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your personal and business needs  
...secure in our hands

## Debt recovery

In these hard economic times debt recovery is a greater issue than it has ever been before.

Credit control is a fundamental area of business management as it ensures cash flow and therefore the security of a business's future.

- Communicate frequently with clients and keep good records of all contact with them.
- Send invoice reminders as this will help identify late payers early.
- Train staff so that they use and assert your terms of business, make the detailed provisions work for you, such as payment terms and interest charges.
- Legally you are entitled to claim late payment interest and compensation to contribute to costs incurred in chasing outstanding monies
- Ensure that your terms of business protect you, you may want to ask your customers for a non refundable deposit, payment upon delivery, stage payments, and interest and administration costs for late payment.

It may be that in your industry it is custom and practice for customers to have credit until the end of the month following the invoice month, thus a credit period could be up to 60 days. You can still set earlier payment terms by having a separate written agreement.

If you do not have an agreement in place nor custom and practice in operation, the law sets a default period of 30 days.

This period starts from whichever of the following is later:

- the date on which the goods are delivered or the service is performed
- the date on which the customer receives notice of the amount of the debt

However, despite your best efforts, you may find that some still end up paying late or not at all. Attwaters specialise in Commercial Debt Collection and Consumer Debt Recovery and can assist in the recovery of debt no matter how small the debt.

We offer a fixed fee service for all debt recovery matters under £5,000. The first stage would be for a letter before action to be sent to the debtor notifying them that if payment is not made within 7 days court proceedings will be issued to recover the debt, together with costs and interest. If the debtor does not pay then, you can issue court proceedings. A court fee is payable on the issue of a claim. Once the proceedings are served on the debtor (the Defendant) they have 14 days to admit or defend your claim.

If the Defendant does not respond within 14 days to the claim, judgment can be entered. The Defendant will then have a county court judgment against them.

If a defence is filed then the court will give directions for the parties to follow to prepare for a final hearing.

In you would like further information regarding debt recovery or information regarding our fixed fee service please contact **Leanne Philp** on **01279 638888** or by email **leanne.philp@attwaters.co.uk**

The information contained in this article is intended for guidance only and is not intended to provide specific legal advice to you or your business. Expert advice on any issue should always be obtained. Attwaters Solicitors do not accept liability for any loss that may arise from relying on or using the information contained in this article.



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