

## Incasso treble

As of the 1<sup>st</sup> September 2004 Incasso officially launches its Birmingham office following the successful merger of Cobbetts with Birmingham based Lee Crowder. This union will provide over 700 staff, including 115 partners.

From its offices in the key centres of the English legal market – Birmingham, Leeds and Manchester – Cobbetts intends to be the leading law firm outside the capital.

Launching the enlarged firm's new identity, managing partner Michael Shaw commented: "Cobbetts is an ambitious firm that has expanded rapidly over recent years and this is the start of another new phase of development. In Birmingham we aim to grow by another 50 per cent over the next three years creating another 100 jobs and mirroring the successful strategy implemented in Leeds over the last two years following the merger with Read Hind Stewart in May 2002."

Over the last three years Cobbetts has grown by 140 per cent from a single site 50-partner firm to one employing more than 115 partners

The merger strengthens the service offered by Incasso by the addition of four members of staff in the Birmingham office.

Mark Taylor, Business Development Manager "Incasso have historically serviced the UK through its 48 strong team in Leeds, but by bringing a branch to Birmingham we can now offer a local team in the Midlands to provide a personal service whilst utilising the skill base of the whole team, all trained to provide a quality service.

This is an exciting time for Incasso, and further cements our strategic aims to develop our brand, service and strength throughout the UK. "

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## Does late payment cost your business?

A recent survey of 9,000 companies within the UK, highlighted that only 53% of invoices are paid on time and 87% of those asked expected payment timescales to remain the same or get worse. The research also showed that 89% of those asked confirmed they suffered from late payment, but only 54% had a written credit policy currently in place.

Credit policies and credit terms have been an issue for credit managers and credit controllers for many years, as customers deliberately withhold payment as a source of finance or due to their own customers financial difficulties. Causing concern for your own cash flow and capital, despite interest rates and cost of borrowing remaining at their lowest levels for 50 years.

The research showed that the average delay is 18 days, two days slower than our EU counterparts. The introduction of new legislation in the UK in 2002 under the Late Payment of Commercial Debts (Interest) Act 1998 has helped to eradicate a culture of late payment in the UK. However the research still shows that large businesses (200 – 499 employees) are still the major culprits for late payment. Late payment legislation was introduced in the EU in 1970, which probably explains their better record.

The Act came fully into force on 7 August 2002. In brief, it will apply to all contracts entered into after 7 August 2002 for the supply of Goods and /or Services (including hire contracts):

- Where both parties are acting in the course of a business
- Which is not a consumer credit agreement

- And which is not a contract of mortgage/pledge/charge or where some other security is supplied.

If the money payable under the contract is not paid at the due time then the debt attracts statutory interest and the creditor is entitled to additional compensation for the late payment, which will depend on the size of the debt. The Statutory interest is 8% above a rate fixed by the government twice a year (30 June and 31 December). Currently the total interest rate, under the Act, is 12.5% until 31<sup>st</sup> December 2004.

In respect of contracts entered into, on or after 7<sup>th</sup> August 2002 a right to compensation for late payment arises once the statutory interest begins to run and is an additional sum that is recoverable from your customer.

Invoices less than £1000 - £40  
 Invoices more than £1000 but less than £10,000 - £70  
 Invoices more than £10000 - £100.

If your business does not currently take advantage of your rights under the Act, you could be missing out on a very useful method of helping to ensure your debtors pay on time.

Incasso have worked closely with a number of businesses to implement these rights into credit procedures, ensuring payment is made promptly or if late payment does occur, it is not at a cost. Our systems are capable of calculating the late payment interest and compensation payments automatically.



**For further information on how Incasso can provide credit management solutions please contact Mark Taylor on 0845 404 1566.**

# A huge (sporting) relief!



In early July 2004 Joanne Leighton, a Legal Team Leader in Incasso, completed a mile-long run in aid of Sports Relief. Here she describes the day;

“Those of you who know me will no doubt agree I am the last person to “run a mile” yet, in a moment of madness I found myself registering to do just that to raise money for sport relief.

