



Costs Lawyer Standards Board

AGENDA

Thursday 23 April 2026 @ 09:30am
Woburn House Conference Centre
Woburn House 20-24 Tavistock Square
London, WC1H 9HQ

Board:

Rt Hon David Heath CBE	Lay NED (Chair)
Andrew Harvey	Lay NED (Vice Chair)
Helen Moulinos	Lay NED
Andrew McAulay	Non-Lay NED
Leigh White	Non-Lay NED

In attendance:

Paul Mosson	CEO
Jacqui Connelly	Director of Operations
Lori Frecker	Director of Policy

Note: Agenda items in blue are standing items

	Agenda item	Paper(s)	Publish ¹	Lead
1	Opening matters 1.1 Quorum and apologies 1.2 Declarations of interest on agenda items	- -		DH DH
2	Minutes 2.1 Approval of minutes (29 January 2026) 2.2 Matters arising (29 January 2026)	2.1 -	Yes -	DH DH
3	Strategy 3.1 Progress against Business Plan: Q1 2026	3.1	Yes	PM
4	Board matters 4.1 Minutes and actions from the Remuneration Committee 4.2 Revised Remuneration and Expenses Policy 4.3 Revised Remuneration Committee terms of reference 4.4 Updated Board Governance Policy 4.5 Consolidated Register of Interests	4.1 4.2 4.3 4.4 4.5	No (D,G) Yes Yes Yes Yes	AH AH AH DH DH

¹ The letters used in this column indicate the reason for any non-publication of papers. They correspond to the reasons set out in our publication policy, which can be found on the [What we Publish](#) page of our website.

5	Finance 5.1 Quarterly report: Q1 2026	5.1	No (D, E)	JC
6	Risk management 6.1 Annual Risk Outlook 6.2 Review of risk register	6.1 6.2	Yes Yes	PM PM
7	Regulatory matters 7.1 Complaints against unregulated costs advisors 7.2 Changes to the Practising Rules 7.3 Changes to Guidance for Costs Law Firms 7.4 Changes to Guidance (Reserved Legal Activity Rights) 7.5 Changes to the Disciplinary Rules and Procedure 7.6 Dealing with Consumers Supervision Framework 7.7 Costs Lawyers: Caring responsibilities	7.1 7.2 7.3 7.4 7.5 7.6 7.7	No (F, G) Yes Yes Yes Yes Yes Yes	JC PM PM PM PM JC LF
8	Legal Services Board (LSB) 8.1 Work updates	8.1A & B	Yes	PM
9	Stakeholder updates² 9.1 ACL Council meeting minutes 9.2 Work updates	9.1 9.2	No Yes	PM PM
10	Operations 10.1 Cyber Security Review	10.1	No (D)	PM
11	Publication 11.1 Confirmation that papers can be published	-		DH
12	AOB	-		DH
13	Next full Board meeting (in person) Date: 9 July at 10.30am Venue: MS Teams	-		DH

² This agenda item is used to update the board on significant developments relating to the work of the Legal Services Consumer Panel, Association of Costs Lawyers, ACL Training, Legal Ombudsman (including exception reporting on service complaints) and other relevant stakeholders.

DRAFT APPROVED BY THE CHAIR FOR PUBLICATION
Subject to approval by the full board at its next scheduled meeting

MINUTES
Costs Lawyer Standards Board Ltd
Thursday 29 January 2026 at 10:30am
Online via Microsoft Teams

Board:	Rt Hon David Heath CBE	Lay NED (Chair)
	Andrew Harvey	Lay NED
	Andrew McAulay	Non-Lay NED
	Helen Moulinos	Lay NED (Vice-Chair)
	Leigh White	Non-Lay NED
In attendance:	Paul Mosson	CEO
	Jacqui Connelly	Director of Operations
	Lori Frecker	Director of Policy

1. OPENING MATTERS

- 1.1 The Chair declared the meeting quorate. There were no apologies.
- 1.2 The Chair welcomed new Board members, Helen Moulinos and Leigh White.
- 1.3 There were no declarations of interest on any agenda item.

2. MINUTES

2.1 Minutes dated 17 September 2025

The Board considered the minutes of its last scheduled quarterly meeting on 17 September 2025. The Board agreed the minutes as being a true record for signing.

Action: Publish approved minutes on CLSB website.

2.2 Matters arising from meeting on 17 September 2025

There were no matters arising.

2.3 Minutes dated 10 November 2025

The Board considered the minutes of its special meeting on 10 November 2025. The Board agreed the minutes as being a true record for signing.

Action: Publish agenda and approved minutes on CLSB website.

2.4 Matters arising from meeting on 10 November meeting

There were no matters arising. This was a single item agenda to approve the NED recruitment proposals. The new Board members are now in post.

3. STRATEGY

3.1 Progress against business plan: Q4 2025

The Board was provided with an update against the Business Plan to Q4 2025. The Board noted that all priorities were completed. PM acknowledged the efforts of JC and LF in maintaining the CLSB's performance during the interregnum period between CEOs. The Board formally recorded its recognition and thanks to JC and LF accordingly.

3.2 Communications strategy update

The Board was provided with the final communications toolkit that was shared with the profession on 26 January 2026 via email. Prior to the formal launch, this was shared with the ACL Council, the CLSB's Advisory Group, non-lay members of the Board (for a practitioner's perspective) and others who had volunteered following the announcement of the toolkit at the ACL November 2025 conference in London, and the CLSB's own newsletter ([September 2025](#)). All feedback was positive, and no further changes were made other than to the title of the toolkit itself and one word in the narrative.

PM informed the Board that the CLSB is in the process of registering the assets as trademarks, which will enable the CLSB to take direct enforcement action against any unregulated persons using the mark, if necessary.

The Board noted a message had been sent to the costs judiciary to underline the importance and value of Costs Lawyers' Rights of Audience and the regulatory protections and recourse available, unlike to those from the unregulated sector.

3.3. Annual performance indicators report

The Board was provided with the 2025 annual performance indicators report. This is consistent with reporting in earlier years and demonstrates dependable performance, with no areas of concern identified.

4. BOARD MATTERS

4.1 Minutes and proposal from Remuneration Committee

The Board noted the minutes of the Remuneration Committee meeting on 24 November 2025. Under its delegated authority, the Remuneration Committee approved a 3.7% cost of living increase for all non-executive Board members and the executive team. While this is higher than the anticipated 3% set in the budget, it responds to the actual rate of inflation in the UK since the last cost of living rise was considered in 2024..

The Board approved a proposal from the Remuneration Committee to remedy a disparity between expense allowances which differ between non-executive Board members and the executive team. The Board agreed to grant the Remuneration Committee delegated authority to review these allowances each year at the same

time as the cost of living increase to ensure that they remain aligned with inflation going forward, and so that corrective action can be avoided in future.

Action: Executive to bring back an amended Terms of Reference to the Board as a part of an updated Board Governance Policy.

4.2 Remuneration Committee vacancy

The Board noted that, following the end of Paul McCarthy's term on the Board, there is now a vacancy on the Remuneration Committee. The Board elected HM to fill this vacancy.

4.3 Vice Chair vacancy

The Board noted that, following Stephanie McIntosh's departure from the Board, there is a vacancy for a Board member to become Vice Chair of the Board. The Board agreed to elect AH as pro tem Vice Chair, noting that his term as a Board member will conclude at the end of 2026.

4.4 Board strategy session and annual dinner (April 2026)

The Board discussed potential topics for inclusion at its annual strategy session in April.

4.5 Succession planning

The Board considered the retention and succession options available to a smaller organisation like the CLSB, asking the CEO to work with the Remuneration Committee on next steps.

Action: Executive to liaise with the Remuneration Committee on next steps.

5. FINANCE

5.1 Quarterly report: Q4 2025

Jacqui Connelly introduced the quarterly finance report. The Board noted the financial position at the end of 2025, including a small overall deficit in the annual operating budget.

