



## Calculation of Fees for Debt Recovery Work

For the purposes of this guide any reference to VAT is calculated at the standard rate for goods and services, currently 20%.

### **DJM PRE-LITIGATION FEES DEBT WORK**

#### 1. Letter of Claim (LOC) / Disputed Letter of Claim (DLOC):

UK Debtor LBC/DLBC = £175.00 plus VAT (£35.00) / £200.00 plus VAT (£40.00)

Foreign Debtor LOC/DLOC = £225.00 plus VAT (£45.00) / £250.00 plus VAT (£50.00)

### **DJM POST-LITIGATION FEES**

#### 2. Issue County Court Proceedings:

| Level of Debt             | DJM Fee (VAT at rate of 20%) | Court Fee         | Issue | Solicitors Fixed Costs Awarded by Court at Issue | Solicitors Fixed Costs at Judgment (in default) |
|---------------------------|------------------------------|-------------------|-------|--|---|
| Up to £300.00             | £450.00 plus VAT (£90.00)    | £35.00            |       | £50.00   | £22.00  |
| £300.01 - £500.00         | £450.00 plus VAT (£90.00)    | £50.00            |       | £50.00   | £22.00  |
| £500.01 - £1,000.00       | £450.00 plus VAT (£90.00)    | £70.00            |       | £70.00   | £22.00  |
| £1,000.01 - £1,500.00     | £450.00 plus VAT (£90.00)    | £80.00            |       | £80.00   | £22.00  |
| £1,500.01 - £3,000.00     | £450.00 plus VAT (£90.00)    | £115.00           |       | £80.00   | £22.00  |
| £3,000.01 - £5,000.00     | £450.00 plus VAT (£90.00)    | £205.00           |       | £80.00   | £22.00  |
| £5,000.01 - £10,000.00    | £450.00 plus VAT (£90.00)    | £455.00           |       | £100.00  | £30.00  |
| £10,000.01 - £15,000.00   | Hourly Rate plus VAT         | 5% value of claim | of    | £100.00  | £30.00  |
| £15,000.01 - £50,000.00   | Hourly Rate plus VAT         | 5% value of claim | of    | £100.00  | £30.00  |
| £50,000.01 - £100,000.00  | Hourly Rate plus VAT         | 5% value of claim | of    | £100.00  | £30.00  |
| £100,000.01 - £150,000.00 | Hourly Rate plus VAT         | 5% value of claim | of    | £100.00  | £30.00  |
| £150,000.01 - £200,000.00 | Hourly Rate plus VAT         | 5% value of claim | of    | £100.00  | £30.00  |
| £200,000.01 +             | Hourly Rate plus VAT         | £10,000.00        |       | £100.00  | £30.00  |

\*MAXIMUM AMOUNT FOR SECURE DATE TRANSFER (SDT) OR MONEY CLAIM ONLINE (MCOL) IS £99,999.99\*).

**(HOURLY RATES: Solicitor = £195.00 plus VAT (£39.00) / Trainee Solicitor = £145.00 plus VAT (£29.00))**



**3. Requesting Judgment (in default):**

DJM Fees £100.00 plus VAT (£20.00)

**4. Defended Proceedings:**

**(i) Debt £300.00 - £5,000.00**

Fixed Fee: £1,000.00 plus VAT (£200.00) + Court Disbursements & Counsel Fees

**(ii) Debt £5,000.01 +**

Hourly Rate: £155.00 plus VAT (£31.00) + Court Disbursements & Counsel Fees

**DJM POST-JUDGMENT FEES**

**5. Post Judgment (in Default) Letter [if required]:**

UK Debtor – 7 Day Judgment Letter = £50.00 plus VAT (£10.00)

Foreign Debtor – 14 Day Judgment Letter = £70.00 plus VAT (£14.00)

