LEWIS SILKIN

Debt Recovery
Dispute Resolution Process Flowchart

Debtor fails to pay in response to final request for payment

Is this a debt above the statutory thresholds for insolvency proceedings?

No → **Send a Letter before Claim compliant with CPR**

Yes → **Is the debt disputed**

Yes → **Send a Letter before Claim compliant with CPR**

No → **Issue and serve a statutory demand**

Does debtor respond? (minimum 14 days)

Yes → **Debtor pays or agrees payment plan. End of process**

Yes → **Debtor sends Letter of Response**

No → **Debtor fails to answer**

Does debtor dispute the debt on substantial grounds?

Yes → **Send a Letter before Claim compliant with CPR**

No → **Does debtor respond within 21 days?**

Yes → **Debtor pays or agrees payment plan. End of Process**

No → **Present a Winding Up/Bankruptcy Petition**

Debtor sends Letter of Response / **Debtor fails to answer** → **Prepare, issue and serve Part 7 Claim for debt**

Does debtor file a Defence within 14/28 days?

No → **Seek Default Judgment**

Yes → **Progress legal proceedings to trial or settlement**

Seek Default Judgment → **Does debtor pay in accordance with judgment?**

Yes → **Debtor pays or agrees payment plan. End of process**

No → **Commence enforcement proceedings**

Progress legal proceedings to trial or settlement → **Do you succeed at trial?**

Yes → **Does debtor pay in accordance with judgment?**

No → **Did you settle?**

No → **Pay likely costs order and write off debt**

Yes → **Does debtor pay debts owed under terms of settlement?**

No → **Send a Letter before Claim compliant with CPR**

Yes → **Honour settlement obligations**

Present a Winding Up/Bankruptcy Petition → **Manage through court process**

Does the Court make a winding up/ bankruptcy Order?

No → **Pay any costs ordered and write off debt**

Yes → **Progress relevant corporate or personal insolvency procedures**