

**Debt Recovery and  
Commercial Litigation****PreLegal Fees & Terms****PreLegal Fees****UK Debts - No collection, no fee**

<b>Debt Amount</b>	<b>Our Fee</b>
Up to £1,000	10%
Over £1,000	6%

**Overseas Debts - No collection, no fee**

<b>Band</b>	<b>Agent Fee</b>	<b>Our Fee</b>
A - European Union		
▪ debts less than 12 months old	6%	22%
▪ debts over 12 months old	6%	28%
B - USA, Australia, Canada, Middle East		28%
C - Africa, New Zealand, Asia & Far East		32%
D - All other areas (including Russia)		35%

**PreLegal Terms**

Lovetts will act in the collection of overdue invoices on the following terms.

**Commission is payable when**

- a payment is made by the debtor or a third party or settlement is reached (whether or not this is as a result of legal proceedings)
- the debt is reduced after we are instructed (for example, a partial credit is given or compromise is reached). Our commission in respect of the reduction will be 50% of the commission that would have been payable if that amount had been collected. Any balance remaining due will then be subject to our full commission rate.

For commission purposes the debt age is based on the oldest balance due on the account and must be notified to us at the time of placement. The total balance due will then attract this rate band.

**Close Out Fee**

Lovetts will not charge commission where they have failed to recover a debt and where we have instructed the client that we have been unsuccessful. However, to protect the value inherent in the time and effort invested in recovery work, if our instructions in a case are withdrawn before we recommend that it be closed, we reserve the right to charge a Close Out Fee. This is

equal to the commission that would have been payable if the debt had been successfully collected. Examples include:

- associate company to one of your key accounts
- debtor has already paid and proof obtained
- irate debtor where you wish to withdraw
- passed out for collection in error including contra accounts
- debtor disputes debt and you wish us to stop action
- you wish us to withdraw as you are unable to prove that the debtor is liable
- an account is placed on "hold" for more than 30 days.

**General**

Clients will be deemed to accept our charging structure immediately following receipt of instructions, by telephone, fax, post or electronic transfer. So that our service for you can be as effective and efficient as possible you agree, by instructing us, that:

- you will notify us promptly of:
  - ✓ any material change to the documents or information provided Any new information of any kind
  - ✓ any payment received towards or in satisfaction of the debt
- Whilst we are instructed, you will not instruct anyone else to collect the debt without our written consent
- We shall not be liable for any loss or damage suffered by you as a result of any collection activity.
- Any amounts payable to us or any agents may be paid out of any money recovered
- You will co-operate at all times with us and if there is any delay on your part affecting our ability to collect the debt we may terminate the collection of the debt immediately and charge you the Close Out Fee.

We initially work the debt by letter, telephone and email from the UK for 30 days. If there is no contact or no prospect of contact, Lovetts Ltd may recommend escalating the matter through legal action or recommend instructing a suitable third-party company from our network of companies in particular. If an overseas agent is instructed, 6% is added to the commission rate. Depending on complexity, debts will normally be in PreLegal for 60 days. A report on progress will be issued monthly to you. Currency conversions for commission purposes are taken from tables published at [www.x-rates.com](http://www.x-rates.com) on the day of receipt of funds or the amount actually received in GBP from our overseas agent. Should you authorise subsequent legal action you will be responsible for the commission, solicitors costs and disbursements on overseas debt.

Where you require us to commence legal action, then you will be responsible for all our costs and disbursements. Our disbursements and ancillary services costs will be charged at the rate appearing in our current price list. Any change in these terms or our other terms must be agreed in writing between us. VAT will be payable at the prevailing rate. These terms should be read in conjunction with Lovetts Terms of Business