6. RISK MANAGEMENT

6.1 Review of risk register

The Board carried out its quarterly review of the risk register and agreed that no amendments were required this quarter. The Board noted that an end of year review of the existing register has been actioned, with all risks at Section C updated to reflect the new 2026 business plan priorities. The Board noted that AI guidance was released to the profession in 2025 which completed the objectives required to mitigate risks 1 and 2 in the 2025 Business Plan (priority 2).

7. REGULATORY MATTERS

7.1 Review of reserved legal activity guidance post-Mazur

PM provided the Board with an update on developments following the *Mazur* decision. On 28 October 2025, the LSB issued a section 55 Information Request to

which the CLSB responded on 24 November 2025 on all but one question, which was responded to by the ACL.

The decision in *Mazur* will be reviewed on appeal following a successful application for leave granted in favour of CILEx. The appeal is currently expected to be heard on 24 February 2026. Both the SRA and Law Society of England and Wales (LSEW) are understood to be intending to intervene.

The CLSB's guidance over the years has been reviewed and remains consistent with the decision in *Mazur*. If the *Mazur* decision is overturned, the CLSB may need to update its guidance. The CLSB will continue to monitor the situation and update the Board accordingly.

7.2 Updated Supervision Policy

The Board considered and approved the updated Supervision Policy. The revised version removes the need to update the policy each time a new Supervision framework is introduced, which are themselves subject to Board approval. No other elements of the Supervision Policy have been updated.

Action: Publish updated Supervision Policy.

7.3 Updated CPD guidance

The Board noted that the minor amendments made to the Guidance Note on CPD following the Board's decision to make use of the CLSB planning and recording template for CPD mandatory for all Costs Lawyers. The updated guidance note also clarifies that Costs Lawyers who may have planned to retire, but then decide to remain regulated, will require the minimum 12 CPD points.

7.4 Costs Lawyer Profession in 2025

The Board noted that the Costs Lawyer Profession in 2025 report has been published on the CLSB website.

7.5 Annual report on conduct complaints

JC presented the third annual summary of second tier complaints to the Board. The Board noted that the increase in the number and complexity of complaints made against Costs Lawyers was sustained in 2025, although the over number of complaints remains very low. Out of seven second tier complaints received in 2025, five were investigated. There were three disciplinary outcomes in the year.

7.6 Enhanced checks – rule change

The Board discussed the need to review the checks carried out on those entering the profession. In particular, the CLSB will consider whether the disclosures should be extended to cover matters including adverse judgments, relevant complaints history (bringing it in line with what we ask of practising Costs Lawyers), and also consider whether DBS checks may be warranted. As the disclosures are part of the Practising Rules, any changes will require formal consultation with the profession and the approval of the LSB. The Executive will bring a paper to the Board in April on this matter.

7.7 PII survey

LF informed the Board that the CLSB had carried out a survey on Costs Lawyers' experience of obtaining professional indemnity insurance (PII). This was in response to LSB research carried out between 2021 and 2023 that considered the impact of PII insurance premiums on the affordability of legal services. The aim of the survey was to understand whether the CLSB's PII requirements for Costs Lawyers remain fit for purpose.

The survey ran from September to November 2025 and received a very low response rate. This suggests that the profession has no major concerns around PII. The CLSB has undertaken a desk top review of the level of cover most Costs Lawyers are purchasing, which showed that the vast majority of the profession set their PII at more than double the CLSB's required minimum level of cover. The Executive team will therefore review the required minimum level of cover in 2026 to determine whether this should be changed.

8. LEGAL SERVICES BOARD (LSB)

8.1 Work updates

The Board was provided with updates on recent correspondence with LSB colleagues, and the appointment of Richard Orpin as the permanent LSB CEO. The Board noted the LSB's recent consultation on its draft business plan and budget for 2026/27, and the CLSB's response.

9 STAKEHOLDER UPDATES

9.1 ACL Council meeting minutes

The Board noted the minutes of the ACL Council meetings held in August, September, October and November 2025.

9.2 Work updates

The Board noted that Phil McCain has been appointed Chief Ombudsman at the Office for Legal Complaints (OLC), and noted the OLC's consultation on its business plan and budget. The Board also noted the CLSB's response to the House of Lords Committee on Industry and Regulators' inquiry into regulators and growth. PM provided an update on the LSCP Consumer Focussed Regulation Workshop that he attended in December 2025.

10 OPERATIONS

10.1 2026 Practising Certificate Renewals Report

JC informed the Board that, as at 5 January 2026, 745 Practising Certificates (PC) have been issued. It is anticipated last year's peak PC number of 753 during the course of the practising year will be exceeded this year.

10.2 End of year wrap up

The Chair provided comments on the last year. He felt that it had been a positive year for the profession and the organisation, and that the horizon for the profession also looks positive. He noted the successful recruitment of the new CEO and two new

Board members. He also highlighted the LSB’s recognition of the CLSB as a high-performing regulator, and the CLSB’s swift response to the *Mazur* judgement. The Chair thanked JC and LF for supporting the Board and the organisation during the interregnum.

11 PUBLICATION

11.1 Confirmation that papers can be published

The Board agreed that all Board papers for the meeting should be published, other than those noted on the agenda for the reasons stated.

Action: Publish Board papers on website in accordance with agenda notations.

12 AOB

There was no other business.

13 NEXT SCHEDULED QUARTERLY MEETING

The next meeting was scheduled for Thursday 23 April at 9:30am and would be held in person at Woburn House, London.

There being no further business, the Chair declared the meeting closed at 12:48pm.

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Chair

Related documents

Item	Document	Publication location (CLSB website)
2.1	Board minutes	About ⇒ Our board
3.1	2025 Business Plan	About ⇒ Strategy and governance
3.3	2025 Annual Performance Indicators	About ⇒ Strategy and governance
6.1	Risk register	About ⇒ Strategy and governance
11.1	Board papers	About ⇒ Our board

Annual priorities

Improving our regulatory arrangements

	Initiative	Progress status / expected completion
1.	<p>Progress the second phase of the communications strategy developed in 2024, aimed at supporting each of the five strategic goals in our mid-term organisational strategy in a cohesive and systematic way.</p>	<p>In progress (expected Q4)</p> <p><i>There is now an active LinkedIn communications plan in place to post at least once a week. In the past 90 days we have grown our followers by c10%, increased reactions to posts by over 175%, and comments by 1,300%. We are currently showcasing scenarios from the Ethics Hub along with promoting the Mark of Regulation.</i></p> <p><i>Meetings are taking place with communications professionals to consider a campaign to address the poor understanding of Costs Lawyers across the different branches of the legal sector.</i></p> <p><i>An email was sent to all Costs Judges in January 2026 reminding them of Costs Lawyers rights of audience and directing the judiciary to the online register for verification.</i></p>
2.	<p>Continue to collaborate with the Ministry of Justice, Judicial Appointments Commission and other key partners to expand current statutory eligibility requirements for judicial appointment to include Costs Lawyers.</p>	<p>In progress (expected Q4)</p> <p><i>We updated our evidence submission the MoJ to include:</i></p> <ul style="list-style-type: none"> • <i>Refences to the updated JAC Strategy for 2024 – 2027;</i> • <i>Updated information on the diversity of the solicitor, barrister and CILEx professions;</i> • <i>The updated Judicial Diversity Forum action plan, published in February 2025;</i> • <i>Further information about Costs Lawyers’ appetite for judicial appointment as shown in our 2025 Career Pathways Report (published February 2025); and</i> • <i>The updated Judicial Skills and Abilities Framework that was published in October 2025.</i> <p><i>The updated submission was sent to MoJ in February. We have asked for a meeting to discuss how this fits in with current ministerial priorities and whether there is</i></p>

