Guide to Good Practice on Client Care Letters
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1. Introduction: drafting a client care letter

The SRA Handbook (4th version), which came into effect on 21 June 2012, has introduced outcome-focused regulation (OFR). This has replaced the previous detailed rules governing client care letters (see www.sra.org.uk/handbook).

This general guide is an attempt to summarise the key points to consider when drafting a client care letter, and goes on to consider standard terms of business documents and their essential features.

Essentially a good letter will:

- Clearly identify the client: the anti-money-laundering regulations (see the Law Society’s anti-money-laundering practice note, and anti-terrorism practice note) require that client due diligence should be carried out throughout the life of the retainer with the client, that any change in the retainer or instructions should be monitored to check continued compliance, and that identity information should be kept up to date. Some firms include a reference, in a separate document containing terms of business, to the fact that from time to time the client may be asked to supply further verification of identity information after the initial retainer has been agreed.

- Identify the client’s objectives.

- Clarify the issues involved and the options available.

- State what the solicitor is instructed to do next (and what the solicitor will not be doing), wherever possible giving timescales.

Eg: ‘You have asked me to draft a letter to your husband, and I confirm that I will be able to let you have a first draft early next week.’

Eg: ‘Although tax issues may arise during the course of the work that I undertake for you, I will not be giving specialist tax advice and will identify situations in which you should take such specialist advice.’

Give an overall estimate of costs, broken down between fees, VAT and disbursements. Care needs to be taken in identifying costs that are a combination of disbursements and profit – for example, bank telegraphic transfer fees which contain an element of profit as well as a disbursement fee paid to the bank, or outsourced photocopying, the cost of which is marked up when charged to the client. Telegraphic Transfer fees are specifically dealt with in the Law Society practice note issued 30 July 2008. Where a telegraphic transfer fee incorporates a disbursement fee paid to the bank and the firm charges a fee plus VAT for arranging the telegraphic transfer, that must be separately identified from the disbursements.

All costs information must be provided in writing.

Written information must make it clear how charges are calculated, including outlining:

- The basis for the fixed fee or relevant hourly rates and an estimate of the time to be charged.

- Whether rates may be increased during the period of the retainer.
• Expected disbursements and likely timeframes for these being due.
• Potential liability for others’ costs, where relevant.
• VAT liability.

The letter must confirm with the client how and when any costs are to be paid. In doing so, consideration must be given to the following:

• Eligibility for legal aid at the outset, and also continuing to monitor eligibility if there is a change in circumstance, or the client’s financial situation changes (see David Truex, Solicitor (A Firm) v Kitchin [2007] EWCA Civ 618).

• Possibility of a conditional fee agreement.
• The existence of any legal expenses insurance that could cover the client’s or another person’s costs.
• Seeking payment of costs from another person.
• You must provide costs information to the client even where the client will not themselves be paying for your services, eg if they are publicly funded.
• You must outline circumstances in which the client may be liable for the costs of other parties, including where they are successful and obtain an award for costs.
• You must advise the client that a lien can be exercised over their papers for unpaid costs. The Law Society indicate that this can be done in the retainer or engagement letter, or in a separate terms of business document with respect to terminating the retainer.
• The letter should outline the firm’s standard billing arrangements, and discuss any requirements for receiving funds on account. Solicitors’ client account details should not be provided until a client’s identity has been confirmed.
• The letter should, in appropriate cases, explain that the client may set an upper limit on the costs the firm may incur without obtaining further authority.
• Give the name and status of the person who will be dealing with the matter in the firm and the name of the principal responsible for the overall supervision.
• The letter should also include the name, status, and charge rate of any person to whom work might be delegated under the supervision of the person with day-to-day conduct. It is good practice to identify in the narrative to invoices the identity of each fee earner who has carried out work, their status and hourly rate, as well as time taken.
• Give the name and status of the person whom the client should approach if there is a problem.
• Use clear, easy to understand English.
• Send at the earliest opportunity to ensure compliance with regulatory obligations. There may well be exceptions where there are urgent instructions to act immediately – for example in relation to the client’s personal safety, or applications for freezing orders etc.
2. Terms of business

The above is information relevant to the individual solicitor/client retainer. The Law Society indicates that most firms will have separate, standard terms of business documents or precedent paragraphs that cover all the applicable points to which a client must be referred as well as the specific scope of the retainer, cost estimate etc.

Essential features of a terms of business document

There should be an appropriate level of service confirmed in writing. Service standards may include:

- Updating the client by telephone or in writing regularly, fortnightly, monthly, following agreed events or when necessary. The Law Society believes that updating a client should occur at least every six weeks unless agreed to the contrary or the retainer dictates more regular updates.
- Updates on the cost of the matter monthly, three monthly, six monthly, at agreed events, or when appropriate.
- A cost/benefit analysis update – ie whether the likely outcomes still justify the likely costs and risks associated with the matter – whenever there is a material change in circumstance or more information becomes known.

Review whether there are alternative methods by which the client can fund legal advice (see David Truex, Solicitor (A Firm) v Kitchin [2007] EWCA Civ 618, [2007] 2 FLR 1203).

3. Responsibilities

You must explain to the client the respective responsibilities of the solicitor and client in relation to the particular retainer. These should be confirmed in writing. The Law Society gives examples of the solicitor’s responsibilities as follows:

- Reviewing each matter regularly (see above).
- Advising of any changes in the law.
- Advising of any circumstances of risk of which you are aware or consider to be reasonably foreseeable that could affect the outcome of a client’s matter.

The client’s responsibilities may include:

- Providing the solicitor with clear, timely and accurate instructions.
- Providing all documentation required to complete the retainer/ transaction in a timely manner.
- Safeguarding any documents which are likely to be required for discovery. (It is good practice to let clients know at the outset of the likely documents that they will need to produce as evidence for form E in financial remedy proceedings, and documents subject to discovery in Civil Procedure Rules cases.)
4. **Hours of business**

You should advise the client of the firm’s normal opening hours and details of any emergency or out-of-hours service provided.

5. **Equality and diversity**

Rule 6.03 of the Code of Conduct provides that the firm must have an equality and diversity policy and make it available when requested. The client should know that such a policy exists, and that they can ask for a copy.

6. **Data protection**

Firms must comply with the Data Protection Act 1988 with respect to information held on the client. Reference to compliance with the Data Protection Act should be included in the firm’s terms of business.

7. **Storage of documents**

- You should advise the client how long you will retain the file and explain what will happen to the file after that time.

- You should advise the client of costs related to storage, retrieval and additional copies supplied to the client or third parties at their request.

- If documents are to be stored in an electronic format, you should first consider whether the absence of paper documents will be detrimental to the client’s interests before you agree to such storage methods with your client. You should also consider any file retention requirements of your indemnity insurers when assessing the appropriate length of time to retain client files – for example, where court orders provide lifetime maintenance obligations family lawyers should consider making sure that files are not destroyed until after the parties’ life expectancy in case there is a variation application.

- You should explain that the firm is entitled to keep papers and documents where money is still owed by the client for fees and expenses after determination of the retainer.

