

Doing it the right way.



Debt Recovery Procedure

0333 240 8325
enquiries@lpmonline.co.uk
www.lpmonline.co.uk

Debt Recovery Procedure

The information below outlines the debt recovery procedure followed by **lpm** in pursuing non-payment by homeowners of service charges incurred.

1. 28 days overdue - reminder statement issued by post and email (if provided).
2. 30 to 60 days overdue - £33 late payment fee* applied to account and account passed to our solicitor to issue a 7 day demand letter.
3. On expiry of 7 day demand letter - court summons raised and served on debtor.
4. At hearing date of summons - decree sought for principal sum plus legal expenses**.
5. Decree enforced through service of a Charge for Payment.
6. Notice of Potential Liability*** registered on the property.

*Late payment fees

- Late payment fees recovered remain within the development bank account and are not taken by **lpm** as a form of income.

**Legal expenses

- Legal expenses vary by Sheriff Court and range between £150 and £550 for a small claims case, plus any additional Sheriff Officers fees incurred. Please note that the figures provided only relate to undefended actions and do not relate to instances where the matter has become defended or disputed.

***Notice of Potential Liability

- A Notice of Potential Liability is registered against the property, not the individual owning the property. It prevents a homeowner from selling the property with a clear title. The Notice must be satisfied in full to **lpm** prior to the title being cleared. If the property is allowed to pass to a new homeowner without the Notice being satisfied, the debt transfers as a liability to the new homeowner.



Glasgow Office:
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Additional Information

- If a homeowner contacts **lpm** or our solicitor at any stage in the above process, further action will cease on receipt of funds due at that point.
- Should you have an issue with any element of your charges, we ask that you put your dispute in writing for the attention of your Estates Manager and/or Finance contact, withhold payment of the disputed items and pay the remaining balance within the payment terms provided.
- Homeowners are liable, as per the Deed of Conditions for the development, for the expenses incurred in pursuing bad debtors. This will show on the service charge invoice as 'Legal Cost for the Recovery of Debt'. Any expenses recovered from a debtor will be credited back to the development as 'Legal Expenses Recovered from Court Action'.

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