		<i>scope to progress this in the current year. We are awaiting a response.</i>
3.	Expand the guidance and resources to support Costs Lawyers in upholding their professional ethical duties, in collaboration with strategically aligned expert partners and groups, where appropriate.	<p>In progress (expected Q4)</p> <p><i>Guidance on the professional and ethical considerations of using AI has been published on the CLSB website, with accompanying scenarios. We will continue to add to the scenarios throughout 2026.</i></p> <p><i>We are in the process of developing guidance for Costs Lawyers on professional and ethical considerations associated with using social media, in line with other regulators.</i></p>
4.	Work with ACL Training and the employer Trailblazer Group to progress the Costs Lawyer apprenticeship standard.	<p>In progress (expected Q3)</p> <p><i>There has been a positive start to 2026 and the application for final approval is with the DWP. We expect an answer in the summer, and ACLT and the Trailblazer Group are in the process of planning for a late summer launch.</i></p>
5.	Commission an external review of the CLSB's existing cyber security arrangements in light of the increasingly aggressive nature of cybercrime.	<p>Achieved (Q1)</p> <p><i>Mitigo Cybersecurity Ltd were commissioned to undertake a Vulnerability Assessment, which took place in February and March. At a verbal feedback meeting they said we are in a "very strong" position. We are awaiting the final report (and have already completed some of the recommended actions). A full outcome paper will be brought to the July Board meeting.</i></p>
6.	Identify opportunities to support the current and future profession in Wales.	<p>In progress (expected Q4)</p> <p><i>A roundtable for those Costs Lawyers who work and/or live in Wales was arranged for January but was postponed due to low attendee numbers (just 2). We intend to try again during 2026. We will also review the Career Pathways qualitative research for any further insight.</i></p>
7.	In collaboration with ACL Training, evaluate the third year of delivery of the new Costs Lawyer Qualification by carrying out the annual monitoring process under the Accredited Study Provider Scheme Handbook.	<p>Pending (expected Q4)</p> <p><i>This year's review is more substantial (see Business Plan priority 15) and will commence once we have reviewed the Competency Statement.</i></p>

	Provide new guidance to Qualified Persons built out from feedback and assessment in 2025.	
8.	Publish an Annual Report for 2025 to support our communications strategy.	In progress (expected Q3) <i>A designer, who we used for the toolkit, has been engaged to develop an annual report to contain info graphics. The concept is to provide a summary report along with a larger report that brings together a number of reports already published on the website. The intention is to publish the report in the summer following the July Board meeting when the Board will be asked to approve the 2025 Accounts.</i>
9.	Act upon the quantitative and qualitative career pathways research to: <ul style="list-style-type: none"> • Inform how the apprenticeship is promoted; • Guide the engagement strategy with prospective entrants to the profession; and Review any unintended barriers to becoming a Costs Lawyer.	In progress (expected Q2) <i>The Careers Research and Advisory Centre have concluded their interviews with Costs Lawyers and are currently writing up the research and related case studies. We are expecting to receive the first draft of the report for review end of March/early April.</i>
10.	Monitor compliance with new guidance on: <ul style="list-style-type: none"> • Dealing with consumers; and • Client Care Letters. 	Pending (Expected Q4) <i>This work is scheduled for Q2 & Q3, following the Board's approval of the proposed supervision framework for pre-contractual information for consumers, and completion of the CPD and complaints procedure audits.</i>
11.	Deliver the next phase of our digital workplan, by: <ul style="list-style-type: none"> • Implementing improved accessibility for the website; and • Delivering the secure area of the website for Costs Lawyer only content/ benefits. 	In progress (expected Q3) <i>The secure area of the website is now operational following the launch of the new Mark of Regulation, and selected resources can only be accessed using a password. Once the Board has signed off the Annual Risk Outlook, this too will become an exclusive benefit to the profession by placing it in the secure area. We will review the efficacy of the ReciteMe toolbar in the summer of 2026 which was intended to improve accessibility of the website.</i>

<p>12.</p>	<p>Explore options to develop resources and opportunities to help Costs Lawyers:</p> <ul style="list-style-type: none"> • develop those skills identified in the Ongoing Competency Framework, for which training is not easily available; • uphold professional ethics; and <p>progress diversity and inclusion in the profession.</p>	<p>In progress (expected Q3)</p> <p><i>Discussions are underway with Barbari for resources to assist Costs Lawyers meet those skills identified in the ongoing competency framework.</i></p> <p><i>Item 13 below sets out how we are investing in the diversity and inclusion progression within the profession.</i></p>
<p>13.</p>	<p>Use the levers at our disposal to address diversity gaps and barriers to inclusion within the profession, in collaboration with the ACL where appropriate. Developing a strategic approach to EDI that addresses short, medium and long term goals.</p>	<p>In progress (expected Q3)</p> <p><i>We are in discussions with an external consultant regarding engaging with Costs Lawyers to inform our EDI strategy.</i></p> <p><i>We have analysed the data from the 2025 diversity survey, which focused on caring responsibilities. The report will be published in April 2026. The survey found that 60% of respondents wanted to see more guidance for managers about how to support Costs Lawyers with caring responsibilities, and more guidance for the profession about balancing caring responsibilities with professional life. We will work to develop guidance on this.</i></p>
<p>14.</p>	<p>Implement the next stage of our action plan to respond to the recommendations from the <i>Costs Lawyers, Technology and Regulation report 2024</i>, including guidance for Costs Lawyers on the professional and ethical considerations of using AI.</p>	<p>In progress (expected Q4)</p> <p><i>We held an online roundtable on Tech and AI in conjunction with the ACL in January 2026. The event attracted over 100 participants and featured three speakers: Victoria Morrison-Hughes about the journey developing The Legal Lexi; Tom Whittaker of Burges Salmon about AI in litigation, the growing case law, and changing workflows; and Simon Murray of DWF, who gave an interactive and practical demonstration of using different AI tools. There was also a Q&A session.</i></p> <p><i>Guidance on the professional and ethical considerations of using AI has been published on the CLSB website, with accompanying scenarios. We will continue to add to the scenarios throughout 2026.</i></p> <p><i>We are in the process of developing guidance for Costs Lawyers on professional and ethical considerations</i></p>

		<i>associated with using social media, in line with other regulators.</i>
15.	Review the Competency Statement to ensure that it remains current and relevant, and the Assessment Outcomes and Guidance to ensure they remain fit for purpose.	<p>In progress (expected Q4)</p> <p><i>The consultant who drafted the existing Competency Statement has been engaged to review this, especially in light of developments around AI, and will report back to us before the summer.</i></p> <p><i>Review of the Assessment Outcomes and Guidance will follow this process.</i></p>

Remuneration and Expenses Policy



23 April 2026

Costs Lawyer Standards Board

CLSB
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Purpose

1. This policy has been adopted by the CLSB Board on the recommendation of the Remuneration Committee. The Remuneration Committee's Terms of Reference are set out in the CLSB's Board Governance Policy and include developing appropriate remuneration policies and practices. This policy adopts the definitions used in the Terms of Reference.
2. The policy establishes a framework for determining the remuneration of the CLSB's Directors and executive staff. It is intended to be used by the Remuneration Committee, as well as by the CEO when making delegated decisions about remuneration.
3. The CLSB is:
 - a small organisation, employing only a few individuals and having no full-time staff;
 - a regulatory body that operates within a statutory framework and seeks to promote transparency and accountability in its activities;
 - funded by Costs Lawyers through the payment of compulsory practising fees.Against that background, the policy seeks to give rise to simple, clear and fair remuneration structures which can be easily understood and scrutinised by Costs Lawyers, other external stakeholders and members of the public.
4. The policy is intended to ensure that remuneration structures within the CLSB:
 - support its strategic aims and promote long term sustainable success, with remuneration being aligned to the CLSB's vision and objectives;
 - are likely to attract, retain and motivate individuals of the quality required to run the CLSB successfully, without paying more than is necessary.
5. This policy also covers the reimbursement of expenses or additional remuneration for Directors who take on extra responsibilities from time to time.