8. **Outsourcing of work**

Where typing/photocopying or other work is outsourced on files, the Law Society recommends that there should be a confidentiality agreement with any outsource suppliers. In the terms of business document, the Law Society recommends that you should:

- Advise the client that the practice outsources work and the type of work it outsources.
• Alert the client to the potential risks in relation to preserving client confidentiality and ask the client to tell you if they object to this practice.

9. Vetting of files and confidentiality

Where files are required to be produced to assessors or others as part of an audit or quality check you should advise your client of this. This could be as an audit takes place, or preferably in a terms of business document so that the notice to a client is not overlooked.

10. Limiting liability

Rule 2.07 of the Code of Conduct allows firms to limit liability under certain circumstances. Firms must ensure that clients are advised of any limitation of liability in writing and specifically draw their attention to it. The effectiveness of a standard clause when the client is a consumer is in doubt. In an appropriate case, consider negotiating a specific limitation. Where the practice is an LLP, the terms of business should explain any limitation on personal liability for the members, directors and employees in the practice.

11. Applicable law

You may specifically state that the law of England and Wales applies to any disputes over the terms and conditions of the retainer with the client, particularly if there is any international aspect to the retainer.

12. Terminating the retainer

The terms of business should clearly state the manner in which a client can terminate your retainer and the consequences of so doing. The terms of business should also outline the circumstances under which the solicitor can terminate the retainer, in accordance with Rule 2.01 (this is likely to be an appropriate place to raise the issue of a right to a lien for unpaid costs).

13. Payment of commissions

A firm must not make a secret profit from a relationship with a client. Rule 2.06 of the Code of Conduct provides for the payment of any commission over £20 to a client unless they have been told the amount and they agree to the firm keeping it.

14. Payment of interest

The Solicitors’ Accounts Rules provide that firms must account to clients for any interest earned on client money. A terms of business document should advise the client of any circumstances where interest will be payable to them, and how and when the firm will account to them for it.
15. Distance selling

If a solicitor has not met the client, the firm must consider whether the Consumer Protection (Distance Selling) Regulations 2000 apply. These regulations provide for a period during which a client can cancel their instructions without costs. You should include information about this right in the terms of business. For further information on distance selling requirements, see the Office of Fair Trading website.

16. Financial services

If a practice is authorised by the Financial Services Authority (FSA), the firm must ensure that it complies with the requirements of the FSA as to status disclosure statements in the terms of business.
Precedent letter of engagement

PLEASE NOTE: These precedent terms are intended to be a guide only and will need to be adapted to suit each individual firm’s requirements, and separate considerations and letters will be needed for clients engaging in mediation or the collaborative process. They assume the firm has a separate standard terms of engagement document. Reference should be made to the SRA’s new Handbook and to the general law. In particular, careful consideration should be given to the developing case law on the effect of costs estimates (eg Mastercigars Direct Ltd v Withers LLP [2007] EWHC 2733, [2009] EWHC 651 (Ch) and Reynolds v Stone Rowe Brewer [2008] EWHC 497 (QB)). In addition, see the decision in Cawdery Kaye Fireman & Taylor v Minkin [2012] EWCA Civ 546, which concerned the grounds that entitle a solicitor to suspend and/or terminate a retainer on the basis of non-payment of costs, and the costs payable by the client in such an event.

Dear [ ]

Letter of engagement

Thank you for your instructions. This letter of engagement sets out the basis on which [insert firm name] will act for you. Please read this letter and the enclosed terms of engagement carefully. When you have read this letter and its enclosures, please sign and return the enclosed duplicate in the pre-paid envelope to confirm your agreement to its terms. If you have any queries or comments, please do not hesitate to contact me. The terms set out in this letter and in the enclosed terms of engagement will, if relevant and unless otherwise agreed, apply to any other matters on which you instruct the firm in the future. Accordingly, these will not necessarily be repeated in any future letter of engagement.

Details of the matter/scope of work

All cases are different and the firm’s approach to your case may change as the case goes on. I set out below the sort of work that I would normally expect to be done in a case such as yours. Specific discussions about your particular objectives, the issues involved in your situation, the options available to you and the next steps to be taken in your case have been or will be covered in our first meeting or telephone discussion. If you are unclear about any of that following our meeting or telephone conversation, please tell me.

[Insert one or more of the seven work types below amended as necessary, or insert bespoke work type.]

[1 – Divorce cases

In carrying out the work on your case I would normally expect to advise you on the legal issues relating to your relationship difficulties. These may include the law relating to divorce proceedings, financial settlements on divorce/separation and issues regarding the arrangements for any children. I will usually prepare the necessary court documents, including financial disclosure (I explain what this means later in this letter). I may recommend that you take advice from other legal professionals about related issues such as making a will, dealing with trusts or changing death benefit nominations. These will be dealt with separately from the work to which this letter relates. If the case requires detailed and specific advice in relation to property or business valuations, tax issues, pension valuations, investment advice or foreign legal issues, I will need to involve a suitably qualified valuer, accountant, tax lawyer, independent financial adviser, pensions expert or overseas lawyer. I will discuss this with you before any third party is involved in your case. If it is necessary for matters to be taken to court, this firm will
represent you at interim court hearings. If you require a full court hearing, I will instruct a barrister to represent you. I may also instruct a barrister to provide an opinion on relevant issues. Again, I will discuss this with you before a barrister is involved.

[2 – Section 8 children (stand alone, ie no divorce/TLATA as well)]

In carrying out the work on your case I would expect to advise you on legal issues such as with whom your child(ren) should live, how much contact the child(ren) should have with each parent, and any other specific issues such as where the child(ren) should be educated. I may also suggest that you obtain further advice from others about related issues which will be dealt with separately from the work that this letter relates to, for example making a will or changing any death benefit nominations. I will, if necessary, prepare any court documents on your behalf.

This firm will represent you at any interim court hearings, and otherwise I will instruct a barrister to represent you if necessary. I may also instruct a barrister to provide an opinion on relevant issues. I will discuss this with you before a barrister is involved.

[3 – Leave to remove]

In carrying out the work on your case I would expect to advise you on the court’s approach to permitting children to leave England or Wales permanently, and the practical and legal consequences of an order being made. I will usually prepare the necessary court documents in your case. This firm will represent you at any interim court hearings, and otherwise I will instruct a barrister to represent you if necessary. I may also instruct a barrister to provide an opinion on relevant issues. I will discuss this with you before a barrister is involved.

[4 – Schedule 1 children]

In carrying out the work on your case I would expect to advise you on the law relating to financial provision for children of unmarried parents. I may also suggest that you obtain further advice from others about related issues which will be dealt with separately from the work that this letter relates to, for example making a will or changing any death benefit nominations. I will usually prepare any necessary court documents and advise you about the court procedure involved in a claim for financial provision for children.

This firm will represent you at any interim court hearings, and otherwise I will instruct a barrister to represent you. I may also instruct a barrister to provide an opinion on relevant issues. I will discuss this with you before a barrister is involved.

[5 Cohabitees/TLATA]

In carrying out the work on your case I would expect to advise you on the legal issues relating to your relationship difficulties. These include the law relating to the ownership of property and other assets owned by you or your partner and in which either of you may have an interest, and (if relevant) issues relating to any children.

