

Care Homes Briefing

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Solicitors

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Recovering payment of fees

The current economic climate is likely to give rise to difficulties in obtaining payment of fees where residents, their estates or their guarantors have failed to make payment.

Even local authorities may feel the economic pinch and seek to delay payment.

Despite the economic climate, care home operators are entitled to receive payment for their services on the due date. A delay will obviously cause difficult cash flow problems, which may become significant if the issue is not addressed.

There are various options available to pursue unpaid fees, although in many cases a formal letter from a solicitor may prompt payment.

Andrew Parsons
RadcliffesLeBrasseur
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If it does not, further action may involve:

- 1 Court proceedings to pursue a simple debt claim. In most cases this should be very straightforward and once a judgment has been obtained the bailiff may be sent in to seize the debtor's goods.
- 2 A statutory demand threatening to bankrupt the debtor if payment is not made within 21 days. Particularly where there is a guarantor who is not making payment as a delaying tactic, this is often an effective step.

If court proceedings are issued there is usually an opportunity to claim interest, often at 8% pa, which can be a welcome addition to the care home's cash flow and may serve to offset the cost of enforcement procedures.
Start here

For more information on Care Home Law contact Andrew Parsons at RadcliffesLeBrasseur on 020 7222 7040, or email: andrew.parsons@rlb-law.com.

Out of office emergency advice available 24hrs on 07802 506 306.

Readers are advised to take specific advice before acting in reliance on the matters set out in this briefing.

Future editions can be received by email. Please e-mail: marketing@rlb-law.com or telephone 020 7227 7476.

info@rlb-law.com
www.rlb-law.com

5 Great College Street
Westminster
London SW1P 3SJ
Tel +44 (0)20 7222 7040
Fax +44 (0)20 7222 6208
LDE 113

6-7 Park Place
Leeds LS1 2RU
Tel +44 (0)113 234 1220
Fax +44 (0)113 234 1573
DX 14086 Leeds Park Square

25 Park Place
Cardiff CF10 3BA
Tel +44 (0)29 2034 3035
Fax +44 (0)29 2034 3045
DX 33063 Cardiff 1