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**BEATING THE DEBT RECOVERY STORM**

**David Green, CEO at MTA Solicitors gives advice**

If you're a small business whose survival is dependent on regular cash flow, the urgency of recovering overdue bills is critical.

Recovering debt as quickly and as smoothly as possible is one of the key aspects to staying afloat in a difficult market. Taking the right steps from the outset will allow you to maximise the monies which are rightly owed to you without damaging your business relationships.

Many businesses find it hard to chase a customer for debts as there is a risk that attempts to recover them will be seen as aggressive. But it is important not to lose sight of the fact that the customer has failed to pay you the money they owe, and you simply can't afford this issue to jeopardise the financial stability of your own business.

A solution for recovering overdue monies needs to be one that can be put into action swiftly to give you every chance of getting your money back at the lowest cost to you.

The first step towards recouping outstanding debts is to ensure that your terms and conditions are clear regarding payment. If you are going to use an external company to collect overdue payments make your intentions clear to your customer so there can be no misunderstandings.

As the payment terms near their end a 'friendly' phone call can often result in payment, and if not you have the option to follow this up in writing to instigate a gentle reminder of the outstanding payment due and, to re-emphasise your payment terms.

What has to be avoided is continual phone calls and letters chasing debt as this wastes your time and stops you from concentrating on new business.

Enlisting the help of a recovery agent or a professional solicitor at the early stages could be beneficial in terms of saving you time and money in the long term. These debt recovery companies or specialist solicitors will act on your behalf to recover the debt and although often effective some of the charging models require such firms to be aggressive, which can damage relationships.

In my view, the most efficient debt recovery model is to use a combination of all the various options but not be afraid to allow those representing you to take the action that is necessary to recover the debt.

It is always advantageous to recover a debt without resorting to litigation as costs are often not recoverable unless the unpaid amounts exceed £5000, and you will be expected to cover such costs.

A law firm with the right experience will know how to manage a case in the long run, saving you money and recovering your debts more efficiently. It is important to choose a firm which has efficient case management systems and an impressive recovery record.

Debt Recovery can become very complicated and expensive and choosing the wrong company to represent you may result in processes that sour relationships, costs you don't expect and recoveries not meeting your expectations.

**David Green is CEO of MTA Solicitors**  
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**About MTA Solicitors:**

Established in 2001, MTA Solicitors provides a wide range of legal services including corporate law, commercial litigation and dispute resolution (including arbitration), commercial property, IT and e-commerce, banking and finance, business immigration, trusts, wills and probate, trust litigation and contentious probate.

MTA Solicitors clients' span across many different business sectors in the UK and overseas; including foreign law firms, offshore trustees, major UK and global insurance companies, domestic and foreign banks, transport operators, local authorities, agents and service providers, and individuals.

MTA has offices based in London and Kent and employs over 250 lawyers. Please visit: [www.mtasolicitors.com](http://www.mtasolicitors.com) for further information.