I may also suggest that you obtain further advice from others about related issues which will be dealt with separately from the work that this letter relates to, such as making a will or changing any death benefit nominations. If the case requires detailed and specific advice in relation to property valuations, tax related issues, foreign legal issues or investment advice I will need to involve a suitably qualified valuer, accountant, foreign lawyer and/or independent financial adviser. I will discuss this with you before any third party is involved.
This firm will represent you at court at any interim hearings, and otherwise I will instruct a barrister to represent you if necessary. I may also instruct a barrister to provide an opinion on relevant issues. I will discuss this with you before a barrister is involved.

[6 – Cohabitation agreement]

In carrying out the work on your case, I would expect to advise on issues relating to the validity and relevance of the cohabitation agreement, the law relating to the ownership of property and other assets owned by you or your partner and in which you or your partner may have an interest, and issues regarding the arrangements for children (if relevant). I may also suggest that you obtain further advice from others about related issues, which will be dealt with separately from the work that this letter relates to, for example making a will or changing any death benefit nominations. I would usually expect to draft the cohabitation agreement for you, or to comment on a draft prepared by the lawyer acting for your partner, and to assist as required with negotiating any terms in dispute, finalising and executing the agreement. I may instruct a barrister to assist with the drafting of the agreement and advise on the enforceability of its terms. I will discuss this with you before a barrister is involved.

[7 – Pre-marital agreement]

In carrying out the work on your case I would expect to advise you on issues relating to the validity and relevance of a pre-marital agreement in England and Wales, and to draft an appropriate agreement taking into account the instructions that you give to me or to comment on a draft prepared by the lawyer acting for your fiancé/e, and to assist as required with negotiating any terms in dispute, finalising and executing the agreement. If another jurisdiction is involved, for example if you or your fiancé/e live in another country or are a citizen of another country, then I will need to involve a suitably qualified foreign lawyer to advise on the validity, relevance and terms of a pre-marital agreement in that country. I will advise you on whether you should have an agreement in either or both countries (from an English law perspective) and a foreign lawyer will advise you on the same issue based on the law in that country. I may instruct a barrister to assist with the drafting of the agreement and advise on the enforceability of its terms. I will discuss this with you before a barrister is involved. I may also suggest that you obtain further advice from others about related issues which will be dealt with separately from the work that this letter relates to, for example making a will or changing any death benefit nominations.

Non-court methods of dispute resolution – collaborative law and mediation

Collaborative law is a constructive way of resolving family law issues such as divorce, separation and parenting issues. It is a good option for those who wish to avoid the uncertainties and prescribed approach of the court-based system. It allows those involved in family law disputes to benefit from expert legal advice in the knowledge that all negotiations are dealt with outside the court system. In this way, you and your former partner and your respective lawyers work together to find the best solutions. Both of you will work with specially trained collaborative lawyers. If your case is to be dealt with in this way, you will be guided through the collaborative process, and assisted to resolve issues through a series of face-to-face meetings. All those involved (including your legal representative) sign an agreement preventing the collaborative lawyers from representing either person at court, should the collaborative process break down. If you would like further information about this, please do let me know.

Mediation is a process whereby you and your partner meet with an independent third-party mediator. The mediator facilitates discussions between you to encourage you to reach agreement about whatever issues you both wish to discuss. It is usually sensible to receive legal advice during the mediation process to ensure you are well informed about your legal position. We can advise, assist and support
you during mediation. We can also let you have details of mediators that we can refer you to. You will be encouraged to consider mediation before starting any court proceedings.

People responsible for your work

I will be in charge of the day-to-day handling of the matter and will carry out the majority of the work involved. I am a [solicitor][solicitor and partner] in the firm’s family and matrimonial team specialising in work of this nature. If I am not available at any time, please contact [insert secretary’s name and DDI] who will either take a message or refer you to someone else if the matter needs immediate attention. I set out below my own direct dial telephone number, and the names, status and telephone numbers of my colleagues in the family law team. I can usually be contacted by telephone between the hours of [   ]am and [   ]pm each day.

[From time to time, any of the team may be asked to work on your case, but I propose to ask [insert name of fee earner] primarily to assist me./I shall be principally running your file, but I will be closely supervised by [insert name of partner].] They will be familiar with your file and will be able to answer any questions you may have. You should contact them if you have any specific queries and I am out of the office. I also set out the hourly charge out rates of each person in the team. The basis of charging is set out further below.

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<tr>
<th>Fee earner</th>
<th>Grade</th>
<th>Contact number</th>
<th>Hourly rate (exclusive of VAT)</th>
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Rates may be subject to change on an annual basis. You will be notified of any change to the rates or to the frequency of the review. From time to time, specialist advice may be sought from other members of the firm, either in this office or one of the other offices. I may discuss issues arising in your case with colleagues. In addition, where work can be undertaken more cost effectively by a more junior member of staff, work may be delegated accordingly. Those members of staff may or may not be legally qualified but will, at all times, be properly supervised. [Insert name of client partner] will be responsible for managing our overall working relationship. Details of that role are set out in the attached terms of engagement.
Billing policy at [Insert name of firm]

You will be sent bills on a monthly basis and a final bill on completion of your matter. All bills are due for payment on receipt. The firm reserves the right to suspend or terminate further work until payment is received. If an invoice remains unpaid for 30 days after the date of the invoice, the firm reserves the right to charge interest on part or all of the bill. Please see the attached terms of engagement for further details of payment terms, including the circumstances in which the firm may exercise a lien for unpaid costs. If you have any query about a bill you should contact me [or the client partner] straight away. (A lien means that we can keep the file, and not release it, until our fees are fully paid.)

You have a right if you wish to object to your bill and apply for an assessment of it under Part 3 of the Solicitors Act 1974. Further, you have a right to complain about your bill to the Legal Ombudsman on 0300 555 0333.

Costs

The firm’s charges, like those of most solicitors, are based on a number of different factors. These include the time spent, the skills, specialised knowledge and responsibility required of the members of the firm handling your matter, the complexity and difficulty of the questions involved, and the circumstances in which the work is carried out. Examples of this would be if, due to the urgency, evening or weekend work is required or if an unusually large amount of documentation needs to be considered.

The most important of these factors is the amount of time spent by members of the firm in dealing with your case. The firm has a computer-based time recording system on which each member of the firm records the time spent on your case. Each individual has an hourly charge out rate (as set out above). Charge out rates will apply to all the work done on your case, including time spent on the telephone, reading incoming post or emails, preparing or dictating outgoing letters or emails, preparing file notes of meetings, considering and drafting documents, reviewing your file, considering your case, preparing instructions and briefs to barristers, researching law where necessary, attending conferences with barristers, attending court, attending meetings with you, attending meetings with the lawyers acting for the other person in your case or other people connected with the case, taking statements from witnesses and any other time spent in connection with your matter.

As well as the charges for time spent on your matter, incidental expenses (called disbursements) such as the fees of any barristers or experts, court fees, photocopying charges, travel expenses, courier costs and any other expenses will be added to the invoice.

[Consider using one of the following three inclusions if the matter involves (1) financial remedy proceedings, (2) cohabitation/pre-marital agreements, or (3) Children Act proceedings]

[Inclusion 1 – for financial remedy cases]

The firm’s charges are not contingent upon the result of your case. They are payable in any event. You are primarily liable for the charges. Even if the court orders someone else to pay your costs, you will have to pay in the first instance and may then be reimbursed when the funds clear from the person ordered to pay your costs. If your costs are being paid by a third party, such as a friend or family member, you still remain primarily liable to the firm for those fees. If you have any questions about your costs, please do discuss them with me.

