the Court fee, Column 4.

Costs on Entering Judgment (Fixed)

If debt is not paid and the proceedings are not defended, we can enter Judgment for you. Instead of defending the proceedings, the debtor may admit the debt or make an offer to pay. You can choose whether or not to accept the debtor's offer. Sometimes, where a debtor admits the debt, the Court will decide how the debt is to be paid.

	Sum from £25.00 to £5000.00	Sum from £5000.01+
Judgment where debtor does not defend in default of Acknowledgment of Service	£22.00	£30.00
Judgment where debtor does not defend and Judgment in default requested	£25.00	£35.00
Judgment where debtor admits debt and you accept debtor's offer of payment	£40.00	£55.00
Judgment where debtor admits the debt and Court decides how debt is to be paid	£55.00	£70.00

If you do not accept debtor's offer of payment there is no guarantee that the Court will give Judgment and instalment payments may be granted at the Court's discretion

Enforcement Of Judgments

Once you have obtained Judgment and the debtor has not paid we will advise you of the methods of enforcement.

	Costs	Disbursements
Warrant of Execution (County Court)	£ 30.00	Debts up to £125.00 - £35.00 Debts up to £125.00 - £55.00
Re-issue Warrant at New Address	£30.00	£25.00
Order to Obtain Information from Judgment Debtor (Oral Examination)	£ 50.00	£45.00
Third Party Debt Order (Garnishee Order)	£175.00	£55.00 (Plus process servers fees)
Attachment of Earnings Order	£ 30.00	£65.00
Charging Order	£175.00	£104.00 (Plus process servers & agents fees)

It is possible for enforcement proceedings to become contested. This includes applications to the Court by the debtor to set aside or vary the Judgment when the debtor has not defended the proceedings. If this happens we will advise you of our costs as our usual charging rates will apply.

Insolvency Proceedings

The costs stated below are for preparing the necessary documents and one attendance at Court in uncontested cases. They do not include the fees of any agents where their attendance on our behalf may be required.

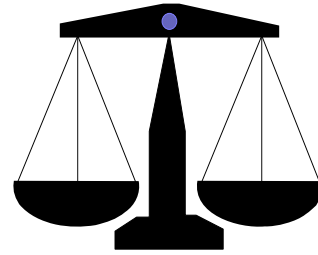
	Costs	Court fee and Deposit	Other Disbursements
Statutory Demand on individual or Company	£ 55.00	Not Applicable	Process Servers Fees
Bankruptcy Petition on individual	£135.00	£560.00	Affidavit fee Process Servers fees Search fee
Winding Up Petition on Company	£175.00	£810.00	Affidavit fee Advertisement fee Process Servers fees Company Report Fee Counsel's Fees London Agents Fees

Insolvency Proceedings are also a method of enforcing a Judgment

NOTES

1. All costs are subject to the addition of VAT. Disbursements will be shown separately on your invoice.
2. Court Fees and other large disbursements must be paid for in advance.
3. The costs as set out above assume that the action will not be defended or contested in any way. If our letter before action generates a response leading to negotiations or additional correspondence/telephone calls, we reserve the right to make an additional charge for this work at our usual charging rates.
4. If the Court Proceedings or Insolvency Proceedings are defended it is not appropriate for the matter to remain within the Debt Recovery System. Court Proceedings are defended when the debtor files a Defence or Counterclaim. Examples of Insolvency Proceedings being defended include: an application by the debtor to set aside a Statutory Demand, an application by a debtor company to restrain advertisement of a winding up petition or a debtor contesting a bankruptcy hearing. Subject to your instructions, when a matter is defended we will continue with the proceedings but at our usual charging rates. We shall advise you of these rates once the matter is defended.
5. When the debtor is an individual abroad or a foreign company, it may be necessary to take extra steps to ensure that the proceedings are served correctly and cannot be challenged by the debtor, on any technical grounds, at a later date. We will advise you of the extra steps at the outset and the appropriate costs thereof, which are not included in the above.
6. Costs listed above are based on Court fees as at the date of publication and may be subject to alteration if fixed costs and Court fees are varied by the Court.
7. The use of our Debt Recovery Services does not guarantee payment by the debtor. The ability (and willingness) of a debtor to pay is a matter over which we have no control. Even if you recover nothing, you are still liable to pay our costs, and any Court fees and disbursements, which have been incurred on your behalf.

