

Key Considerations Before Starting Debt Recovery Action

Prepare an up-to-date statement showing the invoices, due dates, payments received and total balance outstanding. The amount claimed should be clear and supported by the underlying records.



The Amount Owed

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The Contractual Terms

Provide the relevant contract, terms and conditions, purchase orders or other evidence of the agreement. These documents can establish when payment became due and whether interest or other charges may apply.



The Goods or Services Provided

Gather evidence showing that the goods were delivered or the services were completed. This may include delivery notes, completion records, timesheets or correspondence confirming acceptance.



Previous Correspondence

Provide copies of payment reminders, emails, letters and any responses from the debtor. These communications may show whether the debt has been admitted, disputed or subject to a proposed payment arrangement.



Any Dispute Raised

Identify whether the debtor has challenged the amount owed or the quality of the goods or services provided. A disputed debt may require a different approach from a straightforward failure to pay.

The Debtor's Financial Position

Consider what is known about the debtor's assets, trading position and ability to make payment. This can help determine whether legal action is likely to result in a meaningful recovery.

Guarantees or Security

Identify any personal guarantees, corporate guarantees or security supporting the debt. These arrangements may provide an additional route to recovery if the primary debtor cannot pay.

Your Commercial Priorities

Be clear about whether your priority is immediate payment, an affordable payment plan or preserving an ongoing business relationship. The recovery strategy can then be aligned with the outcome you are seeking.

The Cost of Recovery

Consider the value of the debt against the likely legal costs and the prospects of enforcement. A proportionate strategy should focus on the steps most likely to achieve a worthwhile return.



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