In cases involving court proceedings it is always difficult to forecast the amount of time that will be spent since much will depend on the attitude of the other person in your case and their solicitors, the
Based on the information you have given me so far, the costs in your case are likely to fall within one of the following ranges, depending on how your case develops (please note these figures relate to your costs only and not those of the other person in your case):

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<tr>
<th>BAND 1 – up to £[ ] including VAT and disbursements</th>
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<td>This band will apply if a financial settlement is concluded after disclosure on a voluntary basis and negotiation between solicitors without formal financial remedy proceedings. This estimate assumes that the other person is not untruthful in their disclosure and not generally obstructive, that no interim hearings (for example for interim maintenance) are required and that there are no international legal issues that require the assistance of a foreign lawyer. If any of these elements arise, this estimate will increase.</td>
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<th>BAND 2 – up to £[ ] including VAT and disbursements</th>
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<td>This band will apply if financial remedy proceedings are issued in order to achieve a financial settlement, and are concluded part way through by agreement or require a financial dispute resolution hearing (FDR). This estimate assumes that a barrister will be briefed to represent you at the FDR, that input from an accountant is not required, that the other person is not untruthful in their disclosure and is not generally obstructive, that no interim hearings other than the two standard interim hearings (First Directions Appointment (FDA) and FDR) are required, for example there is no need for an interim maintenance hearing, and that there are no international legal issues that require the assistance of a foreign lawyer. If any of these elements arise this estimate will increase.</td>
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<th>BAND 3 – up to £[ ] including VAT and disbursements</th>
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<tr>
<td>This band will apply if financial remedy proceedings are issued in order to achieve a financial settlement, and may require a final hearing of no more than two days. This estimate assumes that a barrister will be briefed to represent you at the FDR and at the final hearing, that input from an accountant is not required, that the other person is not untruthful in their disclosure and is not generally obstructive, that no interim hearings other than the two standard interim hearings (FDA and FDR) are required, for example there is no need for an interim maintenance hearing, and that there are no international legal issues that require the assistance of a foreign lawyer. If any of these elements arise this estimate will increase.</td>
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<th>BAND 4 – up to £[ ] including VAT and disbursements</th>
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<td>This band will apply if financial remedy proceedings are issued in order to achieve a financial settlement and require a final hearing of more than two days, because they have not been settled by agreement. This estimate assumes that a barrister will be briefed to represent you at the FDR and at the final hearing, that an accountant or other professional is required, that the other person is not untruthful in their disclosure and is not generally obstructive, that no interim hearings other than the two standard interim hearings (FDA and FDR) are required, for example there is no need for an interim maintenance hearing, and that there are no international legal issues that require the assistance of a foreign lawyer. If any of these elements arise this estimate will increase.</td>
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This band will apply if financial remedy proceedings are issued in order to resolve the financial settlement, input from a barrister and an accountant is required, there is significant non-disclosure by the other person and/or they are particularly obstructive, there are interim hearings on ancillary issues related to the financial settlement and/or there are international legal issues that require the assistance of a foreign lawyer.

Based on the information you have given me, I am required to advise you about the likely level of your costs and the balance of likely outcome as against expense and risk. I believe that it is likely that your case will fall within band [insert band number – or elaborate on specific details]. As every case is different, you will appreciate that it is very difficult to give one specific and accurate estimate. I will update you each month when I send you my firm’s monthly invoice as to your costs position and whether this estimate is likely to change. If insufficient fees have been incurred to justify the raising of an invoice in any particular month and you wish me to review your costs position anyway, please just let me know. I believe also that the potential outcome of your case [does/does not] justify the expense or risk involved (including the risk that you might have to pay another person’s cost) [for the reasons set out in my letter of [date]/because [insert reasons]]. When I send you my firm’s monthly invoice I will also update you specifically about the issue of whether the potential outcome of your case will justify the expense or risk involved (including the risk that you might have to pay another person’s costs). In addition to counsel’s fees and the other disbursements mentioned above, there are court fees payable when proceedings are issued. At present these are:

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
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<tr>
<td>To issue a divorce petition</td>
<td>£340</td>
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<tr>
<td>To apply for decree absolute</td>
<td>£45</td>
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<tr>
<td>To issue financial proceedings</td>
<td>£210</td>
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<tr>
<td>To file a consent order</td>
<td>£45</td>
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<tr>
<td>To issue Children Act proceedings</td>
<td>£200</td>
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You may if you wish place a limit on the costs the firm may incur on your behalf, which will not be exceeded without prior agreement. Please let me know if you wish to do this. If you do wish to place such a limit on costs, we will contact you in writing when this limit is being approached in order to discuss future costs.

[Inclusion 2 – for pre-marital and cohabitation agreements]

The firm’s charges are payable in any event, whether or not you and your partner sign the [cohabitation][pre-marital] agreement. You are primarily liable for the charges. If your costs are being paid by a third party, such as a friend or family member, you still remain primarily liable to the firm for those fees. If you have any questions about your costs, please do discuss them with me.
The firm’s charges will depend on the issues and complexity of the agreement drafted for you. If you wish to put in place complex structures to protect your assets, for example if some of those assets are held overseas, or if trusts are involved, the fees will necessarily be higher. I may need to involve a foreign lawyer to advise on the enforceability of the agreement overseas, a barrister to assist with the drafting, and other experts (for example, an accountant or valuer). [A cohabitation agreement will usually cost between £[] and £[](plus VAT and disbursements) to prepare. If significant negotiations are required then the costs may be higher.] [A pre-marital agreement may cost anywhere between £[] and £[] (plus VAT and disbursements) dependent on the issues, assets, length of time involved in preparing the document, and the need to involve other professionals.]

Based on the information you have given me, I am required to advise you about the likely level of your costs and the balance of likely outcome as against expense and risk. I believe that it is likely that your costs will be in the region of £[] to £[](plus VAT and disbursements) plus VAT and disbursements [and I will be able to give you further information about the likely level of your fees once I have more details about the work involved]. As every case is different, you will appreciate that it is very difficult to give one specific and accurate estimate. I will update you each month when I send you my firm’s monthly invoice as to your costs position and whether this estimate is likely to change. If insufficient fees have been incurred to justify the raising of an invoice in any particular month and you wish me to review your costs position anyway, please just let me know. I believe also that the potential outcome of your case [does/does not] justify the expense or risk involved [for the reasons set out in my letter of [date]]/[because [insert reasons]]. [Assuming the agreement is concluded and signed, it should mean that there is less scope for dispute if in the future your relationship breaks down and [the ownership of your home is in issue/there is the need for a financial settlement on divorce or separation to be determined.]. When I send you my firm’s monthly invoice I will also update you specifically about the issue of whether the potential outcome of your case will justify the expense or risk involved.

You may if you wish place a limit on the costs the firm may incur on your behalf, which will not be exceeded without prior agreement. Please let me know if you wish to do this.

