



Options

A Debt Recovery Solution Designed Specifically for the Funeral Profession

Caring Professional
Sensitive Recovery



Welcome

Dear Member,

May I thank you for taking a moment to read our new *Options* booklet, which has been developed in direct response to feedback received from members of our association.

The NAFD were the Debt Recovery Bureau LLP's (DRB) first clients and as such will always remain central to our strategy. DRB has always prided itself on offering NAFD members a versatile collection service, and it is with this in mind that we are proud to offer you our *Options* service. We have responded to your requests for a service which will enable *you* to decide how *you* would like us to approach the recovery of your debts, and at what cost.

We have driven down legal fees, introduced new pricing structures as well as enhancing the recovery and tracing facilities. This together with the solutions that our other service partners in the scheme offer, mean that you really do have a full suite of debt recovery *Options*.



After four years of collecting funeral related invoices, DRB boast an intimate knowledge of the reasons why your customers do not pay your invoices. This knowledge, combined with the caring approach of our dedicated NAFD collections department ensure that your accounts are dealt with in the manner that you would expect. This department is manned by hand-picked professionals who do not deal with any other type of debt. This ensures that the recovery of your invoices is approached in a sensitive but assertive manner befitting the funeral industry.

I trust that all NAFD members will find something in the following pages that suit their requirements. Moreover, if we haven't worked together previously I look forward to welcoming you as a new client in the near future.

Yours Sincerely

A handwritten signature in black ink, appearing to be 'Dave Cooke', written over a circular scribble.

Dave Cooke

Head of Operations – The Debt Recovery Bureau LLP

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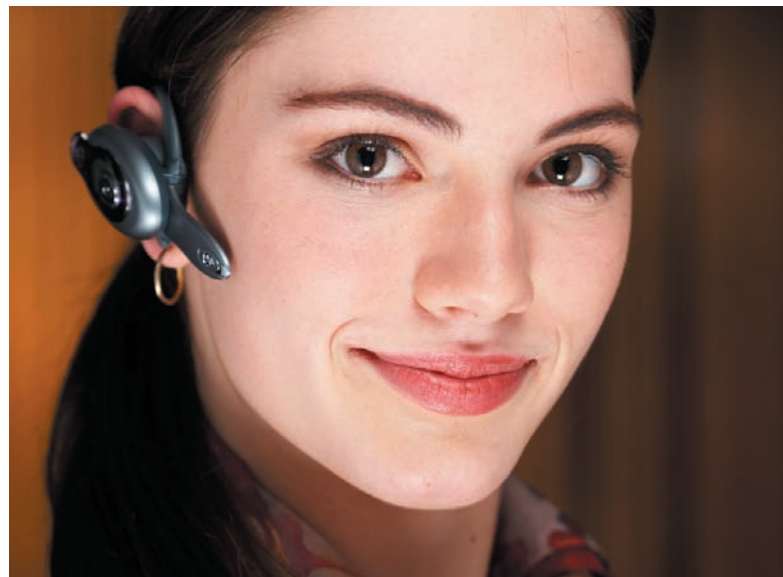
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Acknowledgement

The service partners wish to extend their sincere thanks to all existing customers, who help us to improve the service we provide by giving us their comments and suggestions, some of which we include within this booklet.

CEO Comment

Dear Member,

It has now been 4 years since the NAFD launched the NAFD Fast Track Debt Recovery Service, which was set up specifically to help members recover unpaid funeral invoices.

Since its launch, the service has proven itself to be an unrivalled success and I know from the feedback we receive at Head Office that many members feel it to be of great benefit to their business. The Debt Recovery Bureau have shown themselves to be more than capable of recovering your outstanding invoices whilst also ensuring that your customers are treated with the sensitivity that is required.

Like all successful businesses, the NAFD Fast Track Debt Recovery Service is aware that it must adapt to meet the changing needs of its customers. It is with this in mind that they have now launched their new *Options* booklet. *Options* has been developed to allow members to choose which service they require, with something to suit everyone.



I would urge you to read through this booklet and to take advantage of the Association's service as much as possible.

Yours sincerely

Alan Slater

Chief Executive Officer
National Association of Funeral Directors

Meet The Team

Dave Cooke



Dave is Head of Operations at The Debt Recovery Bureau LLP (DRB) and possesses almost 20 years experience of debt related issues affecting UK consumers. His knowledge extends across virtually every aspect of collection activity and he was a founder member of both DRB and the NAFD Fast Track Debt Recovery Service.

