

SOLICITORS CHARGES

Solicitor's charges are usually governed by the Solicitors' (Non-Contentious Business) Remuneration Order 1994.

The 1994 Order provides that a solicitor shall charge such sum as is fair and reasonable to both the Solicitor and the Client having regard to all the circumstances and in particular to:

- (a) the complexity of the matter or the difficulty or novelty of the questions raised;
- (b) the skill, labour, specialised knowledge and responsibility involved;
- (c) the time spent on the business;
- (d) the number and importance of the documents prepared or perused, without regard to length;
- (e) the place where and circumstances in which the business or any part thereof is transacted;
- (f) the amount or value of any money or property involved;
- (g) whether any land involved is registered land;
- (h) the importance of the matter to the client; and
- (i) the approval (express or implied) of the client or the express approval of the deceased to:
 - i. the solicitor undertaking all or any part of the work giving rise to the costs, or
 - ii. the amount of the costs.

If you find that complicated - so do solicitors!

We start by recording all the time spent on your matter in minimum units of 6 minutes per item of work, or half that for letters received, and calculate what the time spent on the matter has cost in salaries and overheads. We then have to consider what profit is appropriate to the particular matter to arrive at a figure that is "fair and reasonable".

Often the charge will be calculated at an hourly rate, which may vary to take into account the above factors and which is reviewed each January. For the average matter our time is at present being charged at the following rates:

Senior Director £230, Director/Consultant £215, Assistant Solicitor £175, Trainee ILEX £125, Clerk £95.

These hourly rates are high, as are our overheads which build-up every hour of every day. Nevertheless, a solicitor can only work on one client's business at a time and is doing well if he can record five hours chargeable work a day: and that is only on the days he is working on clients' matters.

In matters dealing with valuable assets the charge should reflect the value of those assets. In winding up estates the Court has suggested that that element of the charge be calculated at 0.5% of the value of any house or land owned by the deceased and 1% of the rest of the estate. For conveyancing that element of the charge is 0.25% of the value of the property, with that value representing a maximum of 10 times the annual

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rent for leases. Charges based on value are levied in addition to the time charges set out above, but we usually think it appropriate to reduce the hourly charge somewhat. **In appropriate cases we are prepared to charge a fixed fee.**

At the start of a matter we will tell you basis of calculation of our charges for that matter and, if possible, give you an indication of the likely amount payable on the assumption that the matter will be straightforward. However, that could all change if unexpectedly any of the above factors become more significant, and you will understand that if difficulties are encountered the time/rate element of our fee can increase rapidly. Unlike many other Solicitors we do not add anything for postage, telephone calls and "petty disbursements" and any transfer of funds by us is free of any charges by our bank. VAT at the standard rate has to be added to our fee.

In litigation charges are governed by the **Rules of the Supreme Court 1965**, and most family matters and divorce are governed by the **Matrimonial Causes Costs Rules 1988** as amended by the **Family Proceedings Costs Rules 1991**. These rules are similar to the 1994 Order and give rise to similar charges to those shown above.

"Fair and reasonable" does mean fair to both the Solicitor and the Client. Any Client (other than those involved in litigation) who thinks that he has been overcharged may within one month of receiving the bill request the Solicitor to obtain a Remuneration Certificate from The Law Society (the Solicitors' professional body) certifying whether the sum charged is fair and reasonable. Solicitors' bills can also be challenged through the Courts but that may well lead to further charges and the Court's fee of 7.5% of the amount allowed.

The following points should be borne in mind:

- It is often not possible to estimate the cost of a matter in advance and if difficulties are encountered costs can increase rapidly. If you wish to set a limit on costs to be incurred with us, please let us know in writing.
- It is normal practise to ask clients to make payments on account towards payments which we will have to make on your behalf such as search fees, stamp duty, court fees, counsel's fees and expert's reports. Please meet those requests promptly.
- Particularly in matters that take more than a few months, invoices may be raised from time to time. All invoices are due for payment on presentation. If an invoice is not paid promptly we reserve the right to decline to act any further and are entitled to claim interest.

In litigation also note the following points:

- Regardless of any order for costs made against your opponent you are personally responsible for payment of our bill of costs in full.
- Even if you win your opponent may not be ordered to pay the full amount of your costs, and even then may not be capable of paying what has been ordered.
- If you decide to withdraw after proceedings have been issued, you may not be able to do so without having to pay your opponent's costs.
- If your claim fails, in all probability you will have to pay your opponent's costs as well as your own.
- If your opponent is publicly funded you are unlikely to be entitled to recover your costs, even if you are successful.

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focus on...

- You may be entitled to Public Funding, have the benefit of insurance cover or wish to instruct us on a no win-no fee basis: If you think that any may apply to you, you must say so at the outset.
- Unless we are instructed with the benefit of insurance cover we reserve the right to require you to deposit funds with us to cover costs that are to be incurred, so that we do not carry your financial risk inherent in you being involved in litigation.

The subject of Solicitor's charges is very complicated. We all appreciate that solicitors are expensive. If at any time you are uncertain of your position or have any queries, please ask.

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