[Inclusion 3 – for Children Act cases]

The firm’s costs and charges are not contingent upon the result of your case. They are payable in any event. You are primarily liable for the charges. It is only in exceptional circumstances in children cases that the court will order that one person in the case should pay the other’s costs. If your case involves disputed court proceedings, it is always difficult to give you an accurate forecast in relation to costs because that will depend on the issues in the case, the volume and the complexity of the documents, and the time that we might spend preparing evidence and in reviewing any independent evidence, including from any expert appointed by the court. Advising you in relation to issues of residence concerning children could involve costs in the region of £[] to £[] plus VAT. If court proceedings are issued, then the application fee will be £175. Contested proceedings could incur costs in the region of £[] to £[]. They may include paying a barrister to represent you at a final hearing, which will be a separate fee that I will discuss with you in advance.

I will update you each month when I send you my firm’s monthly account as to your costs position. I will let you know whether my overall estimate is likely to change as matters unfold.

I am also required to advise you about the likely level of your costs and the balance of likely outcome as against expense and risk. You and I will discuss the outcome that you wish to achieve, and I will advise you about the range of possibilities, and give you my best advice about what is likely to happen. At each stage, I will explain and estimate the costs of a particular course of action so that you can decide whether you wish to continue.
You may if you wish place a limit on the costs the firm may incur on your behalf, which will not be exceeded without prior agreement. Please let me know if you wish to do this.

**Recovering costs from the other person in your case**

[Consider using one of the following two sections in contentious cases – depending whether the FPR or CPR apply]

[1 – Divorce or children cases]

You should be aware that if court proceedings are issued in order to resolve your case, the court can in certain circumstances make costs orders.

The general rule in family cases is that each person pays their own legal costs. By contrast to other court cases, in family cases courts do not automatically order one person to pay the other’s costs. In cases involving children or finances, the court will only order one person to pay the other’s costs in exceptional circumstances, for example if one person has conducted the court case in a way that has wasted considerable resources or if the person has tried to mislead the court. If there is no order for costs, each person will pay their own costs.

The court does have the power to make an order for costs and to assess the applicable amount of those costs at various stages during the case, and may order either person to pay a specified amount of the other’s costs in connection with a particular procedural stage or application. This is called summary assessment.

Whether you are the paying or the receiving person, if a costs order is made and the costs are not summarily assessed and cannot be agreed with the other person, they will be subject to detailed assessment proceedings after the case has been concluded. In that event, you should be aware that this firm will incur further costs on your account which you will be required to pay. These will include the costs that this firm incurs in drawing up any detailed bill of costs on your behalf.

If you are ordered to pay a specified amount of costs to another person in court proceedings at any stage in your case you must do so within 14 days from the order, unless the court orders otherwise. This firm will not pay other people’s costs on your behalf and if, therefore, the firm is not placed in funds in time, this could have serious consequences for you.

The general rule is that any costs award must be proportionate to the dispute in question. The court will therefore compare the amount of the successful person’s costs with the total amount of money at stake and/or the complexity or importance of the issues raised. For example, if the court took the view that the successful person’s costs were excessive when compared to the total value of the dispute, that person might recover a smaller percentage of those costs. On the other hand, if the dispute is very complicated or raises an important legal principle, the successful person may recover a higher percentage.

If the other person has public funding (formerly legal aid), it is most unlikely that you will be able to recover any of your costs. Please note that you will be responsible for paying the full amount of this firm’s fees, disbursements and expenses regardless of any order for costs in your favour. The firm will, of course, account to you for any costs which you succeed in recovering from the other person.

In order to obtain a costs order against another person, I will need, in advance of any court application, to prepare a schedule of your costs of that application. Regardless of whether a costs order is obtained against another person, you will be required to pay the costs which the firm incurs in preparing this schedule.
If you decide not to proceed with your case before court proceedings are issued, or if the case is settled before then, there is no rule of law requiring another person in your case to make any payment towards your legal costs, although this may be part of an overall agreement reached.

It is important that you understand that you will be responsible for paying the firm’s fees even if the case is unsuccessful.

If proceedings are commenced and your case is successful then the other person will normally be ordered to pay a proportion of your legal costs. This is entirely at the discretion of the court and there are certain situations in which the general principle may be altered, for example if there has been an offer to settle. The general rule is that any costs award must be proportionate to the dispute in question. The court will therefore compare the amount of the successful person’s costs with the total amount of money at stake and/or the complexity or importance of the issues raised. For example, if the court took the view that the successful person’s costs were excessive when compared to the total value of the dispute, that person might recover a smaller percentage. On the other hand, if the dispute is very complicated or raises an important legal principle, the successful person may recover a higher percentage.

If the other person has public funding (formerly legal aid), it is most unlikely that you will be able to recover any of your costs.

Please note that you will be responsible for paying the full amount of the firm’s fees, disbursements and expenses regardless of any order for costs in your favour. The firm will, of course, account to you for any costs which you succeed in recovering from the other person. [As I know nothing about the financial position of the other person, I am unable to say whether [he][she] is likely to have the funds to meet any judgment or order for costs. Please discuss this point with me if you have any doubts about it.]

You should bear in mind that almost all litigation involves some risk of being unsuccessful. If so, you are likely to be ordered to pay a proportion of the other person’s costs (together with interest) in addition to your own. If the other person has entered into a conditional fee agreement, you may also have to pay an additional sum in respect of the success fee and any insurance premium.

You should also be aware that the court has power to make an order for costs and to assess the applicable amount of those costs at various stages during the case and may order either person to pay a specified amount of the other’s costs in connection with a particular procedural stage or application. This is called summary assessment. As a general rule, a person ordered to pay costs on a summary assessment will have to do so within 14 days. In the event, therefore, that such a costs order is made against you, you will need to be in a position to place the firm in funds immediately so that I can pay the costs within the time limit imposed by the court. This firm will not pay other people’s costs on your behalf and if, therefore, the firm is not placed in funds in time, this could have serious consequences for you.

In order to obtain a costs order against another person, I will need, in advance of any court application, to prepare a schedule of your costs of that application. Regardless of whether a costs order is obtained against another person, you will be required to pay the costs which the firm incurs in preparing these schedules.

Whether you are the paying or the receiving person, if a costs order is made and the costs are not summarily assessed and cannot be agreed with the other person, they will be subject to detailed
assessment proceedings after the case has been concluded. In that event, you should be aware that this firm will incur further costs on your account which you will be required to pay. These will include the costs that this firm incurs in drawing up any detailed bill of costs on your behalf.

If your case is successful and costs are recovered from the other person, you may be able to claim interest on those costs from the date of the order. To the extent that any of the firm’s costs have not been paid, this interest will be retained by the firm. If you have paid the firm’s costs then the interest from the date that you did so will belong to you. Where the court makes a penal order of interest on costs, different considerations may apply.

I should point out that, once you have become involved in litigation, you are unlikely to be able to withdraw without reaching an agreement in respect of the other person’s legal costs.

Insurance – before the event

You should not overlook the possibility that the cost of bringing or defending legal proceedings might be covered by one or more of your existing insurance policies. Legal expenses insurance is often sold as an optional extra, or you may have taken out insurance against specific risks which would cover the circumstances of this case. If you have any doubt about this, you should review your insurance cover and/or contact your insurance broker.

