



## Debt Recovery

### DEBT FROM £3,000 AND ABOVE:

In response to changes in the small claims limits, DMA Law's dispute resolution team has introduced a fixed fee scheme to ensure affordability and proportionality of legal costs.

A small claim is a claim which is allocated to the Small Claims Track of the County Court, known universally as the 'Small Claims Court'.

Prior to April 2013 only claims for less than £5,000 were treated as small claims. The Government's intention in increasing the upper limit to £10,000 in April 2013 was that a greater number of claims could be resolved more quickly using the streamlined process of the Small Claims Track.

Anyone who uses a solicitor for bringing a small claim has to meet the cost of their legal advice themselves – legal fees cannot usually be claimed back from the losing side.

However, since small claims can still be complex and challenging, many claimants continue to need and want legal advice and support from their solicitors, particularly now that as much as £10,000 can be at stake in the Small Claims Court.

If a debt is £3,000 or more the following fixed costs will apply. *(These costs will also apply if a claim under £3,000 is defended)*

The fees are as follows:

<u>Claim Size (£)</u>	<u>Total Fixed Fee (£) + VAT</u>	<u>Fee for each stage (£) + VAT</u>
<b>£3,000 - 5,000</b>	<b>£999.00</b>	<b>£333.00</b>
<b>£5,001 - 8,000</b>	<b>£1,599.00</b>	<b>£533.00</b>
<b>£8,001 - 10,000</b>	<b>£1,998.00</b>	<b>£666.00</b>

The above figures do not include court fees, which, if applicable, are payable direct to the court (see <https://www.gov.uk/make-court-claim-for-money/court-fees> for details). They also do not include other fees that might be payable to third parties, such as experts. Court fees and other expenses are normally recoverable from the unsuccessful party even in the Small Claims Court.

*Please note that these costs relate to guidance, advice and preparation. However if you would like DMA Law to act as your representative and go on the court record as your representative, an additional 33% uplift will be charged. If you would like a barrister to represent you at a trial there will be further costs added for the Barrister.*

### How DMA Law's fixed fee scheme works

We split your case into three stages:

**Stage 1**

An initial meeting to discuss your case\*, and the preparation of your Claim documents (if you are a Claimant), or your Defence (if you are a Defendant).

**Stage 2**

Identifying critical documents relevant to the case, and assistance with preparing your evidence, including drafting 2 witness statements (which are usually sufficient in the Small Claims Court).

**Stage 3**

In depth advice and assistance in relation to preparing for and attending court for the final hearing including considering the other side's evidence.

To spread your costs, you pay one third of the total fixed fee up-front at the beginning of each stage. If the case settles during or at the end of a stage, there is no obligation to move on to the next stage. You can also join the scheme part way through proceedings, or opt to take just one or two stages, subject to our agreeing that your case is suitable at an initial meeting\*.

To keep our charges at proportionate levels, you retain responsibility for some parts of the work:

**Your responsibilities:**

**Court Liaison** – In most cases, clients will correspond with the Court and the other party themselves, for example sending copy documents to the court or the other side, and receiving court orders from the court. Where clients would prefer us to undertake this part of the work, we are happy to do so for an uplift of 33% on the above fees.

**Mediation** – If the court appoints a mediator to facilitate settlement discussions, you will liaise with the mediator yourself.

**Court Representation** – We will normally not attend court on your behalf. With our advice and support, in most cases you will be able to present your case in court yourself. Alternatively we have close working relationships with experienced and affordable court advocates who, if you wish, can represent you in court for a modest fee.

**Eligibility**

This scheme is aimed at standard small claims cases relating to issues such as non-payment of debts, breach of terms and conditions of contracts for the sale of goods and services etc. It will not be suitable for all small claims but we will tell you at our very first meeting if your claim is not eligible.

\*We offer an initial half hour meeting at a cost of £50 + VAT. At that meeting, as well as giving preliminary advice, we will tell you whether your case is suitable for the small claims fixed fee scheme. If it is, the meeting charge plus VAT will be credited against Stage 1 payment.