

National Union of Journalists

Small Claims Guide

**A Guide to the Small Claims Procedure in the
County Court for Recovering Monies Owed**

Introduction

The small claims procedure is designed to enable an individual to pursue a claim without the assistance (and costs) of a solicitor. This booklet has been produced by the NUJ's solicitors, Thompsons, as a guidance document to assist those members who find it necessary to sue a client for non-payment.

Many thanks to Anne Rooney of Thompsons for her hard work on this document.

Contents

What is a small claim?.....	4
Before you start a claim	5
Who are you claiming against?.....	6
Letter before Action.....	6
Making a small claim in the County Court	9
What happens next?.....	11
No Reply	13
Admissions	14
Defence to Claim.....	15
Defending Claim and Counterclaim	16
Directions Questionnaire and Notice of Allocation	17
Standard Directions	19
Witness Statements	20
Preparing for the Hearing	21
At the Hearing.....	22
Costs.....	23
If You Disagree with the Decision	24
Enforcing the Award	25
How Can I Avoid Needing to Use the Courts?	26
Have a written Contract.....	26
Appendix 1: Sample Warning Letter (known as a “Letter before Action”)	27
Appendix 2: Checklist: Contents of Claim Form	28
Appendix 2A: Particulars of Claim	29
Appendix 3: Glossary	31

What is a small claim?

A small claim is a County Court claim for less than £10,000.00. Most small claims involve a dispute relating to a contract between two parties, the most usual example being that someone owes someone else money which has not been paid. Small claims can also be for damage caused by someone else to your property, for bad workmanship or compensation for faulty goods or goods not supplied.

The time limit for bringing a claim which arises out of a contract is **six** years. The Court will refuse to consider a claim after this time.

Although a claim may be brought at any time within this period, it should be started promptly and well within the time limits. The longer you leave it before starting a claim the more likely it will be that key documents will have been destroyed and memories faded. Unfortunately, companies can quickly disappear leaving you out of pocket.

Claims relating to personal injury, unfair dismissal, discrimination or whistleblowing are rarely small claims. Much stricter time limits apply to these claims and if you think that you have such a claim you should contact the NUJ urgently.

Before you start a claim

Gather together **all** the paperwork you have about the contract or unpaid invoice which is the source of the dispute. As memories quickly fade write everything down and date the document.

In order to succeed you have to prove your case. This means you have to be able to demonstrate to the Court: first, if your claim is based on a contract, the terms of that contract; second, that you fulfilled your side of the contract; third, the amount you were to be paid and that it is still owing.

If you had a written contract and you have letters or other documents from the person who owes you money accepting that the amount claimed is outstanding you should find it straightforward to succeed in your claim.

If your contract was agreed verbally or certain terms were negotiated verbally¹, write down at the first opportunity a **detailed** account of the circumstances of the agreement. It is vital to include details of the words which were used.

If, however, the person you are claiming from does not have the means to pay, you will waste your time and energy pursuing them in the Court. Make enquiries amongst colleagues in the industry. Is the person/company who owes you money usually a good payer? Are they themselves owed money? If you have any doubt about them having the money to pay you in the event that you are successful, think hard before starting any proceedings.

You should also consider whether the person you are claiming from has any potential claim against you. Did your work take longer than originally anticipated leading to increased costs? Has there been any dispute about the quality of your work? If so, there may be a possibility of a counterclaim against you (for more details see below).

¹ Although it is usual for a contract to be written down and signed, contracts can be made in writing (without signatures) or by verbal agreement.

Who are you claiming against?

Check the contract documents or any invoice for details of who your agreement was made with. Any correspondence about your claim and eventually all the Court documents should be with the person or company your agreement is with. If you get the wrong person, partnership or company your claim will fail.

If your contract was with an **individual**, check their name, address and that they are over 18. An individual is responsible for their debts without limit.

If the individual trades under another name you need to check their name, address and the name they trade under. All correspondence and Court documents should be addressed to the individual followed by the words “trading as” and the trading name and the address. The individual, again, is responsible for their debts without any limits. This also applies to a **partnership**.

