GUIDANCE NOTES: CLIENT CARE LETTER

Regulator: Costs Lawyer Standards Board

Effective date: 15 July 2015

Why has this guidance been introduced?
This guidance note seeks to assist Costs Lawyers in understanding the importance of the contractual relationship in the client care letter and the various component parts that must be included in the letter. This allows the Cost Lawyer the opportunity to set out clearly to the client the specifics of their matter and their standard terms and conditions of business. In providing this information at the outset, there is clarity for both parties and consumers of legal services are appropriately protected. This guidance is consistent with the principles set out in the Costs Lawyer Code of Conduct and the regulatory objectives.

Any client care letter should set out clearly the contractual relationship between a Costs Lawyer and their client. This helps in managing the expectations of your client and provides clarity. This is an important document that must contain a significant amount of information. This guidance seeks to assist Costs Lawyers when drafting client care letters and will also serve as a useful check for any existing client care letters in use.

Does this guidance apply to me?
If you are a body/work for a body regulated or ABS licensed by another approved regulator, the SRA for example, then prevailing rules and guidance of that regulator apply in respect of client care letters.

If you are a sole practitioner or working in a firm of Costs Lawyers, this guidance applies to you and your practice.

Should both parties sign a client care letter?
In order to provide evidence that the client has received and agreed to the terms set out in your client care letter, it is good practice to ask them to sign and return a copy for your file.

What should a client care letter include?
A client care letter should set out, in plain English, the information in the table below at a minimum. You may choose to address the requirements by supplementing your client care letter with standard terms and conditions. If so, you should ensure that these are relevant and comply with the guidance set out above as they will be regarded as ‘part’ of the client care letter for these purposes.
| **The work** | • The work you will carry out for the client, clarifying that if subsequent work is accepted (subject to conflict of interest etc.) it will result in a further client care letter. This may be a shortened version of your original letter, however you need to ensure that there is a client care letter for each separate matter. |
| **Costs/fees** | • Your charges/fee/hourly rates/estimate for the work.  
• Arrangements for regular notification to the client on position on charges/fees.  
• The notification process in event the charges/fee alters.  
• Any referral arrangements relevant to the client’s instructions must be clearly set out.  
• Any fee sharing arrangements that are relevant to the client’s instructions must be clearly set out. |
| **Who will carry out the work** | • The name of Costs Lawyer handling the work.  
• The contact details of Costs Lawyer handling the work.  
• Opening hours and any out of hour’s service provided.  
• Contact details of whom to contact in the Costs Lawyers absence e.g. supervisor, secretarial support.  
• The regulatory status of you/your employer.  
• Supervision arrangements in place for the work. |
| **What you will do (service level)** | • Update the client by phone or in writing on progress.  
• That you will communicate:  
  (i) Timescales.  
  (ii) Important changes including changes in the law.  
  (iii) Reasonably foreseeable risks that could affect the outcome. |
| **Professional Indemnity Insurance** | • You will advise of the current level of professional indemnity insurance in place, including cover for loss of documents.  
• You will ensure an adequate level of professional indemnity is in place throughout the instruction to cover the risk of the work. |
| **Clauses limiting liability** | • Any clauses limiting liability must be brought to the attention of the client now, or if they become known about in the future. |
| What you cannot do | In accordance with Costs Lawyer Code of Conduct Principle 3.6 you cannot accept client money save for disbursements and payment of your proper professional fees unless you/your employer is regulated by the SRA. |
| Documents | Your right to keep copies of documents for your professional records.  
Arrangements for the return of all original documents. |
| Obligations | Your obligations to act in accordance with prevailing Costs Lawyer Code of Conduct and Practising Rules. |
| Complaints | This information should be given to a client at the time of the instruction and the conclusion:  
- Attach or include your/your employer’s complaints procedure (see CLSB guidance note)  
- The clients right to refer service complaints not resolved internally under the 8 week rule, that they may refer their complaint to the Legal Ombudsman (LeO).  
- Provide LeO contact details (address, email, phone number).  
- Advise client of their right to refer conduct complaints not resolved internally under the 8 week rule, that they may refer their complaint to the Costs Lawyer Standards Board (CLSB).  
- Provide CLSB contact details (address, email, phone number). |
| Data protection | Current law.  
Arrangements in place to ensure compliance. |
| Outsourcing | Arrangements (if applicable). |
| Storage of documents | Document storage, retrieval and copying arrangements (if applicable).  
Storage costs (if applicable). |
| Contract term and termination | The term of the contract.  
Provisions for termination by either party. |
| Contract jurisdiction | • The legal jurisdiction governing the contract e.g. England. |