

Debt Recovery - How can we help?

Securing payment from your debtors can be stressful and time consuming.

For a business, outstanding invoices are often the largest assets. Delayed payment and bad debt can adversely affect cash flow, which at any time is a threat to business performance but in the current economic climate, is particularly dangerous.

For an individual, money owed by companies or other individuals that have provided faulty goods, poor workmanship, incomplete services or have simply failed to pay bills, can not only cause severe financial hardship but can be frustrating, onerous and often distressing.

Our Services

Controlling the recovery of debts is therefore paramount to the wellbeing of any business or individual. Using solicitors specialising in debt collection who have the expertise to recover sums owed prevents businesses from having to divert valuable time and resources away from more essential day to day tasks and takes the strain away from individuals who often feel that they have otherwise exhausted their recovery options.

Experience shows that a high proportion of debtors choose to ignore standard reminders from creditors but that receipt of a solicitor's letter often prompts payment as it indicates the creditors explicit intention to pursue the debt. The sending of this letter denotes the first of a three phase service that Read Dunn Connell offers. The three phases are as follows:-

1. Letter Before Action

It is necessary to send a letter to a debtor prior to issuing court proceedings. This is essential in order to avoid the creditor facing increased costs in any subsequent proceedings as a result of not giving the debtor a reasonable chance to pay.

The letter will contain details of the debt attaching copies of any outstanding invoice where possible. It will also make clear what action will ensue if invoices remain unpaid (see phase 2) and will give the debtor 7 days to settle the debt.

Our fee for initiating the pre-litigation phase via the Letter Before Action is £50 plus VAT. However, we will discuss and agree with you any additional fees to be incurred prior to carrying out the work.

2. Court Proceedings

If our Letter Before Action does not secure payment, the next step may be to issue Court proceedings and obtain a Judgment.

A fee determined by the value of the debt is payable to the Court upon the issuing of proceedings.

We charge a fixed fee of £150 plus VAT for commencing Court proceedings.

Our fee for subsequent work involving the claim up until Judgment will be based on our hourly rates.

3. Enforcement Action

If a debt still remains unpaid even after Judgment has been obtained, a creditor can apply to take suitable enforcement action as follows:-

1) High Court Enforcement Officer or County Court Bailiff

The relevant officer will attend the debtor's premises, identify the debtor's goods and require payment of the debt within a certain period. If the debt is not paid, the goods will be removed and sold at public auction.

2) Attachment of Earnings

This option is only available if the debtor is an individual and is employed.



The creditor can ask the Court to order that a set sum is deducted each month from the debtor's salary and paid directly to the creditors.

3) Charging Orders

This option is only available if the debtor has an interest in land or property.

The creditor can ask the Court to order that a charge is registered against the land/property at H M Land Registry. This will then secure an interest in that land/property in favour of the creditor.

The creditor may also seek an order for sale of the land/property allowing the debt to be paid out of the sale proceeds.

4) Third Party Debt Orders

If a third party owes money to the debtor, the creditor can ask the Court to order that rather than paying the debtor, the third party pays the creditor.

5) Insolvency Petitions

It may be appropriate in some circumstances to present either a Bankruptcy Petition for an individual debtor or a Winding Up Petition if the debtor is a company.

Insolvency has very serious consequences for a debtor and although it can be a very useful course of action for a creditor, it must be considered carefully before pursuing.

Our fees for taking enforcement action are based on our hourly rates.

Contact Us

Professional debt recovery can be less expensive and more effective than you might think.

Whatever your requirements we will respond swiftly and efficiently.

For further information contact Robert Anderson, Read Dunn Connell Solicitors on 01274 723858 or r.anderson@readdunconnell.co.uk