Remuneration principles

General principles

6. As a baseline, remuneration will always be set at a level that meets or exceeds the National Living Wage, as published by the UK government for the relevant year. In addition, the CLSB will always pay interns.
7. Staff can expect their remuneration to be reviewed by the Remuneration Committee at least once per year. The Remuneration Committee's objective in carrying out such review is to maintain the stability of real wages. Other than in exceptional circumstances, this will involve considering the rate of inflation.
8. Changes to an individual's remuneration structure should be documented by way of a side letter to their contract, signed on behalf of the CLSB and the individual. Straightforward increases in remuneration can be communicated to individuals without the need for a contractual amendment, but this should be done in writing (which may be by email).
9. Decisions about remuneration should be based on the factors set out in this policy, free from discrimination or bias, and made in line with the CLSB's obligations under the Equality Act 2010.
10. To promote transparency, remuneration of the Chair, other Directors and CEO will be published annually on the CLSB website. Total staffing costs will be published by way of a separate line item in the annual budget (projected costs) and accounts (actual costs).

Principles for executive remuneration

11. Given the CLSB's size, all staff are considered to be members of the executive for the purposes of this policy. This currently comprises the CEO, Operations Director and Director of Policy.

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12. The remuneration of the CEO is set by the Remuneration Committee. The remuneration of other executives is set by the CEO, with board approval being sought where required under the Board Governance Policy.
 13. The highest paid member of the executive should not earn, when all aspects of remuneration are taken into account (pro rata), more than three times the remuneration of the lowest paid member of the executive.
 14. Remuneration for any given role should be considered on a case by case basis, using analysis and discretion, so that remuneration is proportionate to the scope and complexity of the specific remit. While advice may be taken from agencies or other third parties, decisions on remuneration should be made internally.
 15. Initial remuneration, and any changes to remuneration over time, should be determined by reference to the following factors:
 - The specific skills, experience and competencies that the CLSB requires and the competitiveness of the current market for procuring those resources.
 - Assessment of an individual's performance against expectations in achieving the organisation's objectives.
 - Any recent or planned significant increase in responsibilities or major change in job description.
 - Likely impact of the decision on the regulatory objectives.
 - Likely impact of the decision on the practising fee for Costs Lawyers.
 - Likely impact of the decision on other staff and internal culture.
 - Likely impact of the decision on the reputation of the CLSB or the Costs Lawyer profession.
 - Anticipated future operational and regulatory needs of the CLSB.
 - Long-term sustainability of the decision, including by reference to any foreseeable risks to financial stability.
 - The CLSB's track record in recruiting and retaining high-performing staff, including the outcome of recent recruitment campaigns.
 - Relevant available information on remuneration in comparable organisations (benchmarking).

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16. While benchmarking should be taken into account, remuneration should not necessarily be set to meet the benchmark or exceed it by a certain percentage. Rather, the following factors should be taken into account (as relevant) to contextualise benchmarked salaries:
- The benefits and drawbacks of working exclusively from a home office.
 - The attractiveness or otherwise of a part-time role.
 - The degree of flexibility, autonomy, fulfilment, development opportunity and work-life balance offered by the role.
 - The fact that the CLSB's size requires individuals to take on a wide variety of tasks and/or have specialist expertise that would not usually be required for their role in a different organisation.
17. Benefits may be offered to executive staff to make the overall remuneration package more attractive, so long as these are aligned to the purposes of this policy, are lawful, and do not make the remuneration package unduly complex. Benefits could include:
- private health insurance or other insurances;
 - additional employer pension contributions;
 - salary sacrificed benefits;
 - education or professional development opportunities;
 - wellbeing entitlements, memberships or subscriptions; and/or
 - additional leave entitlements.
18. The CLSB should take care when considering offering bonuses for performance related achievements. While bonuses can be effective in aligning an individual's objectives with the organisation's, for a small organisation with low turnover bonuses can also create budgetary uncertainty. Given that there is a statutory approval process for the CLSB's budget, this has the potential to introduce unnecessary risk. Generally, the CLSB will use cultural rather than financial incentives to encourage alignment of objectives.
19. Where the Remuneration Committee decides that, notwithstanding paragraph 18 above, a bonus is the most appropriate way to further the purposes of this policy,

the bonus should be related to clear performance criteria, and should be discretionary and/or contingent upon available funds.

Additional principles for Directors

20. The remuneration of the Directors, including the Chair, is set by the Remuneration Committee.
21. In making decisions about Director remuneration, the Remuneration Committee must keep in mind section 11 of its Terms of Reference, which relates to independence. In particular, section 11 provides that no Director may be involved in any decision as to their own remuneration outcome, but where the Committee determines that there should be a single decision as to the remuneration of a group of three or more Directors, a Director who is part of that group may be involved in a decision about the group members' remuneration.
22. Usually, Directors other than the Chair will receive the same remuneration as one another, regardless of their time served on the Board. This reflects the equal expectations on each Director to contribute to the organisation's objectives by drawing on their individual experiences and perspectives. From time to time, the Remuneration Committee may decide that the purposes of this policy are best served by departing from this general principle, for example if special expertise are needed on the Board and the market dictates higher remuneration for those expertise.
23. Remuneration for the Chair will be set by way of an annual salary or stipend. Remuneration for the other Directors will be set by way of a day rate, with preparation for and attendance at a Board meeting attracting one day's pay.
24. Otherwise, the general principles above, as well as the principles for executive remuneration, should be taken into account (insofar as relevant) in setting the overall level of Director and Chair remuneration.

Review

25. The ongoing appropriateness and relevance of this policy will be reviewed by the Remuneration Committee once a year when aligned with the annual pay review.
26. This policy is non-contractual and may be updated or amended by the CLSB at any time.

9. Written resolutions The Committee may pass a resolution in writing provided that the written resolution has the unanimous consent of all members of the Committee. Consent may be given in any written form, including electronically, for example by email.

10. Responsibilities Paying due regard to all relevant statutory, regulatory and good practice requirements, the Committee will carry out the following duties below for the CLSB and any major subsidiary undertakings as appropriate:

- a. develop any remuneration policies and practices as the Committee deems appropriate, and recommend these to the Board for approval;
- b. design its remuneration policies and practices in such a way as to support strategy and promote long term sustainable success of the Company, with remuneration being aligned to the CLSB's purpose and objectives;
- c. design its remuneration policies and practices in a way that is likely to attract, retain and motivate individuals of the quality required to run the CLSB successfully without paying more than is necessary, having regard to the views of stakeholders as appropriate;
- d. when designing remuneration policies and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- e. review the ongoing appropriateness and relevance of its remuneration policies and practices;
- f. within the terms of all policies and practices approved by the Board, determine the remuneration of the CEO, Chair and Directors;
- g. approve the design of, and determine targets for, any performance related pay schemes;
- h. within the terms of all policies and practices approved by the Board, determine the expense rates of the executive, Chair and Directors;
- i. within the terms of all policies and practices approved by the Board, determine the Additional Board Remuneration Policy for the Chair and Directors;
- j. consult with the CEO, Chair, executive and/or such other parties as the Committee deems appropriate in exercising its responsibilities;
- k. review any workforce remuneration and related policies; and
- l. work and liaise as necessary with other Board committees.

In carrying out its responsibilities, the Committee shall be mindful of the confidential and potentially sensitive nature of remuneration matters, including the CLSB's obligations under personal data protection legislation.

11. Independence No Director shall be involved in any decision as to their own remuneration outcome. However, where the Committee determines that there should be a single decision as

to the remuneration of a group of three or more Directors, a Director who is part of that group may be involved in a decision about the group members' remuneration.

12. Reporting

The Committee Chair will report to the Board on the Committee's proceedings after each meeting. A report may be made to the Board at a scheduled Board meeting or in writing, including by email.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

13. Other matters

The Committee shall ensure the periodic evaluation of the Committee's own performance is carried out.