Do you know where the individual is who owes you money? In order to pursue your claim, you need an up to date address to serve all the formal Court documents. If you do not know where to locate the person who owes you money you are going to have enormous difficulties pursuing your claim and recovering any money.

If your agreement is with a **company**, the documents must be served at its registered office. Check the name and address of its registered office. You should find this information on any official documents you have from the company, for example a printed invoice. If you are unable to identify the company’s registered office this can be confirmed by checking with [Companies House](#) 0303 1234 500. The company is responsible for its debts. However, the directors and shareholders cannot generally be required to pay for anything towards the debts of the company even in the event of the company’s insolvency.

Letter before Action

Finally, make one last attempt to get your money without going to Court. Write to the person or company who owes you the money. Say how much they owe and what it is for. Include a warning that you will start a claim through the Court if it is not paid; sometimes the threat is enough and they will pay up. Keep a copy of the letter to show the Court. If you do not write a warning letter the Court may disallow the interest which would normally be awarded.

You will find a sample letter at Appendix 1. Try to include relevant dates and invoice numbers to help the person who owes you money to identify your particular debt.

If you operate as a business including as a sole trader, and are claiming payment of a debt from an **individual (including a sole trader)** then there is a [Pre-Action Protocol](#) (introduced 1 October 2017) which should be followed.

The Claimant should send a Letter of Claim to the debtor (Defendant) which should contain the following information:-

- i the amount of the debt;
- ii whether interest or other charges are continuing;
- iii where the debt arises from a verbal agreement, who made the agreement, what was agreed (including, as far as possible what words were used) and when and where it was agreed;
- iv where the debt arises from a written agreement, the date of the agreement, the parties to it and the fact that a copy of the written agreement can be requested from the claimant;
- v where the debt has been assigned, the details of the original debt and creditor, when it was assigned and to whom;
- vi if regular instalments are currently being offered by or on behalf of the debtor, or are being paid, an explanation of why the offer is not acceptable and why a court claim is still being considered;
- vii details of how the debt can be paid (for example, the method of and address for payment) and details of how to proceed if the debtor wishes to discuss payment options;
- viii the address to which the completed Reply Form should be sent.

The Letter of Claim should also do **one** of the following:-

- i enclose an up-to-date statement of account for the debt (including any interest, administrative or other charges added); or
- ii enclose the most recent statement of account for the debt and state in the Letter of Claim the amount of interest incurred and any administrative or others charges imposed since that statement of account was issued; or
- iii where no statements have been provided for the debt, state in the Letter of Claim the amount of interest incurred and any administrative or other charges imposed since the debt was incurred.

And

- i enclose a copy of the Information Sheet and the Reply Form (at Annex 1 to the Protocol),² and
- ii enclose a Financial Statement Form (an example Financial Statement is provided in Annex 1 to the Protocol)³

The Letter of Claim should be clearly dated towards the top of the first page. It should be posted either on the day it is dated or, if that is not reasonably possible, the following day.

² Contact the NUJ's Freelance Office for copies of the Information Sheet and Reply form.

³ Contact the NUJ's Freelance Office for an example Financial Statement.

The Letter of Claim should be sent by post. If you have additional contact details, such as an email address, you may also send the Letter of Claim using those details.

The debtor has 30 days from the date at the top of the letter to send back the Reply Form.

If the debtor does not reply to the Letter of Claim within 30 days of the date of the top of the letter, you may start court proceedings. Account should be taken of the possibility that a reply was posted towards the end of the 30-day period. Court proceedings should not be started less than 30 days from receipt of the completed Reply Form or 30 days from you providing any documents requested by the debtor, whichever is the later.

Making a small claim in the County Court

You start your claim by filling out a form known as form N1. Although it used to be the case that this was done “over the counter” with the assistance of a member of Court staff at your local County Court, this service is no longer available except for matters such as injunctions which are very rarely small claims. Claims are now started (known as a claim being “issued”) by filling in a form known as Form N1. This form can be filled out either online (using a service known as Money Claims Online or “MCOL”) or by hand, in which case it is then posted to the County Court Money Claims Centre in Salford (which is not open to the public, but which can be contacted by telephone or online).⁴

Online

The form found [at MCOL’s website](#) is identical to the paper form N1 which can be filled out and posted. MCOL can only be used for claims for a specified sum of money. Small claims which are for compensation to be determined by the Court (known as “general damages”) must be issued by post.

