Solicitors Regulation Authority

Understanding costs

All regulated law firms who proactively offer services in certain common areas of law are required to publish information on price and services on their websites.

These areas are:

For the public

- Buying a house (residential properties only)
- Probate (uncontested cases)
- Motoring offences (summary offences only)
- Immigration (not including asylum)
- Employment tribunals (unfair/wrongful dismissal)

For businesses

- Employment tribunals (unfair/wrongful dismissal)
- Debt recovery (Up to £100,000)
- Licensing applications (for business premises)

This information is to help you make informed decisions when looking for a legal services provider. You will still need to agree specific costs when instructing a solicitor to carry out the work.

For other all areas of law, you should contact law firms directly to discuss potential prices and services they offer.

You may be eligible for help with legal costs such as legal aid, or in some cases a lawyer may offer to work for free ("pro bono"). There are also various sources of free legal advice.

Instructing a solicitor

Open all [#]

Information your solicitor should give you

There are many different types of work that lawyers do, as well as many different fee arrangements. Your lawyer should provide you with the best information possible, and, if you haven't been given a fixed fee, you should be kept up-to-date with the costs you are incurring as your matter progresses.

If you have a limited budget, you should discuss the amount that you are able to pay with your lawyer from when you first start talking to them. If you are likely to go over your budget, your lawyer can warn you so that you can make a well-informed decision about what to do next.

When you first start to instruct a lawyer, they should give you as much information as possible about how much your work will cost or how the cost will be calculated. You should also get an explanation of the charges at the end your case, and at any time you request it.

All information about the cost of the lawyer's service will be given to you in writing. If you need this information communicated to you in a particular way or want it explained, do not be afraid to ask them to do this. You may be given the following information about costs:

- as a fixed fee,
- as an estimate of the amount expected, or
- as an hourly rate with an indication of how many hours are likely to be needed.

No win no fee agreements

There are two types of "no win no fee" cases:

1. Conditional fee agreements (CFAs)
2. Damages-based agreements (DBAs)

General points to remember:

- in both cases, your lawyer will only get paid if the case is successful. If you lose your claim, your lawyer does not get paid,
- your lawyer should properly explain all funding options available to you before you decide whether or not to instruct them,
- your lawyer should also set out all the agreed terms in writing and provide you with a copy.

Conditional fee agreements (CFAs)

If your claim is successful:

- you receive 100% of any compensation awarded,
- your lawyer can claim his or her costs plus a "success fee",
- the "success fee" can be up to 100% of your lawyer's costs, however in personal injury cases, this is limited to 25% of the damages awarded

(excluding any damages for future care and loss),

- the losing side will have to pay your lawyer's costs and any expenses that you may be liable to pay as part of your legal costs,
- you will however have to pay the success fee to your lawyer. It is therefore very important that your lawyer properly informs you at the very beginning of the success fee that will be payable if you win your case.

Remember, if you lose your claim:

- you do not receive any award as your claim has not succeeded,
- you do not pay your lawyer's fee,
- you may be liable to pay your opponent's costs. Your lawyer should advise you of the likelihood of this happening at the start of your case and as your case progresses. If you are unsure of your position in relation to these potential costs, you should ask for an update from your lawyer.

Damages-based agreements (DBAs)

These are also known as "contingency fee arrangements" and differ from CFAs in that if your case wins, your lawyer will be paid by taking a percentage of the compensation you are awarded. If your claim is successful:

- your lawyer gets paid by taking a percentage of the amount of compensation you are awarded. Legally, your lawyer can only take a maximum of 25% if your case is a personal injury case. If you are pursuing an employment claim, the maximum is 35%,
- you will be able to claim from your opponent your lawyer's costs that have actually been incurred, but only up to the maximum amount that you have had to pay to your lawyer out of your compensation award. In other words, say you receive £5,000 in compensation arising from a personal injury claim, and under the terms of your DBA contract with your lawyer, your lawyer gets paid by taking 25% of your compensation award. In terms of claiming your lawyer's costs from your opponent, you cannot simply claim the 25% amount you have paid to your lawyer - the claim for costs must be based on the actual amount of costs incurred by your lawyer. For example, say your lawyer's actual costs amount to £800, this is the amount which is claimable rather than £1,250 (which is 25% of your compensation award of £5,000). Despite only recovering £800 from your opponent, you will still be liable to pay the remainder of your lawyer's costs under your agreement with them - in this example, you would be liable to pay the difference of £450.00.

If you lose your claim:

- you do not receive any award as your claim has not succeeded,
- you do not pay your lawyer's costs,
- you may be liable to pay your opponent's costs. Your lawyer should advise you of the likelihood of this happening at the start of your case and as your case progresses. If you are unsure of your position in relation to these potential costs, you should ask for an update from your lawyer.

Remember:

- your lawyer must inform you at the outset of the percentage that will be deducted from a compensation award if your claim wins,
- the percentage charges vary between different lawyers so you should shop around to find the best one for you.

Additional costs you might be liable to pay

Legal Insurance

The purpose of this insurance is to cover your liability should your case lose as you would then be at risk of having to pay your opponent's legal fees.

If you are instructing your lawyer on a conditional fee agreement (CFAs - see above), you may be asked to take out an insurance policy called After the Event (ATE) insurance.

For ATE insurance policies taken out on or after 1 April 2013, the insurance premiums you pay for this are not recoverable from your losing opponent if your case wins.

This means that whether your case wins or loses, you will have to pay the ATE insurance premium. You can't recover this from your opponent.

