

Maxwell Hodge Debt Recovery – Information & Timescales

SOLICITORS 1st April 2025

Key points

The following sections provide cost information and the key steps involved in debt recovery matters.

We have also included the different disbursements you will encounter and additional fees that you should budget for.

We can assist in **any** debt recovery matter whether it is a small claims matter or a higher value claim, however you should note that you may not be entitled to recover all or any of your legal fees from your opponent if your claim is successful. In some cases, you are not entitled to recover any legal fees. In others you may only be entitled to recover fixed costs. It may therefore not be economical for you to instruct a Solicitor to act, but we can inform you of this when you contact us.

Contact Information

It is important to note that we can only advise on the costs and work involved following our initial conversation with you. For a detailed quote tailored to your individual circumstances, please contact:

- Pamela Lacey on 0151 526 9321 on ext. 1503
- Viv Sinnott on 0151 526 9321 ext. 1506

Fees and Disbursements

Most of the fees and disbursements attract VAT, which is currently 20%.

We will carry out any debt recovery work on an hourly rate depending on the grade of fee earner dealing with your claim. Please note that our fees are generally reviewed in April each year.

The current hourly rates for each grade of fee earner plus VAT for this work are listed below:

- Grade A: £265 plus VAT of £53 – total hourly rate incl. of VAT is therefore **£318.00**.
- Grade B: £237 plus VAT of £47.40 – total hourly rate incl. of VAT is therefore **£284.40**.
- Grade C: £197 plus VAT of £39.40 – total hourly rate incl. of VAT is therefore **£236.40**.
- Grade D: £145 plus VAT of £29 – total hourly rate incl. of VAT is therefore **£174.00**.

The status of the fee earner dealing with your case and their hourly rate will be stated at the beginning of your case in our client care letter (retainer letter).

Disbursements

Disbursements are the costs relating to your matter that are payable to third parties such as the Court. All these payments are handled by us, as we pay the disbursements on your behalf to ensure a smoother transaction. The cost of these disbursements depends on the value of

your claim – **see table below**. You should note that additional disbursements, may include the enforcement fees [See here](#) - however, these will be discussed with you at the start of the claim along with which type of enforcement would be better suited to the recovery of your debt.

Table of Court fees

| Value of your claim | Fee |
|---------------------------------------------|------------------------------|
| Up to £300 | £35 |
| More than £300 but no more than £500 | £50 |
| More than £500 but no more than £1,000 | £70 |
| More than £1,000 but no more than £1,500 | £80 |
| More than £1,500 but no more than £3,000 | £115 |
| More than £3,000 but no more than £5,000 | £205 |
| More than £5,000 but no more than £10,000 | £455 |
| More than £10,000 but no more than £200,000 | 5% of the value of the claim |
| More than £200,000 | £10,000 |

Additional Fees

In addition, there will be a fee to pay for the final hearing of the matter, this is to have the final trial heard in front of a Judge. Hearing fees payable are shown in the table below.

Table of additional Court fees

| Type and value of claim | Fee |
|------------------------------------------------------------|------------|
| Small claims track for claims up to £300 | £27 |
| Small claims track for claims between £300.01 and £500 | £59 |
| Small claims track for claims between £500.01 and £1,000 | £85 |
| Small claims track for claims between £1,000.01 and £1,500 | £123 |
| Small claims track for claims between £1,500.01 and £3,000 | £181 |
| Small claims track for claims more than £3,000 | £346 |
| Fast track claims | £545 |
| Intermediate track or multi-track claims | £1,175 |

Barrister fees

There will also be barrister's fees payable for advice or to represent you at the final hearing. We do not represent parties at the final hearing or trial. The fees depend on the experience of the barrister and their year of call to the BAR.

Typically, the fees range from:

- Around £900 plus VAT (£180) (total £1,080.00) for advice or for Court papers to be drafted.
- Conferences with a barrister can be around £1,500 plus VAT (£300) (total £1,800.00).
- Trial fees can be around £2,500 plus VAT (£500) per day (total £3,000.00).

We will usually obtain an estimate of the barrister's fees prior to the work being obtained and ask you for a payment on account of costs for this work.

Common Fees

The fees that are relevant to all debt matters are as follows:

- Electronic identity checks - £15 plus VAT of £3 per person.

How long will it take?

Typically, a debt claim can take around 3 – 5 hours from instructions to obtaining a response to the letter of claim.

If proceedings are issued and the Defendant does not reply, the time may be around a further 5 – 7 hours.

If the Defendant does reply and defends the claim, the time may reach around 15 – 30 hours depending on the complexity of the matter.

If your debt claim falls into the Debt Protocol, 30 days is allowed for a response to the Letter of Claim and there may be further time allowed for the Defendant to seek advice and help, therefore in some cases a further 28 days is allowed. If the Defendant requests further time, we may advise you to grant this if the request is reasonable.

An estimate of the time your matter will take will be given in our client care letter at the beginning of your case. If it transpires your matter will take longer than initially estimated, you will be notified at that point with a revised estimate of time.

How long will it take to recover my money?

How long it takes will depend upon the circumstances as to how the loan/debt came about, this usually means what evidence you have for which we rely on to support your claim and what payments were made, if any. However, we can advise that the average process takes between 2 and 3 months providing we do not take the matter to a Court.

Should we need to issue Court Proceedings, we find that this process can be between 4 – 6 months, however, this is a usual timescale if the Third-Party Defendant defends the claim, meaning they dispute that they owe the money, whether it be a loan amount or outstanding money for works carried out.

However, if we issue Court Proceedings and the Defendant does not respond to the Court Papers, we can request Judgment against them by default, this is typically around one month or two.

Summary

We hope this information has been beneficial to you in terms of understanding the costs and steps involved in debt recovery. Should you have any queries, or wish to instruct us in a new matter, please contact our colleagues noted on the first page who will take all the initial information from you.