1. Defined terms

In this Board Governance Policy, including all appendices, unless context requires otherwise:

“Articles” means the Articles of Association of the Company as altered from time to time;

“ACL” means the Association of Costs Lawyers;

“Board” means the board of Directors of the Company;

“CEO” means the Chief Executive Officer of the Company;

“Chair” means the chair of the Board;

“Code” means the UK Corporate Governance Code;

“Company” or “CLSB” means Costs Lawyer Standards Board Limited;

“Director” means a director of the Company, and includes any person occupying the position of director, by whatever name called;

“lay person” is as defined in Schedule 1 to the LSA;

“LSA” means the Legal Services Act 2007;

“LSB” means the Legal Services Board;

“non-lay person” means anyone who is not a lay person; and

“Vice-Chair” means the vice-chair of the Board.

2. Purpose

The CLSB is a wholly owned subsidiary of ACL. ACL is named in the LSA as the approved regulator of the Costs Lawyer profession and, since 31 October 2011, ACL has delegated its regulatory functions to the CLSB. The CLSB authorises and regulates Costs Lawyers to undertake the following reserved legal activities under the LSA:

- a. the exercise of a right of audience;
- b. the conduct of litigation; and
- c. the administration of oaths.

The Board is the governing body of the CLSB. The Code provides that every corporation should be led by an effective board, which is collectively responsible for the long-term success of the organisation.

The Board sets the Company’s strategic aims and ensures that the necessary financial and human resources are in place for the Company to meet its strategic and statutory objectives. The Board will take decisions with the primary aim of promoting the regulatory objectives in section 1 of the LSA, as follows:

- a. Protecting and promoting the public interest;
- b. Supporting the constitutional principle of the rule of law;
- c. Improving access to justice;
- d. Protecting and promoting the interests of consumers;
- e. Promoting completion in the provision of services;
- f. Encouraging an independent, strong, diverse and effective legal profession;
- g. Increasing public understanding of the citizen’s legal rights and duties; and
- h. Promoting and maintaining adherence to the profession principles.

This Board Governance Policy (together with its appendices) outlines the Board’s responsibilities, authority, organisation and composition. It is aligned to UK good

practice standards, the Articles, the LSB's rules and guidance, and other relevant statutory and regulatory requirements.

3. Separation of regulatory and representative functions

It is a requirement under the LSA that the functions of regulation and representation (undertaken by the ACL) are separate. The Board will oversee that the CLSB has in place arrangements that comply with the Internal Governance Rules 2019 issued by the LSB that in particular:

- a. observe and respect the principle that ACL, in its representative function, must not exert, or be permitted to exert, undue influence or control over the performance of the regulatory function delegated to the CLSB;
- b. ensure that the regulatory function is not prejudiced by the representative function and interest of ACL;
- c. ensure the exercise of the regulatory function is, so far as is reasonably practicable, independent of the representative function of ACL; and
- d. ensure that any person on the Board is able to notify the LSB where they consider that their independence or effectiveness is being prejudiced.

4. Membership

The Board will at all times be made up of three lay person non-executive Directors, one being the Chair, and two non-lay person non-executive Directors, one being the Vice-Chair. The composition of the Board should provide a complementary balance of skills and expertise.

All Directors, including the Chair and the Vice-Chair, shall be appointed in accordance with the Articles and the Board Appointment Policy (**Appendix 4**) by reference to the Director Job Descriptions (**Appendix 7**).

5. Board proceedings

The Board should meet at least four times a year at appropriate intervals in the financial reporting cycle and as otherwise required. All Board meetings and decisions should be taken in accordance with the Articles. Whilst only members of the Board and the Company Secretary (if appointed from time to time) have the right to attend and only members of the Board can vote at Board meetings, the CEO will be invited to attend each meeting unless the Board decides otherwise and communicates this to the CEO. Other employees and third parties may also be requested to attend by invitation as deemed appropriate by the Board.

In the event the Chair is unable to attend a Board meeting, the Vice-Chair will assume that role and will have the casting vote rights of the Chair in accordance with the Articles.

Responsibility for the day-to-day operation of the CLSB is delegated to the CLSB's executive team, overseen by the CEO. The executive takes a range of routine decisions that are necessary for fulfilling its role and it reports to the Board as appropriate. The executive will assist the Board by providing evidence (including contextual information, data, analysis and stakeholder views), in the form of source documents or via a written or oral report. The executive also assists the Board by making recommendations that can be used as a basis for discussion, by answering questions and by gathering additional evidence or information that the Board requires.

6. Matters reserved for the Board

This section sets out the matters reserved for the Board and not delegated to the Company's executive team. The list contains some matters which the Board cannot, as a matter of law, or which it has otherwise chosen not to, delegate. The Board may, however, appoint committees as it thinks fit to exercise certain of its powers. Specific areas of delegation are set out in the terms of reference of such committees, although the final decision on these matters will be taken by the whole Board unless otherwise specified.

Strategy and management

- a. Responsibility for the overall leadership of the CLSB and setting the CLSB's vision and standards.
- b. Approval of the CLSB's strategic aims and objectives.
- c. Approval of the annual operating and capital expenditure budget and any material changes to them.
- d. Oversight of the CLSB's operations ensuring:
 - (i) competent and prudent management;
 - (ii) sound planning;
 - (iii) maintenance of sound management and internal control systems;
 - (iv) adequate accounting and other records; and
 - (v) compliance with statutory and regulatory obligations.
- e. Review of performance in light of the CLSB's strategic objectives, business plans and budgets, as well as the CLSB's assessment of the CLSB's regulatory performance, and ensuring that any necessary corrective action is taken.
- f. Extension of the CLSB's activities into new business.
- g. Any decision to cease to operate all or any material part of the CLSB's business.

Structure and capital

- a. Any changes relating to the CLSB's capital structure, including:
 - (i) the issue of shares or of securities conferring rights of subscription for or conversion into shares in CLSB;
 - (ii) calls on or forfeiture of shares; and
 - (iii) purchases or redemptions of shares or any reductions of capital by CLSB including the use of treasury shares.
- b. Material changes to the CLSB's management and control structure.

Financial items

- a. Approval of the annual business plan, budget and accounts.
- b. Approval of any significant changes in accounting policies or practices.
- c. Approval of treasury policies including foreign currency exposure and the use of financial derivatives.
- d. Approval of unbudgeted capital or operating expenditures amounting to more than 10% of total annual budgeted expenditure.
- e. Approval of the CLSB's policy on accumulating and using financial reserves and any contribution to financial reserves.

Internal controls

- a. Ensuring maintenance of a sound system of internal controls and risk management including:
 - (i) receiving reports on, and reviewing the effectiveness of, the CLSB's risk and control processes to support its strategy and objectives, including through maintenance of the CLSB's risk registers; and
 - (ii) approving procedures for the detection of fraud and the prevention of bribery.

Contracts

- a. Approval of any contract to be entered into by the CLSB which is not in the ordinary course of business, for example loans, foreign currency transactions, or major acquisitions or disposals.

Communication

- a. Ensuring a satisfactory dialogue with key stakeholders, including shareholders and the LSB, based on the mutual understanding of objectives.
- b. Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- c. Approval of press releases that refer specifically to the Board or its individual members.

Board membership and other appointments

- a. Changes to the structure, size and composition of the Board of the CLSB and any subsidiary company.
- b. Ensuring adequate succession planning for the Board, CEO and senior management so as to maintain an appropriate balance of skills and experience within the company and on the Board.
- c. Selection, appointment and re-appointment of all Directors and the CEO in accordance with the Board Appointment Policy (**Appendix 4**) and Director Job Descriptions (**Appendix 7**).
- d. Removal from office of any director at any time, subject to the law, the Articles and their letter of appointment.
- e. Appointment or removal of a Company Secretary.

Remuneration

- a. Determining the remuneration policy for the Directors, Company Secretary (if any) and CEO, subject to the Articles.

Delegation of authority

- a. Approval of any delegated levels of authority that may be introduced or amended, including the CEO's authority limits.

- b. Establishing Board committees, including their membership and chairship, and approving their terms of reference and any material changes thereto.

Corporate governance matters

- a. Annual review of its own performance, that of its committees and individual Directors, and the division of responsibilities.
- a. Review of the CLSB's overall corporate governance arrangements.
- b. Responding to the views of ACL that are given in ACL's capacity as sole shareholder of the CLSB.
- c. Authorising conflicts of interest, where appropriate and permitted by the Articles.

