

Enquiry of the month

Success following a challenge to the application of statutory interest on a CCJ enforced in the High Court

In this case the client had been maintaining payments of £10.00 per month to High Court Enforcement Officers (HCEOs) towards the judgment debt of £4618.62 for over 6 years. Due to statutory interest and HCEO fees being added to the judgment debt, the HCEO sent through the statement of account showing a balance of £9148.34.

Following our advice detailed in this month's Spotlight (November 2019), an adviser used these arguments to challenge the application of statutory interest on a CCJ. The adviser made complaints to the enforcing HCEO and the instructing local authority (LA).

In response, the HCEO confirmed that the claimant was indeed claiming interest on the basis of [s42](#) of the County Courts Act 1984 (CCA 1984). Whilst the HCEO did not directly address our challenge that interest was not chargeable under s42 CCA 1984, they stated that in their view the interest was 'disproportionate in relation to the judgment debt'. They encouraged the LA to review the interest applied and either waive it or agree to a reduced figure. We are sure readers will agree this is a very unusual concession for a HCEO to make!

Furthermore, the complaint also resulted in the HCEO accepting that their fees had been excessively applied as they were inconsistent with the High Court Enforcement Officer 2004 regulations as they then applied. Please note in this case, the writ was issued prior to the enactment of Schedule 12 of the Tribunals Courts and Enforcement Act 2007 on 6 April 2014.

They accordingly reduced the original fees claimed of £2,047 by £1,695 and agreed that no further fees would be recovered. The HCEO further concluded that the writ should be withdrawn, and the account referred to the solicitors instructing on behalf of the LA.

Following this, the LA responded to the complaint and confirmed that the account had been returned to their instructing solicitors and no further interest or charges would be added. They also confirmed they would be reducing the original balance claimed by £4,831 and the £10 per month arrangement would remain in place.

Whilst the LA's solicitors did not explicitly accept that statutory interest could not be charged under s42, the refund amounted to the removal of all the statutory interest applied to the judgment.