

INTEREST AND CHARGES

THE LPL GROUP - WORLDWIDE DEBT COLLECTION AND BUSINESS INFORMATION

INTEREST & COMPENSATION CHARGES

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WHAT EXTRA CHARGES CAN I MAKE?

On any instruction to LPL you are entitled to add interest and charges (Penalty Charges) under the following conditions:

You have incorporated within your own Terms and Conditions (Contract) your own PENALTY CLAUSE which states that you are entitled to add interest and/or charges to any debt that is overdue, or charge the debtor such charges as incurred by your Third Party Collection Agent.

IF YOU DO NOT HAVE SUCH CLAUSES YOU CAN STILL ADD INTEREST AND CHARGES.

As a Statutory right on commercial debt in accordance with The Late Payment of Commercial Debts (Interest) Act 1998 and amended Regulations 2002. **You can add to each overdue invoice:** The Bank of England base rate as fixed on 1st January, it is then kept at that rate for the next 6 months regardless of changes. If the base rate has changed from 1st July, the new rate is then fixed until 31st December, *i.e* The base rate at 1st July was 0.5% so as of September 2009 it still remains 0.5% for the purposes of calculating the interest. You then add 8%. **Total 8.5%**. After the first 30 days from date of invoice you can make the following calculation - (*once calculated you cannot change the rate or reset the interest. VAT is not applicable*)

DEBT X INTEREST RATE X THE NUMBER OF DAYS LATE

COMPENSATION CHARGES

Charges that can be added to each invoice overdue:

Up to £999.99	add	£40.00	(VAT is not applicable)
£1000 to £9,999.99	add	£70.00	"
£10,000 or more	add	£100.00	"

The Law states that any debtor must have fair notice of any penalty charge being made. Any notification by LPL on your behalf is considered fair notice.

Interest stops running on a debt once the principal has been paid and any part payment can go to reduce the amount of interest and charges first. Once LPL is instructed, to facilitate administration, the interest stops running from that date.

INTEREST AND CHARGES YOUR CHECK LIST

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Are the Interest and/or Collection Charges included in your Terms and Conditions? If they are, ensure the amounts are added to the debt instruction.

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If you are relying on the Statutory Act ensure that you have calculated interest after the initial 30 days on each invoice.

The Compensation charged as per the scale relates to EACH invoice unless they are all part of one contract.

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You cannot mix and match your Terms and Conditions Interest Penalty Clauses with any terms in the Statutory Act. But if you just have a 3rd Party Charge clause you can add it to the Statutory Act charges

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If you do apply your own Contractual Penalty Terms or Statutory Penalty Terms, the debtor does have a legal obligation to pay such interest and/or charges

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If you are not sure how to calculate these charges or have any other query please call 020 8597 2229