

Road Traffic Debt Collection – New Legislation 6th April 2014

Overview

The legislation in respect of the recovery of debt from road traffic violations changed on the 6th April 2014.

The new Taking Control of Goods (fees) Regulations 2014 (TCG) sets out the rules and regulations for ALL debts ensuring transparency and consistency of the fees that are charged throughout the industry.

Under the new regulations Bailiffs will now be referred to as Civil Enforcement Agents. Where the Enforcement Agent is issued with multiple cases against the same debtor then the cases are to be consolidated to minimise costs to the debtor where this can be practicably exercised.

The New Fee Structure (rounded up to the nearest pound):

Stage	Fees and Actions
Compliance Stage	The Compliance Fee: £75.00 per warrant and is triggered once the instruction is received.
Enforcement Stage	The Enforcement Fee: £235.00 (and 7.5% of the debt amount exceeding £1,500.00), is triggered once an Enforcement Agent is in attendance at the relevant premises. No action is required to trigger the fee.
Sale Stage	The Sale Fee: £110.00 (and 7.5% of the debt amount exceeding £1,500.00), is triggered when a visit is made to the relevant premises for: <ul style="list-style-type: none">• Transporting good(s) to a place of sale;• Or at the place of sale; and• For the preparation of the sale This stage can attract additional costs – see below for further information.

The only additional fees or cost that can be charged to the debtor are:

- Storage costs (on removal of goods);
- Locksmith charges (gaining access and securing premises when force is used);
- Court fees (an application by the Enforcement Agent in respect of the enforcement, which is granted in exceptional circumstances); and
- Auction fees; sales at auctioneer's premises (commission not exceeding 15%) and sales on the debtor's premises (commission not exceeding 7.5%). Auctioneers out of pocket expenses and the reasonable cost of advertisement. Sales by internet auction or other than that by auction will incur a 7.5% charge of the sum realised by the sale.

Transitional arrangements (published and laid before Parliament on 14th March 2014)

This applies to cases received **BEFORE** 6th April 2014 only.

Cases that have had a Warrant made or issued but the enforcement agent has NOT got as far as a visit, the process restarts under the new legislation – the initial letter fee is removed and a Notice of Enforcement is issued – now falls under the Compliance Stage

Cases that have had the initial letter and visits but no levy has taken place – the fees charged will be a maximum of the letter and the aggregate of up to 3 unsuccessful visits (as per the scale fee). All activities completed will be considered to be the Compliance Stage and the next action will therefore be the Enforcement Stage with the appropriate fees for this stage. No Compliance Stage fees will be added to these cases.

Cases that have had the initial letter and visits and levy has been obtained – these cases will remain under the old regulations and will not be affected by the new stages/fees.