

## INTRODUCTION

The Debt Recovery team at Munro & Noble was established in 1984. Since then the team has gone from strength to strength and now provide a wide range of advice and assistance within the field of Debt Collection and Recovery.

## DEBT RECOVERY

We advise on a wide range of Debt matters including:-

1. Pre litigation matters, including demand letters and negotiated settlements;
2. Court Action for recovery;
3. Enforcement of any Court Order; and
4. Liquidation and Bankruptcy.

Please note this list is not exhaustive. If you have a debt matter that is not listed above please contact our offices and we will be happy to discuss how we can assist you.

At Munro & Noble we value our clients' involvement and appreciate that every case is different, however generally debt recovery can be broken down into a three stage process.

## STEP 1 : PRE-LITIGATION

The most common first course of action is to issue the debtor with a letter demanding payment within 7 or 14 days. The letter confirms that if no payment is received during the stated period you will instruct Munro & Noble to raise court proceedings. In many instances the involvement of a solicitor at an early stage has the desired effect, however we remain aware that a debtor may choose to ignore such a demand. Should the demand letter elicit no payment from the debtor you may wish the matter passed to the Court team to raise an action. Please note however you are under no obligation to raise a court action at this stage.

## STEP 2 : COURT ACTION

Court Action can be "off putting" to many clients who are wary of potential costs and becoming involved in a process which has been described as "full of alien terminology and baffling procedures". At Munro & Noble we are acutely aware of such concerns and appreciate you will have a lot of questions about the Court process which is why we always ensure you have a nominated solicitor dealing with your case who you can contact throughout the process to answer any questions you might have.

You may also be surprised to learn of the affordability of raising or defending a Court

action. Where Court proceedings are successful the costs to you can be minimal and depending on the nature of the debt we may be able to offer a "fixed" fee or bespoke package for our work. If you wish to find out more about our fees please contact us to discuss further.

## STEP 3: DILIGENCE & ENFORCEMENT

If payment is not forthcoming following a successful Court Action you are entitled to proceed with enforcement of the Court decree (judgement). You must first serve a charge demanding payment of the sums sued for within 14 days. If no payment is received there are a variety of enforcement options open to you, some of the more useful options are set out briefly below:

### Attachment Order:

A commercial debtor who stores items associated with their business outside of a residential property can be removed for auction and sale and the sums recovered deducted from those outstanding in terms of the Decree.

### Bank Arrestment:

An arrestment can be placed on the debtor's bank account(s) to arrest funds that can be deducted from the sums outstanding under the Decree:

### Earnings Arrestment:

An arrestment can be passed to the debtor's employer to ensure regular sums are deducted from the debtor's salary to be put towards those outstanding in terms of the Decree.

### Inhibition:

An inhibition does not require the service of a charge and can, under certain circumstances, be applied for prior to a final judgement in a case. An inhibition will prevent the debtor from selling any heritable property i.e. any house, flat or building attached to land for up to five years.

### Liquidation & Bankruptcy:

Insolvency is often the final method of enforcement but can also be the most effective. In Scotland, you may petition for the insolvency of a debtor if certain conditions are met: for individuals, the debt must exceed £5,000 to raise a petition for sequestration; for companies, the threshold to petition for liquidation is more than £750. We also offer advice on debt restructuring and rescheduling.



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For more information on any of the points raised in this leaflet or to discuss our flexible and clear feeing structure please contact the Court Department on 01463 221727.

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