

Recovery of Service Charges

‘No recovery, no fee’

In most cases we are able to recover the service charges direct either from the debtor or from the mortgagee, allowing us to also recover our legal charges at the same time.

For this reason, we will pursue recovery of the outstanding service charges on a ‘no recovery, no fee’ basis. The only conditions that we make in undertaking such work are that:

1. The freehold of the property is registered
2. The debtor has a mortgage on the property
3. The lease contains a forfeiture clause
4. The lease provides for the recovery of professional charges

We shall carry out the work on a ‘no recovery, no fee’ basis for Steps 1-3 as explained in the document entitled ‘Recovery of Service Charges’.

Are there additional costs not included in the “no recovery, no fee” scheme?

There may be the rare occasion where we are unable to recover the service charge or our costs from the debtor or the mortgagee. In these circumstances, the only charges that we will have to pass on to you are charges that we incur and have paid on your behalf. For example, if we need to obtain Office Copies from the Land Registry to confirm details of the mortgagee, the cost to us is normally £4.00.

What happens if court proceedings need to be issued?

If we issue court proceedings, the court fee and fixed solicitors’ costs are added to the debt and we will then take steps to recover these costs from the debtor or mortgagee. The amount of the court fee depends on the value of the claim. The table below sets out the current court fees. We will ask you to let us have the court fee and any other payments to be made on your behalf in advance of proceedings being issued.

Value of claim - £	Court fee payable - £
0-300.00	30.00
301-500.00	50.00
501-1,000.00	80.00
1,001-5,000.00	120.00
5,001-15,000.00	250.00
15,001-50,000.00	400.00

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What costs will be incurred if the matter goes beyond Step 3?

We will discuss with you the most appropriate method of recovering the debt. For example, this may involve forfeiture proceedings (subject to the debt being greater than £350), instructing the Enforcement Office or County Court Bailiff to attend the property or known address of the debtor, or commencing bankruptcy proceedings against the individual. Each course of action will involve different charges and we can explain these to you at the appropriate time.

If you have any questions at any time or would like an update on your case, please contact us.

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