

Can you apply to the compensation fund?

5 July 2021

Eligible to apply

You are eligible to apply to the compensation fund if, at the time of your application, you are:

- an individual
- a business with an annual turnover or assets of less than £2 million
- a charity with an annual income, net of tax, of less than £2 million
- a trustee of a trust with an asset value of less than £2 million

You may apply to the compensation fund if your loss relates to services provided by the solicitor:

- to you
- as, or to, a trustee where you are a beneficiary of an estate or trust.

If you were not a client of the solicitor, you may still apply to the compensation fund if:

- you were a party on the other side of a legal matter on which the solicitor was acting, and
- have suffered, or are likely to suffer, a financial loss because the solicitor did not use the money as they were meant to:
 - to complete a transaction for your benefit
 - to make a settlement to you, or
 - other payment to you

[Apply to the compensation fund \[https://www.sra.org.uk/consumers/compensation-fund/application-process/?version=49ecc7\]](https://www.sra.org.uk/consumers/compensation-fund/application-process/?version=49ecc7)

Not eligible to apply

You will not be able to make an application to the Compensation Fund if any of the following apply:

- Your loss is due to the solicitor's negligence, unless the solicitor did not have insurance.
- Your losses are indirect or consequential. Example: You are selling your property, but the sale falls through because of the closure of the solicitor's firm. You have to remarket your house and accept a



lower sale price than before. You cannot make an application to us for your loss of profit. This is an indirect loss. Read our guidance about indirect losses.

- Your loss is a trading debt or liability of the solicitor. This includes claims for fees payable for which the solicitor is liable (e.g. Fees due to counsel or expert witnesses).
- You:
 - are bankrupt and any payment from the Compensation Fund would vest in your Trustee in Bankruptcy,
 - have entered into a voluntary arrangement with your creditors and any payment from the Compensation Fund would vest in the administrators of your administration.
 - are in liquidation.