April 2006



Debt Recovery Department Enforcement Guide

Methods of Enforcement

Described below are a number of different enforcement methods which are now available to you:

Warrant of Execution – (*County Court Proceedings*)

We can apply to the Court for the Bailiff to attend the Defendants home or trading address to execute a Warrant for the seizure and sale of goods belonging to the Defendant. The proceeds of the sale are then utilised in the payment of the monies due to you. The Bailiff is unable to seize any goods which are the subject of a credit agreement or which do not belong to the Defendant. It is also possible that the goods will be of insufficient value to satisfy what is owed to you. The Bailiff is unable to seize goods which are deemed "tools of the trade" thus preventing the Defendant from carrying out his day to day business. The Bailiff takes between four to six weeks to report back to us. Our charge for preparing and issuing the Warrant and reporting to you thereon is £30.00 plus VAT. The court issue fee involved is:

- Judgment debts less than £125.00 £35.00
- Judgment debts over £125.00 £55.00 maximum

The Warrant remains valid for the period of one year, unless a final return is made, and the Bailiff can be re-instructed within that time with a fee of £25.00 per request.

Warrant of Execution – Writ of FI-FA (*High Court*)

Providing the value of the County Court Judgment is over £600.00*, it can be transferred to the High Court for the purposes of instructing the High Court Sheriff to execute the equivalent of the County Court Warrant of Execution.

The benefit of this is that the Sheriff's Officers have powers that dramatically exceed those of the County Court Bailiff. Set out below are details of the comparisons:

COUNTY COURT BAILIFF	HIGH COURT SHERIFF
Notice to levy served on debtor in advance of Bailiff's visit.	No notice given of appointment to levy.
Attend premises between 10.00am – 4.00pm – weekdays only	Evening/Weekend levies – Sheriff will make at least 3 attempts including early/late calls to contact debtor and obtain payment.
Subject to Court Service policy	Every Sheriff's warrant must be levied.
Re-issue of Warrant charge - £25.00 per request.	Commanded to break into commercial premises – including shops. Sheriff will pursue a debtor in his home county and seek payment at no extra cost.
Civil Servant – Public Sector – Fixed charges.	Private sector – Payment by results.

The Sheriff's Lodgment Centre have confirmed that within 72 hours of receiving the Warrant the Sheriff is in attendance at the debtor's premises with the authority to take an inventory and levy goods. The debtor has three options:

1. Pay the full amount (the Sheriff may accept payment by credit card or Transax, cash or guaranteed cheque/postal order/bankers draft);
2. To make a sensible offer of repayment by instalments; or
3. To make no offer and have goods removed for sale.

The Sheriff works on a fixed fee basis. The Court issue fee for transferring a County Court Judgment to the High Court is £50.00. This is non-negotiable and you are liable for this fee. If the Sheriff makes a recovery you pay nothing except our fee of £30.00 plus VAT, as the Sheriff's fees would be recovered from the debtor. If the Sheriff cannot make a recovery you will receive a full report (often including photographs) for a fixed fee of £60.00 plus VAT. Again you are liable for our costs of £30.00 plus VAT.

***It is not possible to transfer Judgments under the value of £600.00.**

Winding Up or Bankruptcy Proceedings

These proceedings are relatively more expensive than other enforcement methods and are really only suitable for large debts. You should also be aware that such assets as there may be, could well be used to pay off preferential and secured creditors (if any); leaving nothing to pay the debt owed to you and all the other creditors who will share in any balance equally. Each individual case will be discussed with you should you choose this option. Initially, we advise, that a Statutory Demand be prepared and served upon the debtor, and our charge for this service is £55.00 plus VAT, there are also Process Servers fees which are usually in the region of £60.00 plus VAT. After twenty-one days from service, a Petition then needs to be issued. The Court issue fee is £190.00 and in addition a deposit of £620.00 (increasing to £655.00 on 1 April 2006) is required for each debtor where the debtor is a company or £190.00 issue fee and £370.00 (increasing to £390.00 on 1 April 2006) deposit fee where the debtor is an individual. Again there will be additional Oath fees, advertising fee etc.

