

# Debt Recovery

## The facts



**verisonalaw**

Fact Sheet

## Overview

Good cash flow is critical for every successful business, so making sure you get paid in full and on time is paramount.

However, for many business there are times when a payment has not been made, the person owing the money (the 'debtor') has ignored or avoided reminders, and all attempts to be paid have been futile.

This is when the Debt Recovery Team at Verisona Law is here to help you. We have a range of services which can be adapted to your particular needs.

## What should I do?

Whether it is due to lack of resources or simply there not being enough hours in the day, credit control for any type or size of business can fall by the wayside.

However, if your business is owed money, the key to successful debt recovery is to act quickly.

## What should I do?

### The 'Gentle' Reminder

If you would like to maintain a good relationship with your debtor, the last thing you want to do is alienate them by threatening legal proceedings. Verisona Law can send a polite letter to your debtor to encourage open communication and prompt payment.

### The 7 Day Letter from Verisona Law

This letter advises your debtor that if they do not pay the balance outstanding within 7 days, proceedings will be issued against them.

### The Statutory Demand/Insolvency Proceedings

If you are owed more than £5,000 and there is no dispute to the claim, Verisona Law can serve a 'Statutory Demand' which advises your debtor that if they do not pay the debt within 21 days, you will present a 'Winding Up Petition' if the debtor is a company or a 'Bankruptcy Petition' if the debtor is an individual. If a dispute has been raised you should seek legal advice before taking this action.

### Court Proceedings

From issuing a Claim Form to obtaining Judgment, the cost of the proceedings will be dependent on the amount and complexity of the claim.

### Enforcement of Judgments

This can include:

- instructing the County Court Bailiff or an High Court Enforcement Officer to remove and sell a debtor's goods
- obtaining a 'Charging Order' whereby the debt will be registered against a debtor's property
- obtaining an order to Attend Court for Questioning where the debtor will have to attend Court to be questioned under oath as to their finances
- obtaining a Third Party Debt Order where if your debtor is owed money, your debtor's debtor is ordered to pay you.

### Winding Up Proceedings

A Winding Up Petition can be obtained without a Judgment or issuing a Statutory Demand, but the debt must not be disputed otherwise costly injunction proceedings could be brought against you. This is the harshest action you can take against your debtor and if they fail to make payment the Court will make an order that the company is wound up i.e. they cease trading.



Find out how we can help,  
contact Robert Small

**023 9231 2051**

**e: [robert.small@verisonalaw.com](mailto:robert.small@verisonalaw.com)**



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