

Glossary of LRC's Most Common Services

Data Cleansing

All files referred to LRC are sent to our third party data cleansing supplier prior to us commencing the letter before action or collections stage. The purpose of the data cleansing process is to ensure we have accurate contact information in order to speed up communications and recoveries. The customer's address you provide to us upon referral is PAF cleansed (Royal Mail Postcode Address Finder), there will be a "gone away" check undertaken on the account and any missing landline or mobile numbers are obtained where available.

Timescale: Overnight

Insight & Insight Plus

This cost-effective service provides you with an overview of your customer's financial position. Insight tells us if the customer has any County Court Judgments, where the customer is insolvent and the type of insolvency, homeownership status, employment and salary check indicator together with the number of recent credit applications that have been made by the customer.

Insight Plus includes all of the above but also includes a residency checker, giving the probability of your customer being at the given address which is a helpful tool when considering Court action. **Timescale: 2-3 days**

Tracing (First & Secondary)

We use in-house and third party trace agents to ascertain your customer's address if we have received notification that the customer has left the given address. We operate a tiered tracing system, namely an initial trace which is undertaken in-house using a specialist database and in accordance with CSA tracing guidelines there have to be a minimum of two verifications. If this trace is negative we outsource to an external trace partner for a secondary trace. The difference between the tiers of tracing is the amount of checking and human intervention involved in tracing the customer and verifying their whereabouts. If you can, always provide us with your customer's date of birth as this is helpful in reducing the number of mis-traces and helps to ensure we have the correct person.. **Timescale: 30-40 days approx**

Employment Trace

This is used to establish your customer's employment status; a positive verification will be if the agents confirm if the customer is unemployed, retired, or in employment and if so they will provide the employer's details. This is especially important if you are considering Court action as we may be able to pursue an Attachment of Earnings Order if your customer is in full time employment.

Timescale: 30 days approx

Overseas Trace & Collect

If your customer has gone overseas we utilise the services of third party overseas agents that will attempt to trace (if necessary) and then recover your debts. They work on a no win, no fee basis for collections. There may be charges for in depth traces.

Timescale: 1-3 months approx

Office Copy Entry (OCE)

We obtain this to see if your customer is a property owner (whether sole or joint owner) and if they have any other charges on their property (ie a Mortgage or Second Charge). This is useful if you are considering Court action and may wish to obtain a Charging Order against their property in order to secure your Judgment debt against the customer. This is particularly useful where the debt is of significant value and there are no proposals for repayment made by the customer. **Timescale: 2-3 days approx**

Secondary Agent

A third party organisation we use for secondary collections, we recommend this service on lower value debts whereby you are not considering legal action and the next action would ordinarily be to write off the debt. The agents work on a no win no fee basis **Timescale: 90 days approx**

Letter Before Claim

The pre- action protocol (PAP) for debt recovery requires us to send an additional Letter before claim (LBC) on all consumer and sole trader debtors based in England and Wales, this gives the debtor an additional 30 days to respond, before we can proceed with issuing a Claim Form. The LBC has to include specific information including the type of agreement you entered into with your customer ie verbal, written or implied together with the date of any such agreement. The LBC also includes an Information Form, Reply Form and Standard Financial Statement for the customer to complete. **Timescale: 30 days**

Issuing a Claim Form

Our legal team will issue your claim form with the court who will serve the Claim Form to the address you provided by first class post. A response pack is sent with every Claim Form and the defendant can admit all or part of the claim, defend all or part of the claim, or file an Acknowledgment of Service. **Timescale: 16 days**

Obtaining Judgment

If no acknowledgment of service, or defence has been received in 14 days we can then apply to obtain Judgment by default (Commonly known as a 'CCJ')

Timescale: 14 days waiting and 2 days to obtain judgment.

