



## **Debt Recovery**

The Law Company can provide a total solution for all your debt recovery needs against individuals and corporations. The team at The Law Company pride themselves on delivering prompt, efficient, simple and cost effective solutions to ensure you and your business stay in the black. Quite simply waiting too long for unpaid debts, whatever the size, can mean reduced cash flow, unforeseen financing costs, higher bad debt losses and lower profitability.

When you partner with the debt recovery team of solicitors at The Law Company, you will receive a debt recovery program which will suit your debt.

A brief outline of the debt recovery processes available to creditors:–

### **A letter of demand**

A quick and cost effective means of recovering a debt. Simply forwarding a debtor a letter on our letterhead often prompts the debtor into paying the debt in full within the required time period or at least putting together an appropriate repayment schedule without the necessity of commencing legal proceedings.

### **Court Action**

Commencing legal proceedings in either the Local, District or Supreme Court depending on the size of the debt. This essentially involves serving a Statement of Claim on the debtor requiring the debt to be paid within 28 days of service of the Statement of Claim. If the debt is not paid or appropriate arrangements made within the required time period for the repayment of the debt (and providing no Defence is filed to the Statement of Claim) the Court can enter a judgment (a court order requiring payment of the debt) against the debtor. The judgment is automatically listed against the debtor's credit file (for eg on Baycorp) which creditors/financial institutions and the like often search to establish if the company/individual has any outstanding liabilities/judgments. Often if a company/individual makes an application for finance or credit, they will be referred to the outstanding judgment which would need to be cleared (ie paid) before their application for finance/credit is approved.

### **Service of a Creditor's Statutory Demand**

Where the debtor is a corporation a Creditor's Statutory Demand may be served on the corporation upon the entry of judgment for debts in excess of \$2,500. Where judgment has not been entered and there is no genuine dispute in relation to the debt this course of action may be undertaken without the need of commencing legal proceedings and often produces quick and effective results for our clients.

Once judgment has been entered against the debtor, we can advise you and endeavour to enforce the judgment by the various means of enforcement proceedings including:–

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### **Oral examination of the debtor**

The debtor is brought before the Court and examined as to the debtor's financial position and in particular as to whether the debtor has any assets to satisfy the judgment. You may then possibly enter into an agreement with the debtor whereby the debtor agrees to pay the debt, by way of instalments.

### **Writ of Execution**

This involves the bailiff attending the debtor's premises and attempting to make levy on the judgment debtor's goods and chattels;

### **Garnishee Order**

If you have details relating to the judgment debtor's bank account(s) a Garnishee Order may be issued seizing the funds held in the said account(s). Alternatively if you are aware of the debtor's present employer, a Garnishee Order may be issued against the debtor's employer, attaching his or her wage or salary;

### **Bankruptcy Proceedings**

If the debtor is an individual, a judgment creditor can commence bankruptcy proceedings in the Federal Court.

### **Proceedings to wind up a company**

Where the debtor is a company, the judgment creditor can take steps to wind up the company.

Whatever your debt recovery requirements are, you can be assured by engaging the dedicated team at The Law Company we will make our best efforts to achieve the best commercial solutions for you. Whilst you can be assured you will have this Sydney law firm on your side, we pride ourselves on our success rate in our ability to often resolve matters without the need of having to go to Court. Our friendly team will always be available to update you on your matter and guide you through the process in plain simple language.

*This fact sheet is intended to be general information about the law in New South Wales. It is not substitute for legal or other professional advice. The Law Company does not accept responsibility for loss to any person, who either acts or does not act because of this fact sheet.*



**1800 NSW LAW**

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