Other

- a. Approval of key corporate policies, such as this Board Governance Policy, the Data Protection Manual and the Disaster Recovery and Business Continuity Policy.
- b. Approval of regulatory arrangements, such as rules and guidance, prior to publication or prior to consultation, as applicable.
- c. Approval of the prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism, involving potential liability (including legal costs) of more than £10,000 or that is otherwise material to the interests of the CLSB.
- d. Approval of any materials changes to the overall levels of insurance for the CLSB, including directors' and officers' liability insurance, and indemnification of Directors.
- e. Any decision likely to have a significant impact on the Company from any perspective, including financial, operational, strategic or reputational.
- f. This schedule of matters reserved for Board decisions.

7. Record of Board decisions

All Board meetings – whether scheduled or convened on an ad hoc basis – are minuted. A draft version of the minutes is approved by the Chair following the meeting and is published on the CLSB's website. The minutes are then approved by the whole Board at its next scheduled meeting and the final version is published on the CLSB's website, replacing the draft.

For certain types of decisions, such as a significant policy or strategic change, it will be appropriate for a more detailed account of the issue, the decision, and the reasoning behind the decision to be recorded. This is achieved using a Board Decision Note (**Appendix 1**). Board Decision Notes enable the CLSB to:

- a. be transparent with stakeholders as to how a Board decision is reached and why;
- b. keep an historical record of the rationale for decisions, allowing regulatory arrangements and internal policies to be continually re-evaluated against prevailing best practice; and
- c. demonstrate good governance and be confident that the Board has turned its mind to all relevant factors in making its decisions.

It is for the Board to consider on a case-by-case basis whether a particular decision should be recorded in a Board Decision Note and Board Decision Notes will only be prepared in relation to final decisions of the Board. Any interim decisions, deliberations or requests for further information that were made in reaching a final decision will be documented in the Board Decision Note. Board Decision Notes will not usually be prepared in relation to issues that are the subject of public consultation where a response to the consultation is published by the CLSB.

Where a Board Decision Note has been produced, this is noted in the minutes of the Board meeting at which the note was approved. A copy of the Board Decision Note is published on the CLSB website alongside the minutes.

8. Publication

Information about Board matters will be published on the CLSB website, at the times and for the purposes described in the table below.

Information	Purpose	Timing
Dates of scheduled Board meetings	To allow stakeholders and members of the public to contact the Company in advance if they feel a particular issue should be considered	As soon as the meeting dates are set, usually at least six months in advance
Dates of extraordinary Board meetings	To give notice to stakeholders that an extraordinary meeting has been called at which the Board will discuss an urgent, discrete issue	As soon as the meeting is called
Agendas for scheduled Board meetings	To help people determine whether the Board will be discussing anything of interest to them, so they can monitor the outcome	Prior to the Board meeting
Papers for scheduled Board meetings	To ensure transparency around the evidence put to the Board and to help people understand the decisions that are made	Within 14 days of the Board meeting
Minutes of all Board meetings	To record deliberations of the Board and explain the basis on which any decisions have been taken	Draft approved by Chair: within 14 days of the Board meeting

Final version:
upon approval
at next Board
meeting

Board Decision Notes	To draw together various aspects of the deliberation process and evidence base behind certain types of significant Board decisions	Upon approval at a Board meeting
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The Board will aim, as its starting point, to publish all the information described in the table above. Rarely, information may be withheld from publication if there is a good reason to do so. The Board may withhold a document (or information contained in a document, such as part of the minutes, through redaction) where publication would:

- a. amount to processing personal data in a way that is not permitted by data protection laws or is contrary to best practice;
- b. breach an obligation of confidentiality owed to a third party;
- c. breach any other legal obligation;
- d. disclose commercially sensitive information;
- e. disclose legal or other professional advice in relation to confidential matters;
- f. exacerbate a risk under consideration; or
- g. disclose emerging strategy or policy, where this could cause uncertainty or undermine the policy intention.

The method of publication will allow readers to understand the reason(s) why information has been withheld and will provide a point of contact for raising any queries about publication. No information will be withheld from publication without approval of the Board.

9. Appendices

1	Board Decision Note Template	Page 9
2	Remuneration Committee Terms of Reference	Page 11
3	Board Code of Conduct	Page 14
4	Board Appointment Policy	Page 18
5	Board Performance Appraisal Policy	Page 20
5A	Performance Appraisal Record Template	Page 22
6	Board Additional Remuneration Policy	Page 24
7	Director Job Descriptions	Page 28

10. Version control

Version	Review type	Nature of changes	Board approval
1	First adoption	Policy and appendices adopted by the Board	2 February 2022
2	Ad hoc	Adopt director job descriptions; amend references to company secretary	19 October 2022
3	Ad hoc	Amend Board Appointment Policy to remove restriction on total number of reappointments (not total length)	23 October 2023
4	Ad hoc	Amend Board Appointment Policy to improve governance controls and remove the CEO from decision making roles.	17 September 2025
5	Ad hoc	Amend Remuneration Committee Terms of Reference and Additional Board Remuneration Policy to remove into a separate document the expense allowances so that it is shared with the Executive for consistency.	24 April 2026

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Appendix 1: Board Decision Note Template

Costs Lawyer Standards Board
[Date of decision]

Board constitution: [Name] (Chair): Lay NED
[Name] (Vice-Chair): Lay NED
[Name]: Lay NED
[Name]: Non-Lay NED
[Name]: Non-Lay NED

1. Background information and summary of the issue

2. Evidence considered by the Board

3. Recommendation(s) of the executive and/or Chair

4. Summary of deliberations

5. Other factors considered by the Board						
Standing items for consideration are the impact of the decision on:						
<table><tr><td>- the CLSB's independence</td><td>- the CLSB's financial position</td></tr><tr><td>- furtherance of the regulatory objectives</td><td>- equality and diversity</td></tr><tr><td>- consumers, including vulnerable consumers</td><td>- data privacy</td></tr></table>	- the CLSB's independence	- the CLSB's financial position	- furtherance of the regulatory objectives	- equality and diversity	- consumers, including vulnerable consumers	- data privacy
- the CLSB's independence	- the CLSB's financial position					
- furtherance of the regulatory objectives	- equality and diversity					
- consumers, including vulnerable consumers	- data privacy					

6. Risk assessment

--

7. Decision taken, including reasons for the decision (if not apparent from the above)

--

8. Dissenting Board members (if any), including reasons for their dissent (if not apparent from the above)

--

9. Provision of the Legal Services Act 2007, or other legislation, under which the decision was made

--

Board Decision Note approved by the Board on: [Date]

Appendix 2: Remuneration Committee Terms of Reference

Amended Remuneration Committee Terms of Reference

- 1. Role** The Remuneration Committee (the “Committee”) is a committee of the Board, from which it derives its authority and to which it reports on matters related to remuneration policy.

- 2. Membership** The Committee shall comprise of at least two members, at least one of whom shall be a lay person non-executive Director. The Board shall appoint one member of the Committee to act as chair (the “Committee Chair”). The Committee Chair shall be a lay person non-executive Director

The Chair of the Board may also serve on the Committee as an additional member if approved by the Board, but may not be Committee Chair.

Appointments to the Committee are made by the Board in consultation with the Committee Chair (once appointed), and shall be for a period of up to three years which may be extended for up to two additional periods of up to three years each.

In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. If there is no such member present, the Committee shall not convene until such time as it can be constituted in accordance with these terms of reference.

- 3. Secretary** The CEO or their approved delegate will act as Secretary to the Committee.

- 4. Attendees** Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the CEO, senior management and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

- 5. Quorum** Two members of the Committee shall constitute a quorum.

- 6. Frequency** The Committee will normally meet once a year at an appropriate time in the annual cycle and otherwise as required.

- 7. Notice of meetings** Meetings of the Committee will be called by the Secretary of the Committee at the request of any of its members. The Secretary will ensure Committee members receive information and any papers in a timely manner to enable full and proper consideration to be given to the issues.