Disbursements

A disbursement is an expense that you may be liable to pay as part of your legal costs. Your lawyer will tell you what these are likely to be in your case. Examples of such expenses include:

- search fees in a conveyancing transaction,
- a medical report in a personal injury claim, or
- a fee from the probate registry for lodging documents in the administration of a deceased person's estate.

If someone else is paying for your legal costs

Sometimes, an organisation such as a trade union or an insurance company will refer you to a particular solicitor, and may possibly be paying your fees for you. If this is the case, your solicitor must make it clear to you:

- the details of the arrangement between them and the organisation that referred you,
- whether the solicitor or referrer gets any benefit from the referral, financial or otherwise.

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Legal aid

Legal aid funding helps people get access to justice and legal advice services. People who are eligible to receive it can get help with their issue if it falls within the scope of the scheme. The areas that legal aid covers include:

- Advice/representation for individuals charged with a crime
- appealing decisions of a welfare benefits tribunal
- asylum rights, including applications and appeals
- immigration detention cases
- community care issues
- debt, if someone's home is at risk
- special education needs
- homelessness or risk of homelessness
- eviction from, or possession of, someone’s home
- serious risk to health or safety in rented/leased accommodation
- mental health and mental capacity issues

- discrimination issues
- mediation in family disputes
- help and advice for victims of domestic violence
- issues around children being taken into care
- unlawful removal of a child to/from the UK
- advice to victims of child or sexual abuse
- deliberate wrongdoing by a public authority
- advice to victims of trafficking or modern slavery

The Legal Aid Agency runs the legal aid scheme in England and Wales. They have set up a free and confidential national advice service called Civil Legal Advice (CLA) [http://www.gov.uk/civil-legal-advice] . People can contact CLA to find out if their case is within scope, and, where eligible, be referred to a legal aid advisor. You can find out more about CLA and their contact details at www.gov.uk/civil-legal-advice [http://www.gov.uk/civil-legal-advice] .

Other sources of legal advice at little or no cost

There are several ways to access cheap or free legal advice. Sometimes, organisations or companies such as trade unions or insurance companies may help with legal costs or pay them in their entirety. Some workplaces also have employee helplines that may be able to help.

Pro bono support

If you are not eligible for legal aid [#legal-aid] , and you cannot afford to pay for your own legal services, you may be able to find a solicitor or other legal advisor who is willing to represent you for free (this is known as "pro bono"). The following sites can help with finding free legal representation:

- LawWorks [http://lawworks.org.uk/] - a charity providing local clinics for free initial advice
- The Bar Pro Bono Unit [http://www.weareadvocate.org.uk/] - a charity providing free legal assistance from volunteer barristers

Other free help with managing legal problems

Citizens Advice [http://www.citizensadvice.org.uk/index/getadvice] helps people resolve many different issues including their legal and financial problems. You can use their online advice guide [http://www.adviceguide.org.uk] or you can

find a local Bureau [http://www.citizensadvice.org.uk/index/getadvice.htm] near to you by entering your postcode on their website.

The Legal Choices [http://www.legalchoices.org.uk/legal-choices/] website has free and impartial information about different legal problems and lawyers.

Law Centres [http://www.lawcentres.org.uk/] can be found in many towns and cities. They provide legal advice and casework to people and communities that most need it and cover a range of different areas including welfare rights, housing advice, and support with discrimination issues. You can search for a Law Centre near you [https://www.lawcentres.org.uk/] on the Law Centre Network's website.

Another useful website is Advice Now [http://www.advicenow.org.uk/] which can help you with solving problems or finding advice.

If you have a disability:

- visit DIAL UK [http://www.scope.org.uk/support/disabled-people/dial/about] for information about disability information and advice lines (DIALs)
- the Disability Law Service [http://www.dls.org.uk/] can help disabled people with access to legal services

Other sources of legal advice at little or no cost

If you succeed in securing free legal representation and go on to win your case, your legal representative can apply for a costs order from the other side known as pro bono costs. This means that the losing party would be required to pay the cost of legal representation that you would have been charged had you not benefited from free legal support. The funds are payable to The Access to Justice Foundation, a charity established to receive the funds and to distribute them to agencies and projects that support the provision of free legal help to those in need.

More information can be found on the Access to Justice Foundation [http://www.accesstojusticefoundation.org.uk/] website.

Recovering pro bono costs if you win

If you succeed in securing free legal representation and go on to win your case, your legal representative can apply for a costs order from the other side known as pro bono costs. This means that the losing party would be required to pay the cost of legal representation that you would have been charged had you not benefited from free legal support. The funds are payable to The Access to Justice Foundation, a charity established to receive the funds and to distribute them to agencies and projects that support the provision of free legal help to those in need.

More information can be found on the Access to Justice Foundation [http://www.accesstojusticefoundation.org.uk/] website.

Asking a court to examine the bill

This procedure can be used for any work done by a solicitor, including court work, where you feel the costs are unreasonable. It is known as "applying for a detailed assessment". You can ask for a detailed assessment between one month and a year of getting your bill, before paying in full.

You may have to pay further costs to use the procedure, but if the court reduces the bill by more than twenty per cent, you will not have to pay for the assessment. It is advisable to seek legal advice (for example, from a Costs Lawyer) as to whether this is a good idea before asking for the assessment. You can ask the court to examine the bill even if you have signed a conditional fee agreement.

More information on applying for a detailed assessment, and solicitor's bills in general, is available on the Adviceguide [https://www.citizensadvice.org.uk/law-and-courts/legal-system/] website.

To find legal advice on your bill, Citizens Advice [http://www.citizensadvice.org.uk/index/getadvice] can help, or you can find a Costs lawyer on the Association of Costs Lawyers [http://www.alcd.org.uk] website.