**LETTER BEFORE ACTION: DEBT CLAIM (PRE-ACTION PROTOCOL)**

*\*Please note that the person or business claiming the debt is the Creditor (I/we/us) and the person (including sole trader) that owes you the money is the Debtor (you).*

*\*You need to complete all sections marked in red.*

*\*Carefully consider items marked with an asterisk (\*) and delete it if not relevant to your circumstances. Do this before posting the letter to the Debtor.*

*\*Click on the link below to print the Protocol. Attach the Protocol (with Annex 1 and 2) to your letter:*

[*https://www.justice.gov.uk/courts/procedure-rules/civil/pdf/protocols/pre-action-protocol-for-debt-claims.pdf*](https://www.justice.gov.uk/courts/procedure-rules/civil/pdf/protocols/pre-action-protocol-for-debt-claims.pdf)

[Name of Debtor OR the Debtor’s business name (if the debtor is a sole trader)]

[The debtor’s address with postcode] [Creditors name and address]

[Date]

Dear [Name of Debtor],

**Claim for debt**

This letter is being sent to you in accordance with the Pre-Action Protocol for Debt Claims (the Protocol) contained in the Civil Procedure Rules (CPR). In particular we refer you to paragraph 7 of the Protocol, and paragraphs 13 to 16 of the Practice Direction on Pre-Action Conduct and Protocols regarding the court's powers to impose sanctions for failing to comply with the provisions of the Protocol.

**The details of how the debt arose**

The basis of my claim with a summary of the facts:

On [date], you entered into a [written **OR** oral] agreement with me whereby you expressly agreed in particular, [explain the main terms and if it was an oral agreement, give details of what was agreed and the words used, where possible. Also explain when and where it was agreed. Give a detailed summary of all the relevant facts and what happened.] In breach of the contract, [explain the breach or the event that triggered a breach]. [A copy of the written agreement can be provided on request] **OR** [A copy of the written agreement is enclosed with this letter].

\****Optional paragraph to be removed if not relevant*** [The debt was assigned to [you **OR** [Name of individual or sole trader] on [date] by [name]]. [Provide details of this assignment].[A copy of the written agreement can be provided on request] **OR** [A copy of the written agreement is enclosed with this letter].

**\**Optional paragraph to be removed if not relevant*** [[We/I] note that [give details of any existing regular instalments that the debtor is making or is paying] However, [explain why this offer or this currently payment is not acceptable and why you still considering court action].

As a result you owe us the sum of £[amount] plus interest [explain how interest is calculated] from [explain from when interest is due] in the sum of £[amount].

***\*Optional paragraph to be removed if not relevant*** [In addition, you owe us [provide details of any additional charges and where it comes from and how it’s calculated.]

In total, £[amount] is now due (the Debt). The Debt is payable immediately and does not include legal costs. [Interest continues to accrue at the daily rate of [add percentage]% [and £[amount]].

**Relevant documents**

[I/We] enclose the following copy documents that are relevant to the Debt:

* Information Sheet
* Reply Form
* Standard Financial Statement

[Here you need to list all the other copy documents that you attach to this letter].

**Documents requested from you**

Please enclose copies of the following documents with the completed Reply Form, which [we/I] believe are relevant to the Debt and are likely to be in your control:

[List all relevant documents].

This is not purported to be an exhaustive list of documents relevant to the Debt. Please also provide any other documentation that you consider to be relevant, in accordance with paragraph 4.1 of the Protocol (as attached) and confirm that you will take proper and appropriate steps to ensure no relevant documents, including electronic documents, that are in your control, are altered, lost destroyed or disposed of pursuant to paragraph 7 of CPR Practice Direction 31B.

**Payment of the debt**

The Debt can be paid by [explain the method of payment you prefer and provide an address where relevant.] You may contact us on [provide contact information] to discuss possible repayment options. You should also note that free independent advice and assistance can be obtained from the organisations listed in the Information Sheet annexed to this letter.

**\**Optional paragraph to be removed if not relevant*** [**Alternative dispute resolution (ADR)**

Describe the form of ADR (if any) that you consider is the most suitable and provide details to the debtor i.e. mediation or arbitration etc. The debtor will have to decide if they agree to this. If they don’t, your case may end up in court.]

**\**Optional paragraph to be removed if not relevant* [Appointing experts**

[We/I] propose that one of the following experts be jointly instructed as [a single joint expert OR an agreed expert] in the field of [give details], on the issue of [state the issue]: [give your list of experts].]

**What happens next?**

You should respond to this letter, enclosing the completed Reply Form, Financial Statement form and the documentation requested above, within [30 or more] days of the date of this letter, [insert date].

If you do not respond to this letter within the prescribed timeframe, [we/I] reserve [my/our] rights, including the right to commence proceedings (without further reference to you should that prove necessary and appropriate) to obtain a court judgment requiring you to pay the Debt [plus interest and costs that are continuing to accrue, where relevant].

Please note that if you ignore this letter, it may lead to [us/me] starting proceedings against you and may increase your liability for costs.

Yours faithfully,

|  |
| --- |
| ……………………………………………………… |
| [Name of creditor] |

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