**6. Enforcement of Judgment (in default):**

| Type of Enforcement                                       | DJM Costs (VAT at rate of 20%) | Court Fees  |
|---|--------------------------------|---|
| High Court Writ of Control (High Court Enforcement – HCE) | £150.00 plus VAT (£30.00)      | £71.00  |
| Warrant of Control (County Court Bailiff)                 | £150.00 plus VAT (£30.00)      | £83.00  |
| Attachment of Earnings Order                              | £150.00 plus VAT (£30.00)      | £119.00   |
| Order to Attend Court for Questioning                     | £150.00 plus VAT (£30.00)      | £59.00 or £119.00 (if service required by County Court Bailiff) |
| Third Party Debt Order                                    | £450.00 plus VAT (£90.00)      | £119.00   |
| Charging Order  | £450.00 plus VAT (£90.00)      | £119.00   |

*(In addition to the above, there may be disbursements such as Process Servers Fees; Abortive Fee Notes from HCE; Land Registry Fees and Agents Fees for attendance at Court Hearings. Disbursements are costs related to your matter that are payable to third parties, such as court fees).*

**7. Non-Routine Cases/Advising on Risk/Prospects of Success/Liability**

Any time spent on cases which is non-routine, will be charged at the hourly rate. If a Defence is received, a legal review capped at an initial 2 hours for a review of the papers at £195.00 plus VAT (£39.00) per hour (advising on merits of the case; prospects of success/liability; recommendations; and a full estimate of costs/disbursements if client has a good case to proceed).



**8. Personal Insolvency (Creditor's Petition):**

|   | <b>DJM Costs (VAT at rate of 20%)</b> | <b>Court Fee &amp; Official Receiver's Deposit</b> |
|---|---------------------------------------|--|
| Preparation & Instructing Process Server to serve Statutory Demand (SD2)  | £300.00 plus VAT (£60.00)             | N/A  |
| Preparation; Issuing & Instructing Process Server to serve Bankruptcy Petition & instructing Agent's to attend Bankruptcy Hearing | Hourly Rate/s plus VAT                | £280.00 + OR Deposit                               |

*(In addition to the above, there will be disbursements such as Process Servers Fees and Agents Fees for attendance at Court Hearings. Disbursements are costs related to your matter that are payable to third parties, such as court fees).*

**9. Corporate Insolvency:**

|   | <b>DJM Costs (VAT at rate of 20%)</b> | <b>Court Fee &amp; Official Receiver's Deposit</b> |
|---|---------------------------------------|--|
| Preparation & Instructing Process Server to serve Statutory Demand (SD1)  | £300.00 plus VAT (£60.00)             | N/A  |
| Preparation; Issuing & Instructing Process Server to serve Winding Up Petition & instructing Agent's to attend Bankruptcy Hearing | Hourly Rate plus VAT                  | £280.00 + OR Deposit                               |

*(In addition to the above, there will be disbursements such as Process Servers Fees; advertising in The London Gazette and Agents Fees for attendance at Court Hearings. Disbursements are costs related to your matter that are payable to third parties, such as court fees).*

Anyone wishing to proceed with a claim should note that:

- The VAT element of our fee often cannot be reclaimed from your debtor.
- Interest and compensation may take the debt into a higher banding, with a higher cost.
- Our fee includes taking your instructions and reviewing documentation and receiving payment and sending onto you.
- Our fee does not include undertaking any searches.
- When Judgement in default is received, our fee includes writing to the other side to request payment.



- If payment is not received as demanded within a letter of claim, providing you with advice on next steps and likely costs

Uncontested matters usually take 4-15 weeks from receipt of instructions from you to receipt of payment from the other side, depending on whether or not it is necessary to issue a claim. This is on the basis that the other side pays promptly on receipt of Judgement in default. If enforcement action is needed, the matter will take longer to resolve.

For contested claims, we will discuss with you the likely timescales that will apply to your specific matter but as a general guide, contested proceedings can take anywhere between 6-24 months to be resolved, and sometimes longer in the event that enforcement action is required.

**This illustration is to provide you with an outline of the likely costs of a case. Whilst we aim to be as accurate as possible, we strongly suggest you contact us directly to obtain a bespoke solution. For debt recovery matters please contact [rp@djm.law.co.uk](mailto:rp@djm.law.co.uk) or telephone (01792) 656510.**