Insurance – after the event

Insurance can also be taken out after a dispute has arisen in relation to certain disputes. These tend to be ‘civil’ type claims rather than claims in connection with family breakdown, but please ask me whether insurance may be available in relation to your case if you wish to consider it as an option. Legal expenses insurance can cover your own legal costs if the case is unsuccessful and also any legal costs that you are ordered to pay to the other person. ‘Costs’ includes fees, disbursements and expenses and VAT where applicable. Premiums for this type of insurance range from about 15% to 40% of the sum insured, depending on the type of case. Under some policies, the premium is reimbursed if the claim is unsuccessful. If the case is successful, you may well be able to recover the cost of the premium (or a proportion of it) from the other person.

Please note that most insurance policies do not pay out if you are successful with your claim but fail to recover any money as a result of the other person’s insolvency. The terms of any insurance policy will require me to make regular reports to your insurers. If there are any material changes in the circumstances of the case, these will have to be notified. Please let me know if you would like some further details about possible insurance cover. I should be able to provide you with some information about insurance products, but I will not be in a position to advise you as to their respective merits. You should speak to an insurance broker about this.

[Consider including the following payment on account section]

Payment on account

It is this firm’s general policy in matters of this sort to ask clients to make payments from time to time on account of fees, disbursements and expenses. Please let me have a cheque for £[ ] (made payable to [Insert name of firm]) when you return the duplicate copy of this letter. This sum will be held on account and used to offset fees, disbursements and expenses incurred in this matter. Unless otherwise agreed, I will not do any work in relation to this matter until I receive this money. I may ask you to provide reasonable further payments on account as the matter progresses as a condition of continuing to act for you. If any money on account is left at the conclusion of the matter then it will, of course, be
refunded to you. You should bear in mind that the firm’s total bill may be higher than the amount you have paid on account.

**Limitation and exclusion of liability**

[Refer to the guidance to rule 2.07 of the Solicitors’ Code of Conduct on this issue.]

In common with other professional advisers, it is the firm’s policy, on all matters on which the firm is instructed, to exclude and/or limit its liability to clients in certain situations. Please read [refer to relevant section in terms of engagement] and contact me if you have any queries. Our insurance covers [insert territorial coverage] and the insurer can be contacted on [insert insurer contact details]. [If an LLP: Please note, in particular, that it will be the LLP that provides the services to you and that the LLP’s liability to you will be limited to £[ ] million on each matter on which it is instructed unless otherwise agreed in respect of that specific matter.]

**Money laundering**

In order to comply with its statutory obligations, the firm operates an anti-money laundering reporting procedure. If the firm knows or suspects that you (or any other person involved in this matter) are involved in money laundering or hold the proceeds of crime, the firm may be required by law to make a report to the Serious Organised Crime Agency (SOCA) and if notification is made, the firm is prohibited from advising the suspected person that it is doing so. These requirements override the firm’s duty of confidentiality to you.

Proceeds of crime are assets or income that have been acquired through some illegal activity, for example drug-trafficking, non-payment of tax or fraudulently obtaining benefits. If a report is made to SOCA, the firm must stop work on the matter until it is authorised by SOCA to proceed. Any fees, disbursements and expenses incurred in complying with the above will be charged to you. There may be circumstances in which the firm considers that it is obliged to make a report to SOCA which it later turns out was not required by law. By instructing the firm you agree that such reports can be made. The firm cannot accept responsibility or liability for any loss, damage or expense (whether direct, consequential or otherwise) arising from any delay or otherwise as a result of making any reports to SOCA and ensuring compliance with its statutory obligations.

**Public funding**

[See separate letter if the client will be publicly funded. Now use one of the following three inclusions – if the client is clearly not eligible delete the whole section and make no reference to public funding.]

[1 – Client not currently eligible but could become so]

Based on the information you have provided, you are not currently eligible for public funding (formerly legal aid). However, it is possible that as matters progress you may become eligible. Please keep me fully informed of any change in your capital or income position. This firm does not participate in the public funding scheme and I am, therefore, only able to act for you on a private basis. If you become eligible for public funding, I will discuss with you the option of transferring to a firm that does participate in the scheme. If, notwithstanding your eligibility, the firm is to continue to act on your behalf I will discuss the funding consequences with you again. There are certain advantages to be gained from public funding. These include a lower hourly rate (as a result of which the overall bill at the end of the day will be smaller). However, public funding is not free where financial matters are concerned. The Legal Services Commission
is likely to have a charge over property or money which has been preserved or recovered as a result of the work undertaken. There may be restrictions upon the work which can be undertaken.

[2 – Client is clearly eligible but wishes to instruct the firm anyway]

Based on the information you have provided, you are currently eligible for public funding (formerly legal aid). This firm does not participate in the public funding scheme and I am, therefore, only able to act for you on a private basis. There are certain advantages to be gained from public funding. These include a lower hourly rate (as a result of which the overall bill at the end of the day will be smaller). However, public funding is not free where financial matters are concerned. The Legal Services Commission is likely to have a charge over property or money which has been preserved or recovered as a result of the work undertaken. There may be restrictions upon the work which can be undertaken.

I have discussed with you the option of instructing solicitors who are able to represent you on a publicly funded basis, but having considered the various factors outlined above, you have indicated that you wish this firm to act for you on a private basis. Should you wish to reconsider this decision, please let me know immediately.

[3 – Where you don’t know whether the client may be eligible]

Based on the information you have provided, you may be currently eligible for public funding (formerly legal aid). This firm does not participate in the public funding scheme and I am, therefore, only able to act for you on a private basis. There are certain advantages to be gained from public funding. These include a lower hourly rate (as a result of which the overall bill at the end of the day will be smaller). However, public funding is not free where financial matters are concerned. The Legal Services Commission is likely to have a charge over property or money which has been preserved or recovered as a result of the work undertaken. There may be restrictions upon the work which can be undertaken.

I have discussed with you the need to assess your eligibility so that you may make an informed decision about whether to instruct this firm or another firm that is able to represent you on a publicly funded basis. [I recommend that you contact [insert details] to ascertain whether you are eligible or not, and if so on what terms. If you are not eligible, or if you are eligible but having considered the various factors outlined above, you wish this firm to act for you on a private basis, please let me know.] [As agreed, I have discussed your financial position with [insert details] based on the information that you gave me in our meeting/telephone call on [insert date] and you [are probably][are not] eligible for public funding. If you wish this firm to act for you on a private basis, please let me know. Alternatively, I would recommend that you instruct [insert details].] Should you wish to reconsider this decision, please let me know immediately.

Communications, privacy and the duty of disclosure

In family proceedings, it is vital that you keep the firm fully up to date with any change in your circumstances. I take this opportunity to make you aware that the court rules relating to financial matters require each person to provide to the other person full details of their financial position, supported by documentary evidence. This process is known as disclosure and is the basis of meaningful negotiations. It is unlikely that any proposals you make for financial settlement will be accepted if full disclosure has not been made. The duty of disclosure is an ongoing duty and continues up until any court order is made, not just at the outset. If your financial or personal position changes during the negotiations or court proceedings you must inform me so that those changes may be disclosed to the
other person, if relevant. If full disclosure is not made by you, this could seriously hinder negotiations. In certain circumstances, this may result in any agreement reached being subsequently overturned, in costs penalties or in a punitive award being imposed by the court against you.