MCOL have produced a [helpful and detailed guide](#) to using the system.

Post

[Form N1 is online](#) and can also be obtained from your local County Court (open Monday to Friday 10am to 4pm).

As well as the claim for the money owed you can claim for interest from the date on which you should have received the money until the date on which the Court gives judgment, or the claim is admitted. Unless there is a provision for interest in the contract then you should claim interest either at the “judgment rate” of 8, if this claim does not relate to your business activities or if this is a business debt, at Bank of England base rate (currently 0.5%) plus 8% under the provisions of the Late Payments of Commercial Debts (Interest) Act 1998.

⁴ Contact details for the Money Claims Centre: PO Box 527, Salford, Greater Manchester M5 0BY; Email enquiries: cmccustomerenquiries@hmcts.gsi.gov.uk; Filing and records: cmcce-filing@hmcts.gsi.gov.uk; Telephone enquiries: 0300 123 1372 Fax: 0161 743 4023.

The Money Claims Centre does not hear any cases itself as claims are invariably transferred, following the pleadings stage (submission of claim for/particulars of claim and then defence)

You will also have to pay a fee for starting the claim. Currently these fees are:

Claim amount	Sending form to court centre	Using Money Claim Online
Up to £300	£35	£25
£300.01 to £500	£50	£35
£500.01 to £1,000	£70	£60
£1,000.01 to £1,500	£80	£70
£1,500.01 to £3,000	£115	£105
£3,000.01 to £5,000	£205	£185
£5,000.01 to £10,000	£455	£410

Table 1: Fees

It is important that the Statement of Truth on the claim form is signed by you. Failure to sign this may lead to your claim being struck out. To fill in the form you need your own full name and address and the name and address of the person, partnership or company who owes you money.

For further details of what to include in the form see the “checklist” set out at Appendix 2, which includes detailed advice about what to put in “Particulars of Claim”.

What happens next?

Whichever method of issuing the claim you use, it will be sent, along with a “Claim Pack” to the Defendant by post. If the claim was issued online then the Defendant can respond either online or by post.

The reply pack will set out the date that the Court will use for calculating how long the Defendant has to respond to the claim (known as the “deemed date of service”, service being when the Defendant receives or “is served with” the claim). If you have sent Particulars of Claim separately to the claim form, this calculation will be made using the deemed date of service of the Particulars of Claim.

The Court will send you a Notice of Service, which will also be available on MCOL, in the event that you issue your claim online which will specify the deemed date of service.

Sometimes a claim form is not served because the Defendant has moved or the address is incorrect. If this happens the claim form will be returned to the Court and in turn the Court will let you know. If this happens you must quickly find out the new or correct address and re-issue the claim.

The Defendant has 14 days from the deemed date of service to respond. The defendant must submit a written response to the claim. Responses are usually submitted using the forms supplied in the pack, but can be filed in other written formats such as by email or in a typed statement. A Defendant can respond in the following ways:

Acknowledgment of Service (“AOS”) – indicates that the Defendant intends to file a defence, part admission or contests jurisdiction (the level of court). The AOS also extends the time to do so from 14 to 28 calendar days from the date of service.

States paid defence – the Defendant states that the amount claimed has been paid before the claim was issued (this may be minus the costs and interest). You will be sent a copy and asked whether you wish to proceed with your claim. If the Defendant submits their response online, you will also be able to view a copy on MCOL.

Full defence – the Defendant wishes to dispute the full amount of the claim. You will be sent a copy and asked whether you wish to **proceed** with your claim. If the defendant submits their response online, you will also be able to view a copy on MCOL.

Counterclaim – the Defendant wishes to dispute the full amount of the claim and also files a claim against you. The Defendant will need to pay a fee to make a counterclaim.

You will be sent a copy and asked whether you wish to proceed with your claim (please note that if you withdraw your claim the case will continue on the

counterclaim alone). If the defendant submits their response online, you will also be able to view a copy on MCOL.