Although the weather on the day started sunny, I was extremely pleased to see a dark cloud settling, and the heavens opening just five

minutes before the run began. You will understand why when I explain I was sponsored to run carrying an Incasso brolly!

All in all it was a very enjoyable experience and though I pinch myself when I say it, I would definitely run again. I raised £410.00 for a very good cause, although I fib not when I say collecting sponsorship money is where true debt collection skills have to be called upon!”

## Spotlight on... Team Leighton

Team Leighton is comprised of four members, dedicated to recovering client’s debts through the legal system.

**Joanne Leighton, Team Leader** - Jo has been with Incasso for 5 years, and started as a fee earner, before working her way into the position of Team Leader. Jo has recently completed an NVQ qualification in Team Leading. Spending time with friends and family keeps her busy, but she manages to find time to thoroughly enjoy the Cobbetts Month End Drinks!

**Catherine Kilroy, Assistant Team Leader** – Catherine joined Incasso in 2000, as a fee earner, and soon became Assistant Team Leader. Catherine is a mum to two daughters, which she says takes care of any potential time for hobbies!

**Peter Scholefield, Legal Recoveries Executive** - Peter has been with Incasso for 18 months. A keen DJ and footballer, he has unwisely supported Nottingham Forest FC for years.

**Lisa Harrison, Trainee Legal Recoveries Executive** – Lisa joined Incasso 3 years ago, as a filing clerk. In January 2004 she married Damian Harrison, a Trainee Legal Recoveries Executive in Incasso, and they enjoy travelling together and shopping (although the shopping might just be Lisa!).



## Data theft and search orders - Getting a grip



Data theft is becoming a familiar problem these days: an employee has left to start a rival business or to join a competitor and your client base is systematically being targeted by them. You want to raise it with the former employee but are worried that they will deny everything or destroy the evidence.

It won't be a surprise to learn that an employee dishonestly taking away an important computer or paper file upon leaving can violate quite a lot of different laws. These include the laws on theft, copyright, database rights, confidentiality, and the duty of fidelity of the employee.

The problem is that anyone who is prepared to take customer lists or key documents is probably also prepared to destroy them if they were sued rather than admitting their presence to the court and facing the consequences. However the courts have an answer to this, described recently by the Court of Appeal as "civil litigation's nuclear weapon"!

That answer is the Search Order. It is granted in secret and the first that the person to be searched will know about it is when they are served with the Order by a solicitor supervising a search party. It compels the recipient to allow a search of listed houses, offices and cars for relevant documents and clone computer drives and remove documents for copying. Refusing to comply with a Search Order can see a

recipient arrested and fined or sent to prison for contempt of court.

Often, the use of a Search Order can secure useful information that would otherwise never have been seen. It also can mean that a case that would continue for months or years is finished in days or weeks, as a defendant will immediately admit defeat when caught with incriminating evidence. They also can have a very important effect in sending out a strong message that data theft will not be tolerated.

Getting a search order is not easy; you need a strong case and good reason to suspect that the evidence will be destroyed if you ask for it. Nor are they cheap, although they can end up saving money by avoiding the cost of a full trial.

At Cobbetts we have a number of partners with experience in obtaining and supervising Search Orders who can advise you if you think your organisation may have a data theft problem, or indeed if you are worried in any litigation that evidence is going to be destroyed or concealed by an opponent.

If the former employee in question has left recently, it can be very useful to have their computer analysed by experts who may be able to identify documents sent from that computer, copied or printed out even when deleted. These same experts usually work on search parties to copy home computer and laptop hard drives so as to retrieve similar information there.

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If you have any questions regarding this newsletter or would like to discuss anything further please contact Jessica Peacock, on 0845 404 1630, or email [jpeacock@Incasso.co.uk](mailto:jpeacock@Incasso.co.uk)

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