

Debt Recovery Fact Sheet

I am owed money, what can I do to recover it?

We can send a letter to the Debtor/Company demanding payment in 7 days if further action is to be avoided.

What do I need to provide?

The full name and address of the Debtor, the amount outstanding, the nature of the goods and or services provided, any invoices or statements of account.

Is there a time limit to claim?

Yes. Six years from the date the debt accrued.

What if Court action needs to be issued?

Don't worry – we do all the legal work for you. We will prepare all the Court paperwork and deal with any further steps, keeping you fully informed of developments along the way.

Will Court action be expensive?

We will provide you with an estimate of the likely costs at the outset and will keep you updated as to costs as the matter progresses. In some cases, depending on the size of the debt, you will be able to make a claim for costs from the Debtor.

How long will the action take?

This really depends on the route taken (See Flowchart) and if the claim is disputed by the Debtor. We will however be able to give you an indication of the likely timescale once a route has been decided on.

Where will the action take place?

The vast majority of debt recovery proceedings are brought in the County Court.

Can I claim interest on the outstanding debt?

Yes. If it is a commercial debt, interest is claimed under the Late Payment of Commercial Debts (Interest) Act 1998. In addition, compensation can be claimed, which we will automatically include on your behalf. If the Debtor is an individual, interest can be claimed under the County Court Act 1984 at the rate of 8% per annum.

What if the Debtor does not respond to the claim?

In these circumstances we can apply to the Court for Judgment in Default to be entered against the Debtor for the amount of the claim, interest and fixed costs.

What is a Judgment?

A Judgment is a document issued by the Court which confirms the amount which the Debtor has been ordered to pay to you and the time scale in which payment is to be made. The Judgment is entered on the County Courts Judgment Register and remains there for 6 years unless it is discharged. This means that anyone doing a credit check on the Debtor will be made aware of the Judgment and could affect the Debtors credit rating.

What happens if the Debtor does not pay the Judgment?

Steps can be taken to enforce the Judgment. There are a number of enforcement methods available and we will be able to advise you of the most appropriate method to take depending on the circumstances of the Debtor.

Are there any other courses of action which can be taken?

Yes. A Statutory Demand can be served. This is a formal document served on an individual or company requiring payment in a specified time failing which bankruptcy or winding up proceedings may follow.

So insolvency procedures are available to Creditors?

Yes. Bankruptcy proceedings against individuals or partnerships and winding up proceedings against companies can be very effective means of debt recovery. The process is rather different and we will obviously advise you fully should this be your chosen methods of debt recovery.

Debt Recovery Flow Chart