Part Admission – the defendant wishes to dispute part of the claim. The defendant should explain how much of the claim they are disputing and make an offer of payment for the remainder. You will be sent a copy and asked whether you wish to proceed with your claim. If the defendant submits their response online, you will also be able to view a copy on MCOL.

Full Admission – the defendant wishes to make an offer of repayment. This form should be sent directly to you rather than the court (please see the section on entering judgment for information on how to proceed with your claim).

No response – the defendant does not respond within the permitted timeframe (please see the section “No Reply” below).

Payment – the defendant may send you payment directly following receipt of your claim (please see the section on settling a claim).

The onus is on you to advise the court how you wish to proceed once the Defendant has filed a response / their time to file a response has expired. If you do not do so the Court will suspend or “stay” your claim and you will have to make an application to the Court to have this suspension lifted.

No Reply

If fourteen days from the deemed date of service have passed and neither you nor the Court have received an Acknowledgement of Service nor a Defence from the Defendant, you can ask the Court to send the Defendant an Order to pay the money you are owed. This is called “**entering Judgment by Default**”.

Judgment is requested by filling in a form N227 and sending it to the Court. If you have issued your claim online, you may request judgment online.

Judgment requests are not registered immediately. In some circumstances you may find that the Defendant files a response in the interim and so your judgment cannot be entered. It is said by the Ministry of Justice that requesting judgment online ensures your request is processed as quickly as possible whereas annual judgment requests will be processed in order of receipt in accordance with working targets.

The Court will send written confirmation that judgment has been entered and will then send the Defendant a copy of the Judgment Order, which will tell the defendant how much to pay, when to pay it and where to send the payments (which should be to you not to the Court).

If the Defendant does not pay, you will need to start enforcement proceedings through the Court. Although it is not mandatory, it is a very good idea to take legal advice before attempting to enforce a judgment, as it can be a complex process which contains many traps for the unwary.

You have to pay another fee before you start enforcement proceedings. You should again review whether you want to go on. The fact the Defendant has not paid may mean they simply do not have the money, in which case the effort and resources you expend on enforcement will have gone to waste.

Admissions

The Defendant has the option of admitting all or part of your claim. They can do this online or by filling out a form N9A which is included in the "Claim Pack".

The Defendant can ask to pay by instalments or on a further date. You need to decide if this is reasonable.

If you agree with the Defendant's offer of payment, ask the Court to send the Defendant an Order to pay you the money you are owed. This is called "**entering judgment on acceptance**".

To do this you fill in the bottom of the form N225 you were given when you started proceedings and sent it to the Court. The Court then fills in a Judgment Order form and sends a copy to you and the Defendant.

If you disagree with the way the Defendant wants to pay, you tick the appropriate box in part "B" of form N225. You must say why you object, how much you would be willing to accept and when it should be paid. Keep a copy of your reasons and the Defendant's form.

A member of Court staff will then look at what you and the Defendant say and decide what would be a fair way for the Defendant to pay.

The Court will fill in a form with their decision. This is called "**entering Judgment by Determination**".

If you disagree with the Court's decision you can ask for a District Judge to decide what would be a fair way for the Defendant to repay the money you are owed.

You have to fill in another form within 14 days of receiving the Judgment by Determination. You will then be given an appointment to see the District Judge. The case will be transferred to another County Court for the appointment if there is one nearer the Defendant's home or business address.

After the appointment the District Judge will decide how much should be paid and when.

If the Defendant does not pay you will need to start enforcement proceedings through the Court. The County Court will be able to give you a booklet explaining the options.

The Defendant may admit only part of your claim. If so, you have to decide whether or not you accept the Defendant's part admission and whether you accept any proposals for payment that are made in respect of this part admission.

Defence to Claim

If the Defendant disagrees with all or part of your claim, they will fill in the Defence form and send it to the Court. The Defence will be due either fourteen or twenty-eight days after the deemed date of service, depending on whether an acknowledgment of service has been submitted. Read the Defence very carefully as it sets out the Defendant's version of events. Be prepared to deal with all points raised.

It is not necessary for you to reply to the Defence as it is taken that you do not admit any part of the Defence.