- 8. Minutes of meetings** Draft minutes of Committee meetings will be circulated promptly to all members. Draft minutes may also be circulated to other members of the Board at the discretion of the Committee Chair. Committee minutes will be approved by the Committee at its next scheduled meeting or earlier by email.

9. Written resolutions The Committee may pass a resolution in writing provided that the written resolution has the unanimous consent of all members of the Committee. Consent may be given in any written form, including electronically, for example by email.

10. Responsibilities Paying due regard to all relevant statutory, regulatory and good practice requirements, the Committee will carry out the following duties below for the CLSB and any major subsidiary undertakings as appropriate:

- a. develop any remuneration policies and practices as the Committee deems appropriate, and recommend these to the Board for approval;
- b. design its remuneration policies and practices in such a way as to support strategy and promote long term sustainable success of the Company, with remuneration being aligned to the CLSB's purpose and objectives;
- c. design its remuneration policies and practices in a way that is likely to attract, retain and motivate individuals of the quality required to run the CLSB successfully without paying more than is necessary, having regard to the views of stakeholders as appropriate;
- d. when designing remuneration policies and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- e. review the ongoing appropriateness and relevance of its remuneration policies and practices;
- f. within the terms of all policies and practices approved by the Board, determine the remuneration of the CEO, Chair and Directors;
- g. approve the design of, and determine targets for, any performance related pay schemes;
- h. within the terms of all policies and practices approved by the Board, determine the expense rates of the executive, Chair and Directors;
- i. within the terms of all policies and practices approved by the Board, determine the Additional Board Remuneration Policy for the Chair and Directors;
- j. consult with the CEO, Chair, executive and/or such other parties as the Committee deems appropriate in exercising its responsibilities;
- k. review any workforce remuneration and related policies; and
- l. work and liaise as necessary with other Board committees.

In carrying out its responsibilities, the Committee shall be mindful of the confidential and potentially sensitive nature of remuneration matters, including the CLSB's obligations under personal data protection legislation.

11. Independence

No Director shall be involved in any decision as to their own remuneration outcome. However, where the Committee determines that there should be a single decision as to the remuneration of a group of three or more Directors, a Director who is part of that group may be involved in a decision about the group members' remuneration.

12. Reporting

The Committee Chair will report to the Board on the Committee's proceedings after each meeting. A report may be made to the Board at a scheduled Board meeting or in writing, including by email.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

13. Other matters

The Committee shall ensure the periodic evaluation of the Committee's own performance is carried out.

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Appendix 3: Board Code of Conduct

1. Purpose

This Code of Conduct provides the Directors with guidelines as to the standards and behaviours that the CLSB expects from members of its Board (individually and collectively) when acting on behalf of, or representing, the CLSB. This Code of Conduct should be read in conjunction with:

- a. the Board Governance Policy and all of its appendices;
- b. any other relevant CLSB policies; and
- c. the Articles.

This Code of Conduct applies to all Directors and some of its requirements – for example the requirement to respect the confidentiality of the CLSB’s information – will continue to apply after termination of appointment.

2. Duties

Directors must act in accordance with all laws, rules and regulations that affect them as individuals or that affect the CLSB, including the LSA. Each Director must have regard to their legal duties as a Director, including:

- a. ensuring they are eligible to serve as a Director;
- b. complying with the Articles;
- c. contributing to the work of the Board in order for it to fulfil its role and functions;
- d. acting in the CLSB’s best interests, promoting its success whilst having regard to the factors set out in section 172(1) of the Companies Act 2006;
- e. managing the CLSB’s resources responsibly;
- f. acting with reasonable care and skill, taking professional advice where necessary;
- g. exercising independent judgement;
- h. avoiding conflicts of interest;
- i. accepting no bribes of any type and taking all reasonable steps to prevent bribery and corruption within the CLSB;
- j. maintaining high standards of practice in all areas of corporate governance;
- k. ensuring the CLSB’s risks are appropriate, understood, and well-managed; and
- l. ensuring the CLSB has appropriate financial management systems and procedures in place, including annual budgeting and planning, and ensuring the CLSB complies with all corporate and financial obligations.

In addition to their legal duties, the CLSB requires Directors to:

- a. consider and promote the regulatory objectives in section 1 of the LSA in all of their work for the CLSB;
- b. act in accordance with the Memorandum of Understanding between the CLSB and ACL, as well as the LSB’s Internal Governance Rules, to ensure that the CLSB is independent of ACL and does not carry out representative functions; and

- c. comply with all prevailing CLSB policies and procedures which are readily available via the CLSB's website or from the CEO, including the Board Governance Policy and its appendices.

3. Standards of conduct

Directors are required to adhere to the highest standards of conduct in the performance of their duties. Failure to maintain such standards may result in damage to the reputations of both the CLSB and the relevant individual. Directors must:

- a. commit to being an active member of the Board and get to know the functions of the CLSB and the way it operates;
- b. conduct themselves in such a way that their honesty and integrity are beyond reproach, and not knowingly make false or misleading claims or irresponsible statements;
- c. act with independence and consider all relevant facts objectively when making decisions;
- d. not misuse or abuse powers, including for personal gain;
- e. act in a way that promotes equality, diversity and inclusion; and
- f. respect other people and foster a culture that is free from intimidation and bullying.

4. Meetings

Directors have a responsibility to attend meetings of the Board. When this is not possible, they should submit an apology to the Chair in advance of the meeting. Board members are expected to attend for the duration of each meeting.

Repeated absence from Board meetings without good reason established to the satisfaction of the Board, or non-attendance for a period of six months or more, could result in the individual Director being removed from office in accordance with the Articles and section 10 of this Code of Conduct.

In relation to meetings, Directors should:

- a. adequately prepare for meetings, including by considering any papers provided in advance;
- b. offer reasoned views and opinions when debating an issue;
- c. consider issues completely, taking into account all relevant information and evidence, and seeking additional information where necessary;
- d. ensure they do not present misleading information to the Board or behave in a way designed to mislead the Board;
- e. understand the opportunities and risks facing the CLSB and take these into consideration when reaching decisions;
- f. provide constructive challenge to the executive; and
- g. listen to and respect the views of others and avoid behaviour that could be considered aggressive or intimidating.

5. Conflicts of interest

Directors have a legal obligation to act in the best interests of the CLSB and to avoid or manage situations where there may be a potential, real or perceived conflict of interest.

Directors should not exert any influence to garner any preferential treatment for themselves or their family, or other connected persons or organisations, through their role. Directors should be aware of, and act in accordance with, the following arrangements for identifying and managing conflicts of interest.

Upon appointment, and at least annually, Directors are required to complete a declaration of interests form. This document must be updated when a material change occurs. A register of interests will be maintained by the CEO and will be presented to the Board annually. The annual declaration of interests does not relieve Directors of their responsibility to update the CEO when their interests change. Changes should be notified to the CEO promptly and will be communicated to the Chair.

6. Gifts and hospitality

The offer of gifts and hospitality exceeding a cumulative value of £50 over the course of any 12 month period from any third party should be reported to the Chair and CEO and, if of any significant value, should be declined.

Directors should be aware that gifts and favours of any kind, whether for themselves or for members of their families, may influence or be perceived to influence decision making.

7. Use of information

All Directors are required to respect the confidentiality of the information to which they are exposed as a result of their membership of the Board. All Directors, when dealing with difficult and confidential issues, are required to act with discretion and care in the performance of their role. This duty of confidentiality continues after an individual's directorship has terminated. A Director is required to:

- a. only use information gained as a director for the purposes intended by the Board and for purposes that are in the interests of the CLSB as determined by the Board;
- b. be aware that information and documents might be legally privileged and take all steps necessary to retain that privilege;
- c. handle personal data in line with data protection legislation and the CLSB's Data Protection Manual;
- d. never communicate official or confidential information without the Board's permission; and
- e. never seek to gain undue benefit from any party from information gained as a Director.

