

Glossary

How to use this glossary

This glossary explains legal and technical terms you may see in information about your claim. You do not need to read it all at once.

Use it whenever you see a term you do not understand in the information provided by your solicitor or firm. If you are unsure what a term means or how it applies to your claim, ask for an explanation before you agree to proceed.

Adverse costs: The other side's costs that you may have to pay if you lose your claim.

After the Event Insurance (ATE insurance): Insurance you can take out after a dispute has started. It can help pay some of your costs if your claim is not successful. This may include some costs claimed by the other side and some expenses paid to help move your claim forward.

Basic charges: Fees charged by your solicitor for their legal work. This is usually based on an hourly rate.

Claims Management Companies (CMCs): Firms or individuals regulated by the Financial Conduct Authority (FCA) that can help you make a claim. They may help find, refer, give advice, or manage your claim. CMCs may charge you a fee or receive payment in another way. They may deal with your claim themselves or refer you to other CMCs or law firms.

Compensation: Money you get if your claim succeeds. This includes money paid as part of a settlement.

Conditional Fee Agreement (CFA): A funding agreement where what you have to pay in legal fees depends on the outcome of your claim. This is a type of 'no win, no fee' agreement. If your claim is successful, you may have to pay a 'success fee'. If your claim is not successful, you may still have to pay other costs. Your solicitor should tell you what these costs are.

Cooling-off period: A short period after you sign up with a solicitor or law firm when you can change your mind and cancel your agreement (usually 14 days). You may not have to pay anything. In some cases, you may have to pay for work already done if you asked the firm in writing to start working on your claim straight away.

Damages-Based Agreement (DBA): A funding agreement where your law firm's legal fee depends on the outcome of your claim. This is a type of 'no win, no fee' agreement. If your claim is successful, the law firm takes an agreed percentage of your compensation as its fee. You may still have to pay other costs. Your solicitor should tell you what these costs are.

Deductions: Amount taken out of your compensation to pay for fees, costs or other people involved in your claim. This reduces the amount you receive.

Disbursement: An expense paid for you during your claim. This can include things like fees for reports, inspections, expert evidence or barristers. Your solicitor adds these costs to your bill so they can be paid back. These costs are separate from your solicitor's legal fees.

Expert witness: A person with special knowledge or experience in a subject. They give an independent view to help with a claim.

Litigation: The process of taking your claim through the courts. Not all claims go to court. Some claims are settled before a court hearing takes place.

No win, no fee: A term used for some types of funding agreements, including Conditional Fee Agreements or Damages-Based Agreements. What you pay depends on the outcome of your claim. If your claim is successful, you may have to pay a fee. This could be a success fee or a percentage of your compensation. If your claim is not successful, you do not usually have to pay that fee. You may still have to pay other costs. Your solicitor should tell you what these costs are.

Pre-action protocol: Steps that you and the other side should take before starting a claim. These steps help both sides share information, discuss the problem and how to deal with it to avoid going to court. Some types of claims have their own set of steps, including housing disrepair claims.

Professional indemnity insurance (PII): Insurance for your law firm and its staff. It can help if you make a claim against your law firm if something goes wrong with your claim or their work. This could be because they made a mistake or failed to do something (negligence), or were responsible for a problem under the law (civil liability). Your law firm must give you their insurance details.

Settlement: An agreement between you and the other side to resolve your dispute. This often means you do not need to go to court. This can include paying you money (compensation) or taking other steps. Once agreed, it may be legally binding.

Success fee: If your claim succeeds, your solicitor may charge an extra fee (under a Conditional Fee Agreement). The success fee is usually a percentage of their basic charges for the work they have done. It may be taken from your compensation, along with their basic charges. There may be a limit on how much can be taken from your compensation. If your claim is unsuccessful, you will not usually have to pay the success fee, but you may still have to pay other costs.

Termination/exit fees: Costs you may need to pay if you end your agreement with your law firm after work has started. This may include charges for work already done and expenses paid to progress your claim. This is different from a settlement, where you and the other side agree the outcome of the claim.

Third party: A person or company who is not you or your solicitor that is involved in your claim. For example, an insurer or funder that helps to pay your claim costs.

Third-party litigation funding: A person or company who is not you or your solicitor that helps pay some or all of the cost of your claim. The agreement may be with you, your solicitor, or both.

Upfront costs: Money you may have to pay at the start of your claim.