If the Defendant is a private individual (as opposed to a business or company), once the Defence has been sent to the Court (known as being "filed") the case will be transferred to the hearing centre closest to their address. However, if you are claiming as an individual and the Defendant is a business, the claim will be transferred to the hearing centre nearest you. A form N271 (Notice of Transfer) setting out the address and contact details of the hearing centre which is now dealing with your claim will be sent to you when the claim is transferred.

Defending Claim and Counterclaim

The Defendant may at the same time make a counterclaim. This is a claim by the Defendant against the Claimant. This is the only time when a Defendant may make a counterclaim without needing to seek the Court's permission. The subject matter of the counterclaim need not in any way relate to the subject matter of your claim, but it must be seeking a specific outcome.

If a counterclaim is made against you, you need to consider the counterclaim very carefully. The Court forms will tell you what to do. If you disagree with the counterclaim you must file a Defence to Counterclaim and you only have 14 days to do this so act quickly. If you do not serve a Defence to Counterclaim, judgment in default will be issued against you for the amount of the counterclaim.

Directions Questionnaire and Notice of Allocation

After the defence has been filed, both parties are sent a Directions Questionnaire by the Court, the purpose of which is to work out the complexity of the claim so that it can be allocated (by a judge) to the appropriate track. In the case of small claims this will almost invariably be the Small Claims Track.

The Directions Questionnaire form (form N180) has notes at the back explaining how to complete it. It must be returned by the date specified on it or you risk having your case struck out by the Court.

The purpose of the Allocation Questionnaire is to assist the Court in allocating your case. The form contains the following sections:

- A Settlement/Mediation;
- B Your contact details
- C Track
- D1. Hearing Venue
- D2. Expert Evidence
- D3. Witnesses
- D4. Hearing

There are guidance notes on the back of the form explaining how to complete it. In the main, the questions are self-explanatory.

Once the parties' Directions Questionnaires have been received the Court will then issue a notice of Allocation to both parties, which in the case of small claims will almost invariably allocate the claim to the Small Claims Track

This Notice will usually give you information including the date, time and location of your final hearing at court.

There is another fee to pay at this stage, known as a "hearing fee". The amount payable depends on the value of your claim. Both the issue fee and the hearing fee are recoverable from the defendant if you are successful in your claim. Currently hearing fees are set at the following levels:

Value	Hearing Fee
Up to £300	£25
£300.01 to £500	£55
£500.01 to £1,000	£80
£1,000.01 to £1,500	£115
£1,500.01 to £3,000	£170
Over £3,000	£335

Table 2: Hearing fees

Sometimes the Court will not set a date for a final hearing but instead propose that the claim is dealt with without a hearing, by the Judge reading the documents alone or that a preliminary hearing is held. A direction for a preliminary hearing is given for if the claim requires special directions which the judge wants to explain to the parties personally (e.g. if, unusually for a small claim, there is to be a direction that opinion evidence be given by experts in a particular field), or where the judge feels that the Claimant or the Defendant has no real prospect of succeeding and wants to sort out the claim as soon as possible to save time and expense, or if the papers do not show any reasonable grounds for bringing the claim.

Be aware that a preliminary hearing can end up being the equivalent of a final hearing where the matter is decided once and for all.

Standard Directions

“Directions” (which are the name given to the orders the Court makes which set out the procedure for the claim up to trial) will also usually be included with the Notice of Allocation. If for some reason no directions whatsoever are received at this stage you should contact the Court, as it would be very unusual for no directions whatsoever to be given.

The following is taken from the Ministry of Justice website, where it is said to be an example of typical directions in a small claim:

“THE COURT DIRECTS:

- 1. Each party must deliver to every other party and to the court office copies of all documents on which he intends to rely at the hearing no later than [] [14 days before the hearing]. (These should include the letter making the claim and the reply.)**
- 2. The original documents must be brought to the hearing.**
- 3. [Notice of hearing date and time allowed.]**
- 4. The parties are encouraged to contact each other with a view to trying to settle the case or narrow the issues. The court must be informed immediately if the case is settled by agreement before the hearing date.**
- 5. No party may rely at the hearing on any report from an expert unless express permission has been granted by the court beforehand. Anyone wishing to rely on an expert must write to the court immediately on receipt of this order and seek permission, giving an explanation why the assistance of an expert is necessary.**

NOTE:

Failure to comply with the directions may result in the case being adjourned and in the party at fault having to pay costs.