Clive Margetts



Clive is a consultant with DRB and heads up their Business Development division. He also has a debt collection background having been a collections manager for many years. In addition, Clive is Chairman of Gemstone Financial Management Limited, who supports DRB in supplying debt plus refinancing solutions to over-indebted consumers.

Alan Sinnett



Alan joined Wood Glaister as a trainee in 1987, became a partner in 1989 and is now their Senior Partner. His experience covers dealing with most aspects of commercial and residential property transactions, company work and civil litigation.

Hayley Palmer



Hayley joined Wood Glaister as an Assistant Solicitor in September 1992 and became a Partner in 2001. Hayley's area of practice is commercial / property litigation, acting for a number of leading institutions. Hayley also deals with private client work and in particular, the preparation of Wills and administration of Estates.

Janice Dengate MloD of Nigel Dengate Funeral Services wrote:

'Your service has certainly exceeded our expectations and we will have no hesitation in using your services again.'

Case Studies

Nowhere is too far away!

One debtor thought he could avoid the payment of an outstanding funeral account by leaving the country. The Debt Recovery Bureau LLP (DRB) tracked him down to Durban, South Africa and obtained full payment of the outstanding invoice together with our costs.

Try, try, try again.

Having had little success with other debt collection companies, a large firm of funeral directors were persuaded to reluctantly give our service a go. They agreed to refer all the cases that had previously been returned by their previous collection companies as unrecoverable. Within 4 weeks, the DRB had recovered over 70% of the value of the invoices, and as a result we are now asked to recover all of the firm's unpaid invoices.

Amazing but true

One executor forged her own death to avoid payment of the funeral director's invoice. DRB established the facts and obtained payment against the case.



Headache relief, quicker than a Paracetamol™

One funeral director referred us an invoice that had been overdue for more than 12 months. All his attempts to obtain payment had met with a point blank refusal to pay. Within 20 minutes of receiving the referral DRB had obtained payment of the invoice in full.

Age is no barrier

A funeral director had been chasing a company for over 3 years to obtain repayment of invoices totalling more than £10,000 without success. DRB was able to obtain full repayment of the invoices within 4 weeks of receiving the instruction.

Susan Coaton MICM (Grad), Group Accounts Manager, Mutual Services (Portsmouth) Limited wrote:

'As you are already aware we had been instructed by our previous Debt Collection Agency that they were unable to collect a considerable amount of debt referred to them for a variety of reasons. We referred many of these cases to your company and the success rate has been astounding.'

When & How

When

The short answer is as soon as is reasonably possible, but there are some steps you should take first.

Step One:

Ensure that your invoices have a clearly defined payment terms or date by which they are to be paid. If they do not, whilst it does not mean the debtor cannot be pursued, it does mean the customer could make life difficult if the matter were to proceed to court.

Step Two:

Ensure your firm's Terms and Conditions of business enable you to recoup any costs expended in recovering your bad debts. Either the Debt Recovery Bureau LLP (DRB) or NAFD head office can assist you with the supply of appropriate Terms and Conditions, at no cost to you. As a consequence of using these conditions, the services available under NAFD's Fast Track Debt Recovery Service shall ultimately be free.

Regardless, if your business does not currently cater for the above, do not worry, we can still act for your company and recover your debts.

Assuming that the invoice has expired and the customer is now in breach of your standard conditions of business we move to the next phases:

1. Issue a reminder - advising that payment is now overdue and the client is now liable for interest at the contractual rate. Grant a further period of either 7 or 14 days, perhaps with a concession of no interest if the debt is settled within this period.
2. Telephone Call - In addition to the issuing of a reminder letter, we would also recommend a personal telephone call to establish the position.
3. Personal Visit - Failing the above, a personal visit would be advisable immediately following the expiry of your 'reminder' notice. This can have surprising results. You must ensure however that you do not do anything during such a visit which may cause your customer embarrassment and thus place yourself open to legal proceedings under Section 40 of the Administration of Justice Act 1970.



Top Tip:

If you are not able to amend your terms of business for whatever reason, then you could add the fees you feel are likely (having read the options) to the invoice value. You can then offer a discount of the same, for prompt payment. Of course, this cannot be retrospectively applied.

