

B2B Debt Collection

Principal Plus for Nexus Trade Credit Policyholders

Why should you be charged to collect overdue accounts from your debtors?

Thanks to late payment legislation your UK commercial buyer is responsible for paying reasonable collection costs in addition to the principal amount owed to you.

Under the *Act most collection agencies add interest and reasonable collection costs to commercial debts placed with them for collection. The trouble is that when they fail to collect their reasonable collection costs, you are left to foot the bill for any monies they do recover. Now that's changing with STAs Principal Plus collection service available to you as a Nexus Trade Credit policyholder.

With Principal Plus, we will recover our costs from your buyer. Should we fail to recover our costs, that's our problem, not yours; you will pay us nothing.

What do STA expect from you?

-  You don't alter the amount outstanding after placement
-  You don't accept a settlement equal to the amount placed, or less
-  You do accept any STA recommendation to recover collection costs via legal action at our expense.

Any breach means STA cannot recover its collection costs from the buyer so you will need to pay us instead.

Example of Principal Plus collection with outcomes:

Principal debt placed	=	£3,000.00
Interest	=	£62.87
Collection costs	=	£300.00
TOTAL	=	£3,362.87

Outcomes:

- 1 The buyer pays £3,362.87: you get £3,062.87, STA gets £300.
- 2 The buyer pays £3,000 (STA fails to recover collection costs): you get £3,000, STA gets £0.
- 3 The buyer pays £1-£2,999: you get £1-£2,999, STA gets £0.
- 4 The buyer pays £0: you get £0, STA gets £0.
- 5 You accept £3,000 (or less) in full-and-final settlement (preventing STA recovering collection costs): you get £2,850, STA gets £150.

When can you use Principal Plus?

When you have past due commercial customers based in the UK you should tell us if you want to use Principal Plus or not.

*Late Payment of Commercial Debts (Interest) Act 1998 amended latterly by Late Payment of Commercial Debts Regulations 2013.

About STA International

Owner managed, highly experienced and exemplary, STA is ISO9001 quality accredited and FCA (Financial Conduct Authority) authorised and regulated, ensuring we protect your reputation and treat your customers fairly.

Our commercial clients range from FTSE100 to SMEs, seeking credit reports to minimise credit risks, outsourced credit control to manage receivables, and debt collection to recover overdue invoices.

Headquartered in Maidstone, we have our consumer contact centre in Glasgow, our specialist legal partners in England, Scotland and Northern Ireland, and 80 agents worldwide, ensuring our end-to-end credit management solution.

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