

DEBT RECOVERY

The most efficient system of debt recovery is obviously to ensure that debts do not arise. This is not so easy. Effective steps should, therefore, be taken at the outset to prevent debt problems.

If you have an outstanding debt, do you spend a lot of time trying to recover it? Do you think we could help you, thus saving time and money? If you do, then we could help with the following:-

1. **Final Demand** - this allows the debtor not less than 7 days to pay the outstanding Sum and interest, if applicable, failing which the debtor will be advised that proceedings will be issued where there will be a claim for interest and costs.
2. **Issue Summons/Writ** - for the outstanding sum, interest and costs in either the High Court or County Court, if the debtor fails to pay.
3. **Enter Judgment** - in default, if appropriate. If the proceedings are defended, then we will act in accordance with the rules to ensure that you are successful in obtaining a Judgment in any event.

However, the obtaining of a Judgment will only be the beginning and the most important part of debt recovery work is the enforcing of the Judgment to be able to recover the debt.

The major methods of enforcement of a Judgment are:-

Warrant of Execution/A Writ of Fieri Facias

The most commonly used method. In general terms it is the execution by the seizing and sale of goods of the debtor either through the County Court (Warrant of Execution) or the High Court (Writ of Fi-Fa).

Charging Order

Can be a very effective remedy and is normally taken against land or an interest in land. However, the obtaining of a charge in itself will not immediately obtain the money which is the subject of the debt and application to the court will be needed to enforce the sale of the property, and providing there is sufficient equity, the Judgment will be satisfied.

Third Party Debt Order

If the debtor himself is owed money then these monies can themselves be attached by the Judgment Creditor in order to obtain the money. The most common situation would be where the creditor is aware that the debtor's bank account is in credit and an application can be made to garnishee that bank account.

Attachment of Earnings Order

Only available in the County Court and can be used if you are aware that the debtor is in employment whereby payments would be automatically deducted from the debtor's wages and paid to the court. However, there is a protected earnings rate and if the debtor/employee is on low wages, this may not be suitable.

Bankruptcy and corporate winding up.

Insolvency remedies such as a bankruptcy or winding up petition should not be used as a debt collecting tool except as a last resort. However, the threat of bankruptcy or liquidation may well produce payment. This can be a costly method and recovery of your debt is still not guaranteed as it will depend on the assets of the debtor and the number of creditors as all will be considered in prioritising order and if there are insufficient assets, the debt will not be recovered.

If you have no knowledge of the debtors circumstances, you may wish to consider applying for an **Oral Examination** where the debtor will be ordered to attend court and be orally examined as to his means, liabilities assets and circumstances. It exists for individual debtors and companies. It is often utilised to enable a decision to be taken upon the correct method of enforcement of a Judgment.

Whatever your needs, we can help to recover the debt.

For further information contact

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