

County Court Claims

There are a number of ways recovering money that is owed by clients and customers, the last (legal) resort is issuing a claim in the county court – this is normally the last resort since re-establishing a positive client relationship will be difficult. The action will normally be under breach of contract – an agreement between two parties which has not been fully honoured by either, or both parties.

It is good practice to issue a letter forewarning the client of your intending action, encouraging them to pay and to avoid the time and expense of having to go to court – costs are normally recoverable if the action is successful. .

The county court is mainly a civil court and the judge will decide on what is called the “balance of probabilities” who they will award judgement to - contrast this to a criminal court where it is based on “proof beyond reasonable doubt”. A successful judgement does not guarantee that you will get your money back, for example the individual may not have any funds and/or be evasive. There are a number of ways to (legally) recover the debt, for example, bailiffs, attachment of earnings and bankruptcy petitions orders – again there are time and cost implications to consider.

The actual procedure has been simplified over the years and the online procedure is relatively straightforward (www.gov.uk/make-money-claim-online) and easier to operate than the manual system. The 'person' bringing the claim is called the plaintiff; the other party is called the defendant. The following is some of the main information that needs to be supplied:

- Details of claim need to be provided – background and what has gone wrong
- Defendants details, such as name and address
- Amount owing – interest can be added at 8% p.a. (date debt is due to date of claim & thereafter)

Court fees will have to be paid in advance; they are levied on a sliding scale based on the amount claimed.

If the court orders a party to pay an amount of money, details of the judgement will usually be entered on the Register of county court judgements (CCJ), called 'registration'. If the debt is not settled within one month of the judgement date it will stay on your credit file for six years – this, apart from personal bankruptcy a CCJ is considered to be the most negative comment



on your credit file. Clients also need to be aware of court actions against themselves, if they are facing financial difficulties they must deal with the supplier.