Instructing Agents

We can arrange for agents to attend the Defendants home address and take a Statement of Means from the debtor. This is similar to an Order to Obtain Information from a Judgment Debtor but the result is much quicker as it does not entail waiting for a Hearing date. You will be advised of the costs in each instance depending on the whereabouts of the debtor and the number of attendances required to obtain the information. The cost is usually in the region of £50.00 plus VAT.

Charging Orders

If the Defendant owns a property, we can apply for a Charging Order against the property. The money owed to you would be paid out of any equity existing in the property when it is sold. If at the time of sale there were no equity in the property you would not be able to recover any money. Our charge for preparing the Application Form, obtaining Office Copy Entries, applying for the Charge and reporting to you thereon is £200.00 plus VAT. Disbursements total £104.00. A personal attendance at Court is necessary and additional fees will be incurred depending upon the time taken at the Court hearing.

Third Party Debt Order (Formerly Known as Garnishee Order)

This stops the Defendant withdrawing money from his bank/ building society account. The money that you are owed is then paid straight to you from the account. It is not now necessary to provide the Court with full details of the Defendant's bank and account number. A Third Party Debt Order can also be sent to anyone who owes the Defendant money. This means, if successful, that the person owing the money to the debtor would forward any payments to you until such time as your debt is satisfied. This is fairly expensive and the costs will be discussed with you should you decide on this option. The Court issue fee in this instance is £55.00; the Oath fees are approximately £10.00, together with possible attendance fees. Our charge for preparing and obtaining the Third Party Debt Order are £175.00 plus VAT.

Attachment of Earnings Order

This method of enforcement **cannot** be used against a self-employed person. To proceed with this we need to be provided with details of the debtor's employers and the Court will then order that a certain sum must be deducted from the Defendant's pay automatically per week/month. The Court issue fee for the Attachment of Earnings Order is £65.00 maximum. Our costs for the preparation and issue of the same are £30.00 plus VAT.

Order to obtain Information from Judgment Debtor (Formerly known as Oral Examination)

We can apply to the Court for an Order to obtain information from the Judgment debtor. It is necessary to make an Application to the Court for the Judgment debtor to attend Court to disclose details of his financial circumstances and any assets etc that he may have. We are required to serve the Judgment debtors with an Order detailing the date and time that he is due to attend Court for questioning. The Court Order contains a Penal Notice, which states that if the Judgment Debtor fails to attend the Court for questioning on the due date he will be in contempt of Court. At the questioning the Court will ask the Judgment Debtor to complete a standard questionnaire. It is necessary for the Creditor (or their representatives) to attend the questioning. Failure to answer any question will also mean that the Judgment debtor is in contempt of Court. If you would like the debtor to take any particular documents to the questioning then this can be requested at the time the initial application is made.

Once the Judgment debtor has completed the questionnaire a member of the Court staff will check it. If the Judgment debtor fails to answer any question he can be immediately brought before a Judge and punished for contempt of Court.

If the Judgment debtor fails to attend the questioning, the matter is immediately referred to a Circuit Judge who will make a Suspended Committal Order. A further date will be set and notice must again be served upon the debtor. The notice states that if he fails to attend the hearing a Warrant for his arrest will immediately be issued.

This is not really a method of enforcement. The Court fee for the issue of the Oral Examination is £45.00 and our fee for preparing and issuing the Request Form, preparing the Certificate of Conduct of Money and reporting to you after the hearing is £50.00 plus VAT. However, if a personal attendance at Court is necessary our charge will be £75.00 plus VAT for our attendance.

Each method of enforcement attacks the problem from a different angle. If the Defendant owns goods of a considerable value then the Warrant of Execution would, perhaps, be the best method to adopt. If the Defendant has regular income and we are aware of his employers' details then perhaps the Attachment of Earnings Order would be suitable. If the Defendant owns property, then the Charging Order may be possible likewise the Third Party Debt Order for Savings.

There can be no guarantee that the method of enforcement chosen will be successful.

Please note that the above fees and quoted disbursements are correct to the best of our knowledge but are liable to revision depending on the circumstances of each individual case and any change in the Court fees.