

Unlock your Debts



Debt recovery specialist Iain Bould outlines best practice.



There are many proverbs on the subject of money

"Money makes the world go round"

"Money talks"

"Money does not grow on trees"

"A fool and his money are soon parted"

Undoubtedly cash is the life blood of every business.

Iain Bould, debt recovery specialist at Beswicks Solicitors, urges companies to exercise vigorous credit control and debt recovery procedures to ensure a healthy cash flow.

A statement I hear fairly regularly is, "XYZ Limited are always slow payers. They make us wait and beg for payment. It is part of a ritual".

Then one day a statement is released, "I don't believe it, they have gone bust owing thousands everywhere".

Business failures in the UK are running at 9,971 for the first nine months of 2006, a rise of 2.5% compared to the same period in 2005. Companies are facing higher costs in terms of

the recent rise in interest rates, rising fuel prices and raw materials.

It may only take a few significant bad debts to cause a commercial angina attack and to tip a business into insolvency.

Prevention is better than cure

In life, we are told that prevention is better than cure, and this principal should also be applied in business.

The best way to avoid serious cash flow problems, is to follow the Three P's.

- **Presentation:** Keep a concise and exact list of debtors showing overdue dates, overdue amounts, contact details, offers to pay and disputes. Ensure that all terms and conditions have been issued to your customers and they are aware of any retention of title clauses and late payment charges.
- **Proactive:** Issue regular statements of account and keep in regular contact with your customers to chase payment.
- **Prompt:** Take action quickly. So often I am told, "but I don't want to upset the customer". You must ask a simple question. If they are not paying, do you want them as a customer? You are a business and not a charity.

Cure

A problem shared is a problem halved.

Beswicks Solicitors' debt recovery specialists provide a dedicated professional debt recovery service and can support companies in every stage of the debt collection process.

A letter from the Beswicks debt recovery team will often be all that is required to encourage a customer to settle promptly. If they fail to pay, the next stage is to take the matter to Court and manage the process through to judgment. Where both the debt and costs can be recovered, there may be no charge.

If a judgment is obtained we take enforcement action by the use of bailiffs or High Court enforcement officers. In some cases a charging order or attachment of earnings may be appropriate. We also offer the use of statutory demands and insolvency proceedings.

With the latest technology to handle debts promptly, Beswicks can help you to reduce, or prevent, your company's exposure to a commercial heart attack.

For further information about our corporate debt recovery services, contact Iain Bould at iain.bould@beswicks.com or telephone 01782 205000.