To Refer

4. Final Reminder - In the continued absence of payment, issue a final demand advising that failure to settle the outstanding balance within 7 days will result in further action. In addition, point out that interest will continue to be applied together with any appropriate costs, where suitable terms apply.
5. Refer Now - Should no payment materialise, promptly refer the case to NAFD Fast Track Debt Recovery Service via DRB LLP.

PAST DUE

The above should have taken no more than a month from the expiry of your initial invoice, which increases the chances of recovery and minimises the recovery fees.

How

It could not be simpler. Just photocopy the Referral Form contained in this booklet and then:

1. Complete the details selecting which service you wish to subscribe to.
2. Attach a copy of the original invoice and your firm's standard terms of business.
3. If applicable, write out a cheque that covers the referral fee for each customer.
4. Send all of the above to The Debt Recovery Bureau LLP.
5. Leave the rest to us.

What happens next?

We will acknowledge receipt of your instruction in writing and commence collection activity within two working days.

Naturally we hope to fully recover your funds as soon as possible, but regardless we shall keep you regularly informed of our progress by personal contact and / or monthly reports throughout.

Alan Slater, NAFD Chief Executive Officer wrote:

'I have been pleasantly surprised to find that The Debt Recovery Bureau has been able to live up to its promises.'



Section 1 Pre Litigation

Basic Debt Recovery

If minimising cost is of the utmost importance, then our entry level scheme is for you.

The cost is entirely based on success only. Hence, if The Debt Recovery Bureau is not successful in recovering your debts then you pay nothing.

This 'no frills' service provides the client with:

- Structured Communication (telephone calls and letters).
- Monthly reporting.

The other facilities applicable to the service offerings that follow are available subsequently, either individually or as a group of services, in accordance with a set charging structure that may vary from time to time.

Charges

Unlike the other services available, as the provision is streamlined we adopt a flat rate charge of 22% (plus VAT) of the balance recovered, regardless of the age of the debt.

Standard Scheme

Once again there are no up-front costs and the fees payable are based on purely a success basis, although the service offering and therefore ultimate charges are increased.

This service provides the client with:

- Structured & Personalised Communication.
- Reactive in-house investigations (utilising specialist resources & databases).
- Monthly reporting.
- Legal Review (if required)

A solicitor's 'Letter Before Action' can be requested separately in accordance with the charging structure set by our solicitors that may vary from time to time.

Charges

Tier 1 - For cases referred within 60 days of expiry of the invoice = 20% + VAT

Tier 2 - Invoice expiry is greater than 60 days but less than 1 year = 30% + VAT

Tier 3 - Invoice expiry is greater than 1 year = 40% + VAT

Enhanced Scheme

This is our recommended option, as it minimises the overall recovery fees for you and / or your customer.

This is because a nominal up-front referral is payable, meaning you share the risk of unrecoverable cost. However, in return you receive a full suite of services and receive a substantial reduction on all other charges.

This service provides the client with:

- Structured & Personalised Communication.
- Re-active in-house investigations (utilising specialist resources & databases).
- Monthly reporting.
- Legal Review (if required)
- Solicitors 'Letter Before Action' (if required).

Charges

Referral Fee = £50 + VAT

Tier 1 - For cases referred within 60 days of expiry of the invoice = 10% + VAT

Tier 2 - Invoice expiry is greater than 60 days but less than 1 year = 15% + VAT

Tier 3 - Invoice expiry is greater than 1 year = 20% + VAT

Section 2 Debt Sale & Purchase

Debt Sale Explained

The Background

Debt purchasing arrived in the UK approximately a decade ago, having emanated from the U.S. Typically, it has been almost the exclusive preserve of large blue chip organisations with deals typically running into the many millions of pounds.

However, The Debt Recovery Bureau LLP (DRB) has launched a simplistic and unique debt purchase solution, providing funeral directors with an option/ facility where otherwise none would have existed

Should I Sell?

The decision to sell a debt must be taken prior to embarking upon legal process, but is often the last resort prior to taking such action. Alternatively, it has suited the funeral director who does not wish to throw good money after what they consider to be a bad debt.

How much will I get?

Any completed debt sale shall return a payment of between 5% - 50% of the outstanding balance at the time of completion of the sale, depending upon the individual merits of the case.