Witness Statements

The general rule is that any fact which needs to be proved by a witness must be in evidence given verbally at a final hearing.

It is unusual to small claims that witness evidence need not be served in a written statement before the Hearing but you may wish to do so. Serving statements on the other side has a number of advantages to include:-

- 1 All evidence is brought to the Court's attention and it is not missed out;
- 2 The other side are not taken by surprise and are less likely to be granted an adjournment;
- 3 Reduces the time of the Hearing.

The routine directions in Small Claims matters 'suggest' that witness evidence is exchanged. Only if the Judge orders that they 'must' be served are they mandatory! A well prepared statement will:-

- 1 Describe events in the witness' own words;
- 2 Be chronological;
- 3 Refer to documents and cover all the issues raised in the Claim Form and Defence (and Counterclaim).

If your agreement with the Defendant was not in writing you may wish to get a witness statement from anyone who was a party to the discussion when terms were agreed or subsequently altered. If the quality of your work is in dispute you will find helpful any witness confirming your work was of the appropriate quality.

Preparing for the Hearing

Before the hearing make sure you have all the documents which are relevant to your case, put them in order and take along two spare sets of the documents to the hearing. One set is for the District Judge, the other for the Defendant. Make sure the copies you take are clear and legible.

If you have statements from witnesses, make sure they have signed and dated the statements. Again, have two spare copies of any statement. Your witnesses must attend the Hearing.

Prepare your case thoroughly. Decide what you want to say to the District Judge. Write notes so you do not forget any points. Try and prepare for all the questions you might be asked. Put yourself in the Defendant's position – what would you be saying? Prepare your arguments in response. Put yourself in the position of the District Judge – will she/he understand the nature of your claim? Have you properly explained why the dispute has arisen: is there any technical language that needs explaining? One way to prepare is to ask a friend who knows nothing about the case to listen to the points you will be making. Get the friend to point out any weaknesses in your arguments and see if you can improve the way you present yourself.

Check that all the details such as dates and times are correct.

Check and double check the time, date and place of your hearing, that you know where the court is and how you get there. If you are taking witnesses along make sure they know the date and time. Arrange to meet them at least 15 minutes before the hearing.

Before the hearing you may find that the Defendant approaches you to discuss a settlement. Do not cancel the hearing until you have agreed the terms of any settlement in writing and preferably have received the money. Having a date for a hearing can be a good incentive for the Defendant to settle.

If you are approached with any offer you should consider it carefully. Think realistically what are your prospects of success at Court? You can never guarantee success at Court. There is always a risk (called the litigation risk) that you will lose or not do as you had hoped. If the offer is realistic you should accept.

If you do reach agreement and settle the claim let the Court know immediately so that the hearing can be cancelled.

At the Hearing

Normally the procedure is relatively informal. You will have to introduce yourself to the District Judge. The District Judge will normally ask the person bringing the claim to present their case first. Speak slowly and clearly. Try to ensure the District Judge is following what you are saying. Introduce your witnesses, any documents, or exhibits to Statements. The District Judge will indicate when she/he is ready to hear from your witnesses. The District Judge will then ask the Defendant to reply. Listen carefully and, if possible, take notes. Do not interrupt the Defendant. You will be given an opportunity to reply.

You, the Defendant and the witnesses may be asked questions until the District Judge has a clear picture of all the circumstances of the case.

You will be given an opportunity to ask the Defendant or the witness(es) questions. Ask one question at a time. Listen carefully to the response and try to take notes.

When all the evidence has been heard there will be a final chance to reply before the District Judge makes a decision.

The District Judge will then tell you what the decision is (the award) and briefly explain the reasons for it.

Take notes of the award and reasons. This may help if you wish to consider whether you want to apply to have the award set aside.