Confidential documents

The court can impose penalties, both civil and in some cases criminal, where confidential documents are obtained illegally. That includes taking copies of documents that are deemed confidential and in certain circumstances if you then provide me with copies of those confidential documents or the originals, I would not be able to act for you. This is a complex area and I suggest that if you have any queries at all about the appropriateness of obtaining information about financial circumstances that is not directly in your control, we discuss the issues in advance. The definition of documents extends to electronic data, including that stored on a computer or telephone.

In family proceedings you are under a duty to keep all financial information you receive about the other person confidential. Naturally you may discuss that information with this firm, but it is not to be used for any other purpose. To do so may put you in contempt of court.

Under the Fraud Act 2006, dishonestly failing to disclose information that you are under a legal duty to disclose (which would apply to disclosure in financial proceedings on divorce) may also result in criminal prosecution.

The other person is under the same duty in respect of disclosure. If you believe that a true account of the other person’s financial circumstances may not be or has not been given, I recommend that you seek my advice urgently before taking any steps to obtain financial information about the other person. The law is complex in this area and any action you might wish to take could be in breach of the criminal and/or civil law, which means that you could be prosecuted and potentially imprisoned and/or sued for damages.

Media

Should your case go to court, there is a possibility that accredited media will be present. However, the fact that they are present does not mean they will automatically have the right to report what takes place. Further information about this possibility will be provided to you as appropriate.

VAT

Under UK law we are required to supply to you our VAT registration number, which is [insert VAT number].

Resolution

All the qualified lawyers within the family team at [insert name] are members of Resolution, which means that they are required to comply with its Code of Practice, a copy of which is enclosed. When disputes are resolved in the constructive and non-confrontational way promoted by the Code, the outcome can be much better, both financially and emotionally, for all concerned. By signing and returning this letter you agree to your matter being handled in this way.

Conclusion

Please do not hesitate to call me if you have any queries about the terms of this letter or the terms of engagement. Your continuing instructions will amount to acceptance of these terms of business, but please sign and date the enclosed copy of this letter and return it to me as soon as possible in the pre-
paid envelope provided. [Use the following section in square brackets where there is no face-to-face meeting during initial instructions.]

[The Consumer Protection (Distance Selling) Regulations give you the right to cancel your agreement with the firm at any time during the seven working days immediately following the day that you return the copy of this letter duly signed. It is in your interests that I start work as soon as possible. Please, note, therefore, that by signing and returning this letter, you authorise the firm to start work immediately. This means that you lose the right to cancel. However, under the firm’s terms of business you have the right to instruct us to stop work at any time, although if you exercise that right you will then have to pay for the work the firm has done.

Please also note that by signing the letter you also agree to the time for the firm to complete your work being extended beyond the 30 days envisaged by the above Regulations.

If I have not received a signed copy of the letter back within 28 days I shall assume that you do not wish to proceed, and will take no further action.]

Yours sincerely...

I confirm acceptance of the terms set out above.

Signed

Print name

Dated
Precedent legal aid client care letter

Scope of instructions

Dear [ ]

[Incorporate rest of Rule 2/engagement letter including scope of instructions, responsibility for work, money etc]

Public funding

Please read and keep this letter because I am explaining some important points.

Emergency public funding

If you have been granted emergency public funding then this is to pay for your legal costs to go to court. In some circumstances, an emergency public funding certificate is issued without a full assessment of your financial means. If subsequently it is found that your means are such that the certificate ought not to have been granted, then the certificate can be revoked, which would mean you would have to pay back to the Legal Services Commission all the legal costs of the emergency work.

Even if the emergency work is finished and you do not want any more legal advice, it is important that you complete and return any forms or requests for documents or information that are sent to you, and ensure that you pay any contributions that you are required to, since otherwise your certificate can be revoked.

The emergency certificate will only cover the urgent work required and will be time limited. Any non-urgent work must wait until a full certificate is issued to you.

Public funding certificate

A public funding certificate is to pay for your legal costs for me to deal with arrangements or problems that can include going to court. The Legal Services Commission will not pay any work I undertake in going to court before either an emergency certificate or a public funding certificate is granted.

Offer of public funding

If the Legal Services Commission writes to you making an offer of public funding please note that I cannot start work until:

• you accept the offer; and

• you pay the Legal Services Commission your contribution or the first instalment they ask for; and

• the Legal Services Commission has sent me the public funding certificate.

If you are allowed to pay by instalments and you do not keep them up then you may:

• lose your public funding; and

• have to pay some or all of your legal costs.
Remember:

- You are still liable to pay the contributions even if the legal work is finished. If you cannot afford the contributions you must tell the Legal Services Commission.

- If the total costs at the end of the matters are less than the total amount of your contributions, you may be entitled to a refund of those contributions. If your legal costs are higher than the total of all the contributions you may have paid, then the statutory charge may apply (see below).

- If you fail to pay instalments then your legal aid certificate will be cancelled and you may have to repay some or all of your legal costs.

- If you apply for emergency funding you are agreeing to accept the offer of public funding and pay the required contributions.

Changes you must tell the Legal Services Commission about:

- Changes of capital or income – if they go up you may have to pay higher contributions to your public funding or you may no longer be eligible.

- Changes of address

- Cohabiting with a new partner.

- Changes to your benefits.

Otherwise you may:

- lose your public funding; and

- have to pay some or all of your legal costs.

The statutory charge

It is important to remember that public funding is only in some circumstances completely free. In most cases it operates as a loan. If there is a dispute about owning, sharing or using:

- money (except maintenance);

- property;

- other valuable, disputed assets (eg pensions, trusts, jewellery, antiques, animals, cars/vans, boats, collections, life policies) etc; and/or

- debts – when one person is released from part or all of a debt,

then if you receive or keep the money, property or valuable asset, I must first pay out of it to the Legal Services Commission enough money to cover all your public funding costs. The costs must be repaid before any other debt or liability, irrespective of the terms of any court order.

Please note:

- The law about this harsh ruling is very complicated.
• If the property that is recovered or preserved is your home, the Legal Services Commission may agree to delay payment of your public funding costs until the property is sold or until you decide that you want to raise money on it (if earlier). Interest will, however, be added to the costs until they are paid back. That is currently 8% per annum.

• If you recover money which you wish to use to buy a family home or you sell your family home to buy another home, the Legal Services Commission has a limited discretion to delay repayment until the new home is sold, but interest will be added until the costs are paid back.

• Legal costs can be very expensive. Please help me to keep them as low as possible. We can discuss ways in which this can be done.

• If you are represented in several aspects of family proceedings, including divorce, children issues, injunction issues or property issues then the statutory charge applies to all the costs that you incur where you have the benefit of a public funding certificate. Even if there are separate certificates, they will be linked and the statutory charge will apply to the total costs incurred. If you do recover or preserve money or property, and you have very high public funding costs because of issues concerning children or an injunction, then you may find that all that you have recovered needs to be paid back.

Cost consequences of court proceedings

You may still be ordered to contribute to or pay the other person’s legal costs if you are unsuccessful even though your own costs are paid by the Legal Services Commission. Any amount that you are ordered to pay will be decided by the court after an assessment of your financial circumstances. If you are successful, it may be that in some limited circumstances the other person will be ordered to pay your costs. If that is the case then I will be entitled to charge those costs at the hourly rates set out above/in our Terms of Business agreement.