Basic Debt

Purchase Criteria:

- The debt must be no more than 5 years overdue.**
- The debt must not be in dispute.
- There must be a formal signed and dated contract, with all relevant parties being clearly identifiable.
- The debt must not be subject to current / previous legal action.**
- All pertinent information must be made available to The Debt Recovery Bureau LLP.

** Such cases may be considered on their own merits, but shall be subject to due diligence.



How do I refer?

Simply complete our Debt Purchase Request Form and send with any enclosures to DRB.

Section 3 Taking Legal Action

Legal Overview

In the unlikely event that The Debt Recovery Bureau LLP (DRB) are unable to recover your debt via reasonable negotiation with your customer, then legal action may be a necessary action to adopt.

Nevertheless, DRB can complete a legal assessment (please see the options available in this regard) and their experts would then discuss the likelihood of success via legal process with you, explaining any recommendations.

Upon your instruction and payment of any interim costs, The Wood Glaister Partnership will efficiently proceed.

The Aim

To quickly and effectively recover your debts, without prohibitive expense

The Company

Wood Glaister is an experienced and professional commercial practice, who believes that service and value for money are the key factors to client satisfaction. Their efficient, friendly and helpful approach will assist you in understanding the options that are available throughout, enabling you thereafter to attain the best advantage for your company.

The Procedure

In the first instance, Wood Glaister will send out a demand for payment. This gives your debtor seven days to make payment or contact the solicitor with proposals for settlement.

In our experience, even the most robust of debtors (who have resisted all the best efforts to resolve the case amicably) often become more complicit with the threat of legal intervention. If settled immediately, there are no court costs or delays.

If no response is forthcoming, Wood Glaister shall react quickly, bringing swift and decisive action against the debtor, through the provisions of the legal system.

Scottish and Irish cases

In actual fact, under the NAFD Fast Track Debt Recovery Service there has rarely been cause to litigate on a case outside of England or Wales, although we can arrange suitable action via partner firms should this be necessary. It should be noted that the legal framework and costs differ from those applicable to England and Wales. Typically, the charges are based on the individual merits of the case at the outset.



The Cost

The following table outlines the total costs of obtaining judgement.

Sum Claimed	Court Fees	Solicitor Costs	VAT	Total Cost
< £300	£30.00	£75.00	£13.13	£118.13
=>£300 < £500	£50.00	£75.00	£13.13	£138.13
=>£500 < £1000	£80.00	£95.00	£16.83	£191.63
=>£1000 < £5000	£120.00	£125.00	£21.88	£266.88
=>£5000 < £15000	£250.00	£150.00	£26.25	£426.25

Should Enforcement action be required, the following will apply.

Enforcement Type	Enforcement	Solicitor Fees	VAT Costs	Total Cost
Oral Exam	£45.00	£40.00	£7.00	£92.00
Attachment of Earnings	£65.00	£40.00	£7.00	£112.00
Bailiff Fee	£50.00	£40.00	£7.00	£97.00
Sheriff Issue Fee	£28.04	£40.00	£7.00	£75.04
Charging Order	£101.00	£80.00	£14.00	£195.00

Please Note:

1. The County Court Fees are correct as at 1st April 2007 but may be subject to variation.
2. When applying for a Charging Order, Land Registry plus Agents fees will also be payable.

J. Middleton, on behalf of C.Middleton & Son Ltd wrote:

'We are pleased with your efficiency and the tactful manner with which you deal with our clients.'

Additional Services

It is the aim of this scheme to supply you with all relevant services applicable to your debts. Hence, whether your debtor has absconded or you merely require background information to assist in the making of a decision, we endeavour to deliver.

Below we cover the main additional aspects. We have not confirmed the cost in all respects because certain externally utilised resources are subject to price changes from time to time.

Of course, we shall not commit you to any additional service or charge without first having gained your permission to complete the same.

Internal Search Package

At certain stages of the process it might be prudent to complete a standard set of searches, which we typically offer as a package to minimise the overall cost. The standard searches include:

- Land Registry
- Electoral Roll
- Probate Registry
- Plus other specialist databases

Package Cost £25.00 + VAT

Tracing Services

It is not uncommon for debtors to move property without informing their creditors. Sometimes this can be an oversight, but on other occasions it can be a more sinister tactic to avoid responsibility.

Regardless, we can employ agents that utilise specialist databases to locate debtor's whereabouts. Discreet enquiries are usually made through neighbours, employers etc. Verification of any detail is required and obtained.