Costs

There is a general “no cost” rule in the small claims court, i.e. any lawyers costs even if you are successful. However, the Court **may** award the following:-

- Court fees paid (including hearing fees)
- Fixed costs relating to the issue of the claim form of £50 to £100 (depending on the value of the claim)
- Expert fees up to £750
- Expenses reasonably incurred by the party in whose favour the Court is making the award of costs and their witnesses, including the reasonable cost of staying away from home for attending the hearing
- Loss of earnings for the parties and any witnesses (up to £95 per day)

Any award for costs is discretionary, and the District Judge has the final say on whether costs and expenses are allowed in any particular case. Further sums may be allowed if the District Judge comes to the conclusion that a party has behaved unreasonably. The no costs rule does not apply to appeals.

If You Disagree with the Decision

If you disagree with the decision you can object, by applying to set aside the award. The grounds for doing this are very limited.

You cannot object to the District Judge's decision on what the facts of the case were. You have to be able to show either:

i That the District Judge did not conduct the hearing properly;

Or

ii That the District Judge applied the law incorrectly.

You may need (and would in any event be well advised) to get advice from a Solicitor before you decide whether or not to object. Act quickly. You must make your application to the Court no later than 14 days from the date the award was made.

If you seek advice, show the Solicitor all the paperwork you have including any notes at the hearing. This will help the Solicitor to advise you whether you have grounds for applying to set aside the award.

If you object to the award and are unsuccessful you have to pay the Defendant's costs.

If you decide to object you need to get a form from the Court Office. You must give your reasons for objecting. You also have to pay a fee. The Court will give you and the Defendant an appointment to see the Circuit Judge.

Enforcing the Award

Unfortunately, getting an award in your favour is not always the end of the case. The award will state how long the Defendant has to pay the money due and when any instalments are payable. Keep a note in your diary of when you should expect the money. If you do not receive the money you will need to consider how to enforce the award.

Go back to the County Court. They produce a booklet setting out your options for enforcement. To take enforcement proceedings you will have to pay another fee.

Before you start County Court enforcement proceedings consider carefully whether you wish to spend any more money and energy on your case. Enforcement proceedings can be long and drawn out.

Remember all County Court Judgments which are unsatisfied are registered. This can make it difficult for the individual or company who has a Judgment registered against them to get credit.

How Can I Avoid Needing to Use the Courts?

There will always be some companies and individuals who are bad payers and who will cynically avoid paying smaller outfits or individuals. Keep in touch with contacts in NUJ and the industry and try and avoid working for bad payers. In turn, make sure you report your bad experiences to the union.

Have a written Contract

Make sure it includes terms concerning payment and time for payment.

If you reach an oral agreement about some aspects of the work to be done write a letter to your employer/contractor confirming the agreement. Failing that make a note in your diary or work book, note the date and time of the agreement. Record the conversation as best as you can and note the name, title and authority of the person you make the agreement with. Any letters or written notes may be useful as evidence in the event of a later dispute.

Try and agree a procedure for your work to be approved as in line with the contract. Take a note of who approves your work and when.

If any dispute arises during your contract, try and deal with it straightaway. Once the contract is completed, it will be more difficult to resolve any disputes. Again, keep notes of the cause of the dispute and any agreement about how to resolve it.

Remember you are not alone and any problem you encounter is probably not unique. Your NUJ representative or Official should be able to help.

Appendix 1: Sample Warning Letter (known as a “Letter before Action”)

Dear Sir/Madam,

By a contract dated the [1st March 2000] you agreed to pay me [£200] per day for [25] days for my work as an Editor. I completed the work in accordance with the contract and submitted my invoice [number 007] for [£5,000.00] on the [1st April 2000]. This invoice remains unpaid.

Payment of the sum of £5,000.00 outstanding should be made to the address above within the next fourteen days, failing which Court proceedings will be started against you and a claim for interest and costs will be made.

Yours faithfully

Notes

- 1 Refer to any contract and its date
- 2 Identify the relevant terms of the contract relating to payment
- 3 Refer to any invoice by date and number
- 4 Keep the warning letter brief.