Attachment of Earnings Order (AOE)

If we know your customer is in full time employment, once a County Court Judgment has been obtained we can make an Application to the Court for the customer to produce proof of income and expenditure and the Court will then determine how much the customer should repay each month. This is known as a Suspended Attachment of Earnings Order. If the customer fails to respond to the Court's request the Court will then proceed to write to the customer's employer to ask them to provide the relevant information. Once this has

been provided the Court will assess and make an Order for a minimum set amount to be deducted by the employer from the customer's salary each week/month, which will vary depending upon the amount being paid each month. This is a Full Attachment of Earnings Order.

Timescale: 2 to 3 months approx

County Court Bailiff

We would recommend this enforcement action for debt values of up to £600. A County Court Bailiff will make up to three attendances at a property for the purposes of obtaining a full or part payment or has the power to uplift and sell a customer's goods to the value of the debt. **Timescale : 2 to 3 months approx**

High Court Enforcement Agent (HCEA)

We would recommend this enforcement action for debts of £600 plus. Enforcement Agents are privately employed and if they fail to recover the debt they are only able to submit a nominal nationally fixed abortive fee of £75.00 Enforcement Agents also have the power to uplift and sell a customer's goods to the value of the debt. They provide detailed reporting at each stage of their instruction and attendance and will carry out additional checks such as HP checks on vehicles. Their first stage before attending on site is known as the compliance stage whereby the HCEA have to write to the customer giving them 14 days to respond, if the customer pays at this stage the HCEA costs will also be £75.00. If obtaining payments takes several visits this is where costs and interest start to accrue and the customer is liable for these. Some of the payment is apportioned to the debt which is sent to us and we send on to you, the rest is apportioned towards their costs.

It is important to point out if you decide you want to monitor payments direct with the customer and no longer with the HCEA, you will still be liable for the HCEA costs. **Timescale: 2 to 3 months instruction approx**

Charging Order

If your customer is a sole or joint owner of a property, once Judgment has been entered an Application can be made to the Court for a Charging Order. The Charging Order is similar in effect to a first or second Charge / Mortgage registered against the customer's property. It will be registered at HM Land Registry and will stop any sale or remortgage of the property without notification/discharge of your Charge from the sale proceeds.

Timescale: 2-3 months approx

Company Information Report

Suitable for limited companies and non limited entities ie partnerships to obtain more information. The report provides credit scoring and a recommended credit limit as well as publicly filed financial information.

Timescale: 2-3 days approx

Mini Asset Trace Report

Report includes: Identity Research, Trace Research, Insolvency Details, Target Company/Business Research,

Property Visit, Property Report, Condition, Valuation etc. including photographs and Visible Asset Profile

Timescale: 14-21 days approx

Full Asset Trace Report

Report includes: Scope of Work, Executive Summary, Identity Research, Trace Research, Family Connections, Known Associates, Associated Addresses, Insolvency Details, Legal Proceedings, Target Company/Business Research, Active Directorships, Dissolved Directorships, Overseas Directorships, Non-Limited Company Research, Shareholdings, Land Registry Searches, Hidden Asset Research, Property Visits, Property Reports, Condition, Valuation etc. including photographs, Asset Register, Condition, Valuation etc. including photographs, Credit Referencing, Press, Media, Internet and Social Media Research, Conclusion and Recommendations **Timescale: 21-28 days approx.**

Third Party Mediation

For high value disputed debts, it's worth considering mediation as a cost effective alternative to pursuing legal claims through the court system.

Defence Lawyer

Rachael Ward is our own in-house Defence Lawyer, on hand to deal with defences and contentious matters.

It should also be noted that we partner with law firms in Scotland, Northern Ireland and Republic of Ireland so we are able to provide services should you ever require Court action to be taken against customers residing in those countries.



Legal Recoveries & Collections Ltd

Call us on 0844 858 8919

LRC - Debt Recovery Legal Practice

Contact Us

For further information, please email the client services team; clientservices@legalrecoveries.com

www.legalrecoveries.com

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