It is important to note that there is no charge if the trace work completed proves to be unsuccessful.

Autotrace

An Autotrace facility is normally employed when the debtor has only moved recently, and has therefore not put down sufficient roots to be traced in the normal way. Using the debtor's last known address, the subject can be logged for up to two years. If the person surfaces, an alert is issued immediately.

Pre Sue Reports

We always recommend completion of a pre-sue report prior to taking any legal action, as it can save a lot of time and more importantly expense.

It is a detailed search completed on the debtor, for example an employment check.

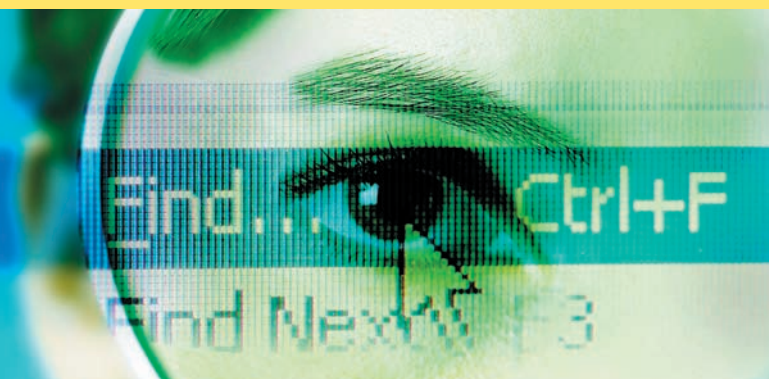
The fees charged for such facilities do vary greatly, but this is an area where quality counts. Our experience has taught us that if you scrimp in this area you ultimately pay the price later. We employ an appropriate service provider that complete excellent reports.

Whilst no end of investigation can guarantee a successful result via court, it can minimise the risk of failure dramatically.

Cost = £100.00 + VAT

*H T Hackett, Director,
J.E.Hackett & Sons Ltd. wrote:*

'We are pleased to say we have always found you not only to be professional but compassionate to the client's circumstances.'



Progress Reporting & Payments

Client Reporting

DRB will furnish you with a written report at the start of each month detailing the status of all of your accounts that are under management.



A basic report will include the following:

1. Debtor's Name
2. Your Reference
3. The Account Status
4. The Remaining Balance
5. Confirmation of any interest and fee charging.

In addition to this, we will keep you regularly informed on any account where we require you to make a decision. Typically, this will include offers of reduced settlement or recommendations of further action that may be required. DRB will not incur any additional expense in the recovery of a debt over and above that agreed at the time of referral unless we have received your prior agreement.

Payment Arrangements

Due to the charges imposed by the banks for cashing payments received, and the costs of processing the same, the minimum level of arrangement that we will accept from your customers is £10.00 per payment arrangement.

Releasing Payment

DRB will release any funds held following the deduction of our fees at the end of each month providing there is a minimum of £100.00 (after the deduction of our fees) to release.

The only exception to this is where full settlement has been received on an individual account that falls outside of the above criteria.

John Vernon Kendrick, Funeral Director wrote:

'I have been using the expertise of the Debt Recovery Bureau LLP for approximately three years and have always found them efficient and professional.

I would recommend their services to any company that is having difficulty with the recovery of bad debts.'

Success Facts

The NAFD Fast Track Debt Recovery Service has now been operational since November 2003, and has been hailed by many as a resounding success.

Here are just some of the accomplishments:

- For every £1 paid to DRB, £8.57 is returned on average to the client
- Oldest debt successfully collected upon was 8 years old
- Quickest debt collected took 20 minutes from referral
- 80% successful trace rate
- 20% of all referrals are settled within one calendar month of receiving the referral
- The smallest debt collected was £31.00
- Approximately four out of every five debts referred are ultimately recovered
- Only 6% of referrals require litigation to recover the outstanding balance



Bryan Ugalde of Ugalde & Son wrote:

'In brief, I would not hesitate to recommend The Debt Recovery Bureau to any firm who wants to take the stress away from outstanding debts.'

Oh, and by the way...

We decided to include an example of the feedback we receive from a bereaved client and debtor.

*Mr & Mrs M's 'Thank You' card reads:
'A big thanks for all your help'*



Contact Information



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Saturday 09.00 – 12.00

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