Appendix 2: Checklist: Contents of Claim Form

- 1 Decide if the claim is for a specified or unspecified sum of money.
- 2 Name the Claimant (i.e. you or your company)
- 3 State the Claimant's address
- 4 Give the Claimant's address for sending documents and payments
- 5 Identify the Defendant.
- 6 State the address where the Defendant will be sent (or "served") documents.
- 7 Set out brief details of the claim, making sure that you identify any contract whether it is oral or written and the date of the contract. Refer to any invoices by their date and number.
- 8 More detailed "particulars" of the claim setting out only the essential facts that a Court would have to accept in order to conclude that the other party should pay you the money they owe or compensate you for damage they caused.
- 9 Complete the "tick box" about any human rights element. Although it is possible to make "human rights" claim without having taken legal advice, it is prudent to do so, given that this is a complex area of the law.
- 10 Calculate the interest owed. Unless the contract specifies a rate of interest you can claim in the County Court at a rate of 8% per year from the date the money is due to be paid until the date of payment, although the award of interest is within the discretion of the Judge. Judges routinely award interest at rates of between 2% and 4% in order to avoid "over-compensating" claimants.
- 11 Sign the statement of truth
- 12 Complete the statement of value (a small claim is one whose value is under £10,000).
- 13 Calculate the court fee (and consider whether you may qualify for "remission" of the fee)
- 14 Calculate the costs of any legal representation (bearing in mind that in small claims there are generally only very limited sums that can be recovered from the other party).
- 15 Choose a preferred Court.
- 16 Post the form or submit it online.

Appendix 2A: Particulars of Claim

The following is an edited version of the guidance found on the Ministry of Justice website.

There is a section on the second page of the claim form (form N1) for entering the 'Particulars of claim'. This space should be used to set out the details of the claim, but if there is not enough room they can be set out on a separate piece of paper.

Particulars of claim should not include an exhaustive account of all evidence that you want to use to support your claim; this will be set out in later documents.

Try to strike a balance between being brief and giving the Court and Defendant enough information to know what your complaint is.

This is what a simple might look like if included on the claim form:

Particulars of Claim (attached) (to follow)

1. The defendant has been a personal friend of mine since 2005.
2. The defendant is the owner of a cafe called 'Tea and Toast' and, sometime in March or early April 2011, asked me for a loan to help her business.
3. I agreed to lend the defendant £4,500. This was an oral agreement. One of the terms of the agreement was that the defendant would repay me the sum of £500 in interest on top of the loan of £4,500. We agreed that the defendant would repay the loan and agreed interest at the rate of £500 a month starting in July 2011. This was when the cafe was due to open.
4. I transferred the sum of £4,500 to the defendant on 30th April 2011 and this shows on my bank statement as transaction reference: 735462912800B.
5. The opening of the cafe was delayed. It finally opened in August 2011. I received the first instalment of £500 from the defendant towards the end of August 2011.
6. I then had to chase the defendant for further payments. I received a further £200 from the defendant at the end of September 2011 and £100 in October 2011. In total I have received £800 from the defendant.
7. Since then, I have been chasing repayments from the defendant but without success. I sent a letter before claim to the defendant on 5th January 2012 but got no reply. The defendant keeps telling me that the letter is with her solicitor and blames her solicitor for the delay.
8. I am still owed £4,200 by the defendant.

AND the claimant claims:

1. The outstanding loan agreement sum of £4,200.

2. Interest pursuant to section 69 of the County Court Act 1984 at an annual rate of 8%.
3. Costs.

Appendix 3: Glossary

Hearing:	Informal procedure adopted in County Court for dealing with small claims.
Award:	Decision of Court
Claim Form:	Court document setting out claim.
Costs:	Legal costs incurred by Claimant or Defendant
Counterclaim:	Claim by person who owes money (Defendant) against the person bringing the claim. The subject matter of the counterclaim need not relate to the subject matter of the main dispute.
Defendant:	Person who owes money, who is defending the claim.
District Judge:	Judges who deal with small claims and sit as District Judges. District Judges also give pre-directions in other County Court cases.
Enforcement:	Separate County Court proceedings to enforce the decision of the Court.
Claimant:	Person bringing the claim.
Small Claim:	A County Court claim valued at less than £10,000 (excluding personal injury claims)