

## Why use a legal debt collector? And what is the process?

---



A letter before action from a solicitor can focus the debtors mind leading to prompt payment, but if money isn't forthcoming a legal debt collector is experienced in extracting payment. In my experience, legal involvement will move your invoice further up the list of priorities.

By using a legal collector you can:

- Minimise costs on overheads and staff
- Save time
- It could turn around your (or your client's) business
- Recover a surprising amount of old and abandoned debt
- Get rid of the frustration of unpaid invoices

The questions I get asked most frequently when a client has debt to recover are what are the steps and how long does it take?

Please see below an overview of each of the stages of debt collection with a legal debt collector. Contact us and we can help you decide what is the best course of action for you.

### The process



## Stage 1. letter before action

A formal letter before action ("LBA") is sent to the debtor threatening legal proceedings if the debtor fails to make payment within the number of days permitted (usually 14 days).

In most cases the debt is settled quickly and we do not take the matter further.

Interest is claimed under the Act for each qualifying invoice (currently 8% above the Bank of England base rate) along with late payment compensation.

## Stage 2: pre-action negotiations

If, after sending the LBA, you would like us to liaise with the debtor and negotiate payment terms, before you commit to issuing court proceedings, we can make telephone calls and/or send e-mails to the debtor and any other party and report back to you.

## Stage 3 – issuing proceedings

If the debtor does not respond to the LBA or is not willing to accept your payment terms and you may wish to commence court proceedings.

When a Claim is deemed served by the court the debtor has 14 days to respond/defend. This correspondence may often include trying to negotiate settlement terms either before or after a defence is filed.

## Stage 4 – entering judgment – if the debtor does not respond to claim

If the Defendant fails to file an acknowledgement of service or defence, you can apply for a County Court Judgment (CCJ).

## Stage 5 – enforcement

If the debtor fails to pay the judgment debt you may then proceed to enforcement. There are various methods of enforcement, the most common being High Court Enforcement. The costs, advantages and disadvantages of enforcement can be discussed with you on a case-by-case basis.



[Gina Hope](#)

Legal Manager