

FREQUENTLY ASKED QUESTIONS

1. What is the Difference between Traditional Debt Recovery and Fairway?

Traditional Debt Recovery is used if your debtor is an individual or if you are chasing someone who you wish to continue dealing with.

Fairway Debt Recovery is used on business to business debts and entails the debtor paying late payment compensation costs and interest.

2. What will I be charged by Direct Route?

On Traditional Debt Recovery Direct Route will charge a commission on monies recovered of between 5% and 10% depending on the age of the debt.

On Fairway Debt Recovery, Direct Route will add late payment compensation costs and interest to your debt amount to be paid by the debtor. The late payment compensation costs and interest are owed to you but you use them to pay Direct Route to subsidise your debt recovery costs. If the debt amount owed from your customer is less than £3000.00 then Direct Route will simply charge the late payment compensation costs and interest. If the debt amount is in excess of £3000.00 then Direct Route will charge the late payment compensation costs plus a 2% commission on monies recovered.

You will not be charged for Direct Route's fees if no recovery is made but if a partial or full recovery is made you will be invoiced.

3. What if the Debt Recovery Process is Unsuccessful?

If our pre-legal debt recovery activity is unsuccessful we will contact you to see whether or not you wish to issue proceedings.

At this point we will send you a fee sheet detailing approximate legal charges. You will be liable for any legal fees or for any third party agents charges i.e. tracing agents fees if one has to be instructed to locate the debtor. Direct Route does not stand any legal fees or third party agents fees on behalf of its clients.

4. How does Direct Route collect the Amount owed to me?

Direct Route works by a series of letters and telephone calls. We do not go to the debtor's premises.

5. What Information will Direct Route Need to start the Debt Recovery Process?

Initially you will be required to complete a Fairway Registration Form with your details to register you with Direct Route as a client. The Fairway Registration Form is the contract between our offices.

To pass a matter to chase for monies owed to you we will need:-

- (a) The full company name of the company who owes you the monies, including the legal identity i.e. a Limited Company, A Partnership or a Sole Trader.
- (b) A contact name for someone at the debtor company
- (c) An address for the debtor company
- (d) A telephone number for the debtor company
- (e) Details of the amount owed to you by way of a statement of account or copy invoices detailing the invoice date, invoice number and invoice amount.
- (f) Details of the payment terms applicable i.e. the date when your invoices should have been paid (whether on 7 day strict terms or 30 days nett monthly for example)

6. Should I Inform My Customer that I will be charging Late Payment Compensation?

Ideally, your final credit control letter should ask for payment within 7 days failing which the matter will be passed to a Debt Recovery Agency and late payment compensation costs and interest will be added in accordance with The Late Payment of Commercial Debts (Interest) Act 1998.

7. How do I Know How My File is Progressing:-

When you register as a client you will receive a welcome letter from Direct Route. The welcome letter will provide you with our website address and a username and password. With the username and password you can log onto our website and track the progress of your matter. Alternatively you can telephone the office and speak to your assigned collector for an update.

8. What happens if I have already taken Legal Action?

If you have already taken legal action against your customer, Direct Route will be unable to deal with the debt on your behalf. However if your customer is a Limited Company and you have a Judgment Order in excess of £750.00 then Direct Route can issue a Route One Action (Winding Up Petition) on your behalf but as legal action has already been issued we cannot add late payment compensation costs or interest so there will be a commission charge to you if a recovery is made.

9. What if the Debtor is in Administration or Liquidation?

If the debtor is already in some sort of insolvency then Direct Route will be unable to deal with the debt on your behalf.

10. How do I get paid the monies I am owed?

When Direct Route chase your customer, they have two choices of how to make payment. Payment can be made either to yourselves directly or to Direct Route. If payment is made to you directly then you will receive an invoice for our charges based on a recovery being made (charge as detailed above). If payment is made to Direct Route, once the payment received has cleared, Direct Route will send payment to you by either cheque or bacs.