

## COVID-19 : FAQs on Debt Recovery matters

**The Coronavirus / COVID-19 pandemic has created uncertainty around debt recovery. This update provides answers to the questions most commonly asked of our Debt Recovery team just now.**

Please note, due to the pace at which the impact of the present Coronavirus / COVID-19 pandemic is evolving, this article can only seek to offer insights as at the date of publication. It is acknowledged that the position may change over the coming days, weeks and months.

**Q My company is owed money – can you issue a solicitor’s seven day demand letter for us?**

Yes, but letters issued by post may not reach their intended recipient at this time. Please therefore provide us with the debtor’s e-mail address to enable us to issue demand letters via email.

**Q My company is owed money – can you raise court proceedings to recover the debt?**

Not at present - unless special circumstances apply.

Current court guidance suggests that actions for payment of money will generally not be progressed at this time. Some exceptions may be possible where sufficient urgency can be demonstrated.

For example, it *may* be that arrestments (‘freezing’ orders) and/ or inhibitions (orders aimed at preventing the sale of heritable property) will be able to be sought to prevent the dissipation of assets by a debtor – if sufficient urgency can be shown.

Although most new actions can’t be raised at present, preparatory work can be undertaken to ensure proceedings can be raised as soon as the present hold is lifted.

**Q My company has an existing court action – what happens to it now?**

Existing court hearings will generally be postponed for later review or rescheduled to take place on a future date - unless considered ‘urgent’.

Urgent cases will remain ‘live’ to the extent required to allow at least the most urgent aspects of those cases to proceed.

Work in connection with *some* non-urgent court actions may continue - without hearings being scheduled/ required – provided the action hasn’t been put on hold by the court/ a later timetable issued.

**Q We already have a decree/ judgment in our favour – can it be enforced just now?**

At present, enforcement of decrees/ judgments in relation to payment actions will typically be subject to delay.

Enforcement of court decrees/ judgments often requires the services of Sheriff Officers/ Messengers-at-Arms. The services they provide are presently restricted to those relating to essential civil business (i.e. new applications for child protection orders; interim interdicts; child referral appeals; urgent adoptions or urgent interim residence or contact applications; and urgent applications in relation to Adults with Incapacity).

In limited instances, particularly where certain steps of enforcement have already been undertaken, some enforcement action (or additional enforcement action) may be possible.

**Q We are receiving instalment payments – can we expect that to continue?**

Parties who have entered into payment arrangements will usually remain bound by the terms of any such agreements. Enforcement of those terms, however, is likely to be a challenge at present. A degree of flexibility should, where appropriate, be considered.

Further advice on the impact of the Coronavirus/ COVID-19 pandemic on debt recovery/ monetary disputes is available [here](#).

Our [Dispute Resolution & Litigation](#) team are available to assist and advise you in relation to any of the matters raised in this article.

**For further information and guidance, you can contact:**

[John Bett](#), Partner and Head of Dispute Resolution & Litigation

[johnbett@lindsays.co.uk](mailto:johnbett@lindsays.co.uk)

0141 302 8409