



Newsletter Spring 2005
Issue 24

The LPL Newsletter

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Throughout the UK and World-wide, LPL continue to offer cost-effective debt recovery



Telecommunications, Chemicals, Engineering, Foodstuffs, Equipment Hire, Furniture, Construction, Fashion, Printing, Insurance, Banking, Computers - just some of the categories that LPL collect for. Debt Collection, Litigation, Tracing, Status Reports, Terms and Conditions, Consultancy, Training - just some of the expertise offered by our team. For more information call 020 8597 2229 or Email : info@lplgroup.com

A recent survey by an accounts software company reveals that just over 40 per cent of creditors expect their level of bad debt to rise by more than 10 per cent in 2005. All respondents expected to see the number of customers with repayment difficulties rise and 87 per cent expected consumer bad debt write-off to increase throughout the year.

LPL's 1st Stage Service
Call : Steve or Gavin
020 8597 2229

Voucher Instruction Your Check List

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Use Block Capitals when
instructing.

*

You do not need to enclose copy
invoices or query letters with
your instruction voucher,
unless requested.

*

As soon as payment is received
please inform LPL. The debtor is
instructed to send payment
directly to you.

*

LPL recommends that you add
any interest and charges
applicable, but contact LPL if
you need advice.

*

Further 2nd Stage action will not
be taken until we receive your
signed authorization.

*

LPL's Flat Fee Charges from
£6.00 - £16.00
per account handled

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In-depth (2nd Stage)
Collection Services

No Collection-No Fee within the
UK @ 10%

Can Directors be liable? -

Generally speaking when you are dealing with a limited company it will not be possible to make the directors liable for the debts of the company. There are some exceptions to this. There are certain provisions within the Insolvency Act 1986 which can impose personal liability on directors where 'fraudulent' or 'wrongful trading' can be established. But under these circumstances it is usually the job of the appointed Insolvency Manager or

Are you charging interest?

The Late Payment of Commercial Debts (Interest) Act 1998 has now been fully operational since August 2002. It allows businesses to add the UK reference rate (*Bank of England minimum base lending rate -fixed for 6 months*) + 8%. At the time of publication interest is 12.75% per annum. Compensation can also be added as follows: Unpaid debt up to £999.99 add £40. £1000 - £9,999.99 add £70. £10,000 and above add £100. This compensation can be added to each invoice if the constitute separate contracts/purchase deals. You may have adequate penalty clauses within your existing Terms and Condition- if so, you must, under normal circumstances, rely on your contract terms only. Many clients now refer to these statutory clauses within their own terms. For more information on all items in this Newsletter - call 020 8597 2229.

Administrator to make a report to the Department of Trade and Industry, who then decide whether to take the relevant proceedings. Most trade creditors would be unsecured, any recovery will be part of the general distribution, if any, through the usual chain of preference. Options to reduce your risk are available, but prior to liquidation of your customer. It can include regular status reports, and, if practicable, a personal guarantee from a director when opening the account.

Prevention is better than cure!

Do you have a written Credit Control Policy? Do you obtain Status/Credit Reports on your new and existing customer base? We have recently seen the spectacular demise of major manufacturing and retail organizations. Can clients avoid losses? The honest answer is - not always, but , you can introduce measures that can help avoid problems. Status Reports on you larger customers, hence larger risks, can be obtained for as little as £14.50. It will not guarantee safe dealings but it may help to establish the warning signs, such as: significant losses, CCJ's or decrees, late filing, slow payment records. Payment outside of the customers usual payment pattern is also a sign that there could be troubles ahead. LPL's initial low cost collection service together with instantly available credit information can help reduce risk.