Newsletter Summer 2006 Issue 27

The LPL Newsletter

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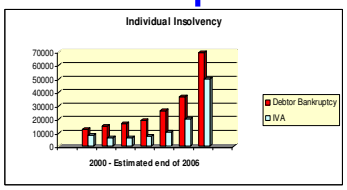
Bankruptcies and IVA's up by 141% for the first three months of 2006



At the prestigious Credit06 conference at Queen Elizabeth Hall Westminster London our Stephen Lewis was asked to speak to delegates on the problems of ever increasing 'Late Payment' and how to combat it. The tremendously high Bankruptcy and IVA figures means that in the Commercial Sector non-limited entities are using these insolvency protections to avoid payment of debts. Likewise, for Limited Companies, CVA's are also increasing, which often leads to liquidation, another insolvency protection. *An extract of the presentation is reprinted below:*

''With late payment in the commercial sector feeding off of the Insolvency culture smaller operators and particularly those businesses who have an SME customer base face a considerable challenge, as do those Debt Collection Agencies collecting within that sector. Contributing to the increase in late payment in the UK are those businesses that disregard the established principles of legal responsibility and use this emerging culture to their benefit by simply avoiding payment and any consequence of non- payment, to the ultimate detriment of UK PLC.

In some instances there are clear lines between consumer and business debt but on another level we are all consumers and we all suffer the same pressures on payments in a must have society. As proprietors and directors running businesses these pressures exacerbate the late payment problem. Late payment will always be a symptom of doing business in a credit-orientated society however the culture of late payment is causing the UK's payment reputation to slip further down the European and world league table. Whilst we must appreciate the genuine difficulties of the 'disadvantaged' and the real problems of some distressed debtors there is no doubt that the Department of Constitutional Affairs and the Insolvency Service must start to look at differentiating between pure consumer debt and debt in the Commercial Sector, so that there can be a more balanced and fairer distribution of responsibility by way of enforcement and a more sensible insolvency regime. At present it is weighted too far away from those genuine businesses seeking redress for late or eventual non payment.''

Instant Email reports are now available for current information on your debt cases. If you are using LPL's in depth, Percentage Charge collection service we are now pleased to offer a unique reporting service to give you an easily presentable update on your current debt actions. The comments will be taken from our computer records so you can see exactly what has happened between LPL and your debtor. We can, via this report, also seek further instruction from Client as well as making recommendations for further action. **Email: reports @lplgroup.com**

In-depth Private Investigations Now Available

LPL have introduced new tracing and investigative services to our portfolio. If our standard tracing procedures fail we can now offer the services of professional private investigators who can carry out on-site interviews, secure photographic evidence, repossess vehicles, institute surveillance and many other types of investigation, should clients feel that the size of debt warrants more enquiries. Costs from £250.00 per enquiry.
Call 020 8597 2229 for more information.

The More Information the Better

Because of changes in the County Court Regulations issued by the Department of Constitutional Affairs it is now important to ensure that when opening accounts for non-limited entities the following information is taken:

- **Full Name(s) of proprietor including First Name and any initials.**
- **Date of Birth of Proprietor(s)**
- **Private address and business address <u>including Post Codes</u>**

The above information is now essential to the successful issuing of legal proceedings, on the rare occasions that LPL recommend such action. Without the above information supporting legal action against an individual/proprietor courts may insist that you can only sue the trading firm. This makes collection a little more difficult when it comes to enforcement.
On a more positive note LPL are still very successful in the collection of overdue accounts without the necessity of legal action. This is, in part, due to LPL clients being aware far earlier of problem accounts, allowing for a speedy collection process to ensure that overdue monies are safely in our client's bank account with the minimum of delay.

Are You Adding Interest and Charges:

If you are using the Late Payment legislation
Current Reference Rate 12.5% p.a.
Compensation: £1 - £999.99 add £40.00 per invoice
£1000 - £9999.99 add £70.00 per invoice
£9999.99 and above add £100.00 per invoice
For guidance and more information call 020 8597 2229

Collections World-Wide breaks new records

Collections overseas are now a major part of LPL's collection operations. A network of professional and well established collectors

now operate in most major capitals of the world. This allows LPL to offer comprehensive collections world wide. Overseas debts are collected at no extra charge via our 1st Stage Flat Fee Facility. On overseas accounts Percentage Only Services start from 16% and still only on a No recovery - No fee basis.

Good Credit Control Practices improve collections and sales

As regular contributors to the Better Payment Practice Group, LPL is pleased to report that visitors to the BPPG website has exceeded expectations. This website can offer helpful advice on opening new accounts, setting up adequate in-house collection procedures, legal problems answered on the Company Doctor page and much more. When you have time take a visit. A snap shot of the information available >>>>>>>>>>>>>>>>

www.payontime .co.uk

Call 020 8597 2229
for all Services
Email: info@lplgroup.com

What's New

- Phoenix companies
- Private Sector Payment Performance League Tables

FLAT FEE SERVICES
PERCENTAGE SERVICES (NO RECOVERY - NO FEE)
STATUS REPORTS
TRACING
TERMS AND CONDITIONS
FACTORING
TRAINING