Costs estimate

It is important to provide you with the best information about the likely costs which will be involved so you are aware of the amount which may have to be repaid.

In most family proceedings the Legal Services Commission pays standard fees depending on the nature of the proceedings, the stage at which they end and the number and length of hearings required. The payment arrangements are complex but in general if the cost of the work required on your case exceeds more than three times the standard fees (two times in some proceedings), the case is considered exceptional and the Legal Services Commission will pay for the work we have carried out at hourly rates. There are some types of family proceedings that do not fall within the standard fees and for which the Legal Services Commission will pay for work undertaken at a specified hourly rate. This includes cases of forced marriage protection and international child abduction. You should also note that if this work is undertaken by a Resolution accredited specialist or panel member, or if your case is complex, a higher uplift, of no more than 100% may be claimed.

The standard fees for legal costs are complex and subject to change. We will try to keep you informed of the standard fees applicable to your case from time to time. Once again please note that if the case becomes exceptional uplifts may be added to the hourly rate as per the paragraph above.
[I anticipate that your case will incur the following standard fees, making an estimated total of £[ ] plus VAT]/[I anticipate that your case will become exceptional and the likely costs will be between £[ ] and £[ ] plus VAT.]

In addition to the standard fees, we will also have to pay out expenses on your behalf. The Legal Services Commission will pay this as the case progresses but if you have to repay your costs, these will be payable in addition to the fees set out above. They are:

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Therefore, the likely total costs incurred under the public funding certificate is £[ ] inclusive of VAT and expenses. Please remember that if you have to repay your costs this will also include any costs incurred under the family help scheme, which I have already notified you about.

As the matter proceeds I will provide you with an update of that figure with details of costs and expenses incurred at least every six months.

**Conclusion**

Your continuing instructions in this matter amount to acceptance of my firm’s terms of business. Even so, I would ask you please to sign and date a copy of this letter where indicated and return it to me in the enclosed pre-paid envelope so that I can be sure that you understand the basis upon which I am acting for you, and the regulations in relation to the Legal Help Scheme.

Yours sincerely…

I confirm that I have read and retain the original letter of which this is a duplicate

Signed ……………………………………. A Client

Dated …………………………………….
Precedent family help letter

[What follows is an explanation of the legal help scheme to add to the public funding client care letter where applicable]

Family help scheme

This covers legal work before the grant of emergency or full public funding. It does not cover proceedings issued in a court other than for divorce or judicial separation. You must be aware that the work that I carry out for you under the legal help scheme is limited solely to the essential work required to achieve the legal objectives in your case. At all times, a test is applied by the Legal Services Commission that there is sufficient benefit to be obtained in carrying out the work on your behalf compared with the cost to the public fund.

Representation

Under the family help scheme it is not possible to represent you at court. However, if your situation becomes more complex or is fully contested then it may be possible to apply for an emergency or full public funding certificate. I explain below important points about the public funding scheme.

Evidence of income

It is essential under the Legal Services Commission Regulations for us to obtain from you evidence of your income and/or benefits to verify your entitlement to advice under the family help scheme. This should be provided at the initial meeting. If it is not available then you must provide such proof very promptly. If you do not, we will be unable to carry out any further work for you until evidence of your income and means has been produced. Failure to provide this documentary evidence will result in us being required to cease advising you, and you may be invoiced at my private hourly rate as set out below.

You will not have to pay anything towards our costs under the legal help scheme if you do not recover money or preserve property. However, if the issues about which I am advising you under the family help scheme become complex and/or you are issued a public funding certificate then the costs incurred under the legal help scheme do become relevant and if money or property is recovered or preserved then the statutory charge is likely to apply. Full information about the statutory charge is set out below.

The statutory charge

It is important to remember that public funding is only in some circumstances completely free. In most cases it operates as a loan. If there is a dispute about owning, sharing or using:

- money (except maintenance);
- property;
- other valuable, disputed assets (eg pensions, trusts, jewellery, antiques, animals, cars/vans, boats, collections, life policies) etc; and/or
- debts – when one person is released from part or all of a debt;
then if you receive or keep the money, property or valuable asset, I must first pay out of it to the Legal Services Commission enough money to cover all your public funding costs. The costs must be repaid before any other debt or liability, irrespective of the terms of any court order.

However, if you settle financial matters through mediation, you do not have to pay for my firm’s legal costs in advising and assisting you.

Please note:

• The law about this harsh ruling is very complicated.

• If the property that is recovered or preserved is your home, the Legal Services Commission may agree to delay payment of your public funding costs until the property is sold or until you decide that you want to raise money on it (if earlier). Interest will, however, be added to the costs until they are paid back. That is currently 8% per annum.

• If you recover money which you wish to use to buy a family home, or you sell your family home to buy another home, the Legal Services Commission has a limited discretion to delay repayment until the new home is sold, but interest will be added until the costs are paid back.

• Legal costs can be very expensive. Because of the public funding or statutory charge, please help me to keep them as low as possible. We can discuss ways in which this can be done.

• If you are represented in several aspects of family proceedings, including divorce, children issues, injunction issues or property issues then the statutory charge applies to all the costs that you incur where you have the benefit of a public funding certificate. Even if there are separate certificates, they will be linked and the statutory charge will apply to the total costs incurred. If you do recover or preserve money or property, and you have very high public funding costs because of issues concerning children or an injunction, then you may find that all that you have recovered needs to be paid back.

Costs estimate

It is important to provide you with the best information about the likely costs involved in the event that you have to repay your legal costs.

The Legal Services Commission pays standard fees depending on the nature of the work required. The payment arrangements are complex but in general if the cost of the work required on your case exceeds more than three times the standard fees (two times in some proceedings), the case is considered exceptional and the Legal Services Commission will pay for the work we have carried out at hourly rates.

The standard fees for the legal costs are complex and subject to change on a regular basis. We will endeavour to keep you informed of the standard fees that apply to your case from time to time.

[I anticipate that your case will incur the following standard fees, making an estimated total of £[ ] plus VAT]/[I anticipate that your case will become exceptional and the likely costs will be between £[ ] and £[ ] plus VAT.]

In addition to the standard fees, we will also have to pay out expenses on your behalf. It is possible to apply to the court for exemption of some of the court fees and we will provide you with an application form if this is appropriate. The likely expenses are:
Expense | Amount
--- | ---
| |

Therefore, the likely total costs incurred under the family help scheme is £[ ] inclusive of VAT and expenses.

As the matter proceeds I will provide you with an update of that figure with details of costs and disbursements incurred at least every six months, if it is likely that you will need to repay the costs to the Legal Services Commission.

**Conclusion**

Your continuing instructions in this matter amount to acceptance of my firm’s terms of business. Even so, I would ask you please to sign and date a copy of this letter where indicated and return it to me in the enclosed pre-paid envelope so that I can be sure that you understand the basis upon which I am acting for you, and the regulations in relation to the family help scheme.

Yours sincerely...

I confirm that I have read and retain the original letter of which this is a duplicate

Signed …………………………………….    A Client

Dated ……………………………………. 