8. Financial matters

The Board has responsibility for the financial affairs of the CLSB and must act prudently and lawfully in relation to all financial matters. A Director is required to:

- a. understand the CLSB's annual financial accounts, quarterly financial reports and general financial position, and raise questions in relation to any uncertainty;
- b. ensure the CLSB's systems for financial management and oversight are adequate; and
- c. not support a Board decision that has financial implications that they consider imprudent or not sufficiently clear.

9. Leadership and stewardship

The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. The Chair should promote a culture of openness and debate, facilitating constructive board relations and the effective contribution of all Directors. The Chair is also responsible for ensuring that Directors receive accurate, timely and clear information.

The Chair is required to:

- a. ensure the Board meets in accordance with its constitution;
- b. represent accurately and professionally the collective views of the Board;
- c. ensure that the regulatory objectives, professional principles and permitted purposes set out in the LSA underpin all Board decision making;
- d. ensure the Board uses its time effectively, with sufficient focus on strategic matters and reflection; and
- e. monitor the Board's performance and address any indications that the Board or an individual member is not performing as expected.

10. Misconduct by a Director

A Director's conduct may be considered to be unsatisfactory when a breach of this Code of Conduct, the Director's letter of engagement, a CLSB policy or any legal obligation has occurred.

Where misconduct is suspected, the Chair (or where the conduct involves the Chair, the Vice-Chair) shall take such action as may be immediately required. This may include exclusion of the relevant Director from one or more meetings whilst the matter is, as swiftly as possible without compromising the quality of the investigation, investigated and resolved. The following process will be followed:

- a. The Chair (or Vice-Chair as appropriate) will invite the CEO and one other Director to form a panel, which will arrange an investigation of the suspected misconduct and assess what action should be taken.
- b. The panel will make a recommendation to the Board (other than the Director who is suspected of misconduct) as to what action should be taken based on the evidence gathered during the investigation.
- c. The Board (in the absence of the Director who is suspected of misconduct) will decide what action should be taken and will implement that action in accordance with the Director's letter of engagement, the Articles and any applicable laws. In making its decision, the Board will take into account, but will not be bound by, the recommendation of the panel.

11. Personal liability of a Director

The CLSB will indemnify a Director against liability incurred in connection with claims or proceedings brought against them in relation to anything done or omitted to be done in the discharge of their duties as a Director. This indemnity is not available where the actions or omissions of the Director are:

- a. done or omitted to be done in bad faith;
- b. wilful or culpably negligent; or
- c. outside the scope of or inconsistent with the responsibilities of the Director.

Appendix 4: Board Appointment Policy

- 1. Purpose** This policy seeks to safeguard the independence of the regulatory functions of the CLSB, acting as an approved regulator under the LSA, in accordance with the LSB's Internal Governance Rules.

This policy also aims to ensure orderly succession to the Board and sets out a transparent and fair selection and appointment process, promoting equality and diversity.

- 2. Constitution of the Board** In accordance with the Articles, the Board shall comprise of five Directors, including the Chair, three of whom shall be lay persons and two of whom shall be non-lay persons. The Chair shall be a lay person Director.

- 3. Board composition and succession** The CLSB is committed to the principle that its Board should broadly reflect its regulated community and the consumers of Costs Lawyers' services. The Board will regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board to ensure that this principle is maintained, taking into account the size of the Board.

When considering Board recruitment and appointments, regard will be given to the desirability of ensuring Board members (between them) have experience or knowledge of the areas listed in schedule 1, paragraph 3 of the LSA and of issues relevant to the Board's role arising in both the English and Welsh legal jurisdictions.

The Board should ensure that plans are in place for orderly succession to Board, CEO and senior management positions, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the CLSB, and the skills and expertise likely to be needed on the Board in the future.

- 4. Initial appointment process** Before any appointment of a Director ("New Appointment") is made by the Board, an evaluation of the current balance of skills, knowledge, experience and diversity on the Board will be undertaken. In light of this evaluation, a description of the capabilities and characteristics required for the New Appointment will be prepared. In identifying suitable candidates the Board will:

- a. use open advertising and/or the services of external advisers to facilitate recruitment;
- b. actively encouraging applications from a diverse candidate pool; and
- c. consider all candidates on merit and against objective criteria.

When appointing a new Director other than the Chair, the CEO will support the Chair and the Board approved selection panel to agree a shortlist of candidates for interview. The Board will approve an interview panel comprising the Chair and at least one other Director, and may invite another representative to join the panel. The CEO, or their delegate from the executive team, will at all times support the process other than in

decision-making.

When appointing a new Chair, the CEO will support a Board approved selection panel to agree a shortlist of candidates for interview. The Board will approve an interview panel and the CEO, or their delegate from the executive team, will at all times support the process other than in decision-making.

In all circumstances the Board will endeavour to ensure that an interview panel is diverse and inclusive, and it may vary this policy where it is necessary to achieve this objective.

The interview panel will make a recommendation to the Board in relation to the appointment, which could include a recommendation to readvertise the role if no suitable candidate is found. The Board will take into account, but will not be bound by, the Panel's recommendation in deciding whether to make a New Appointment.

Where the Board's decision on a New Appointment is made outside of a meeting (for example, through the exchange of emails) the decision will be minuted at the Board's next scheduled meeting.

On appointment to the Board, Directors will receive a letter of appointment, setting out clearly what it is expected of them, as well as a new starter pack containing key information and policies.

5. Eligibility

Any Director who has previously been appointed to the Board will not be eligible to apply for a New Appointment.

A person who has served on the ACL Council may not apply for a New Appointment unless a period of two years has elapsed between the date of their resignation or retirement from the ACL Council and the published closing date for applying for the New Appointment.

6. Term of office and re-appointment

A Director's term of office shall not exceed three years, after which time they shall retire from office. A term of office shorter than three years may be agreed upon by the Board on appointment or re-appointment of a Director.

A retiring Director may offer himself or herself for re-appointment by the Board, by notification to the Chair. That Director's re-appointment shall be considered and determined by the Board (other than the Director who is seeking re-appointment) at a scheduled meeting prior to the Director's retirement date.

A Director who is re-appointed in accordance with the Articles and sections 6 and 7 of this policy will be treated as continuing in office without a break. The Director will receive an updated letter of appointment confirming the period of their re-appointment. After their initial appointment, a Director may be re-appointed for further periods of up to three years each, but will not serve for a total period in excess of seven years.

- 7. Appraisal process** Each Director will have an annual appraisal in accordance with the Board Performance Appraisal Policy (**Appendix 5**) and this will inform any decision as to whether to re-appoint a Director at the end of their term of office.

Appendix 5: Board Performance Appraisal Policy

1. Statement of intent

The CLSB is committed to supporting each Director to reach their potential and achieve their personal objectives, which will in turn assist the Board and the CLSB in achieving their objectives.

This policy sets out a process centred on an annual performance appraisal meeting/discussion of each Director with their relevant Appraiser, as set out in the table below, to reflect on the previous year and to agree priorities for the following year. These should align each Director’s development objectives with the CLSB’s organisational strategy and the regulatory objectives in the LSA.

Appraisee	Appraiser	Views to be obtained
Director	Chair	CEO
Chair	Vice-Chair	CEO, Directors and any key external stakeholders (if felt appropriate by the CEO and Vice-Chair)

The purpose of an appraisal is to review and celebrate achievement, encourage the Directors in their role and identify any areas for development.

2. Annual performance appraisal process

The process will be conducted annually and will be facilitated by the executive upon the instruction of the Chair.

The Appraiser will canvass views from the individuals set out in the table above on the Appraisee’s overall performance, strengths, weaknesses and any development needs. These views will be fed back to the Appraisee in the appraisal discussion.

The appraisal discussion will be arranged at a mutually convenient time between the Appraiser and Appraisee and may be held in person, by videoconference or by phone.

The Appraiser will give the Appraisee constructive, timely and honest feedback on their performance. The Appraiser should aim to generate a positive dialogue focused on ensuring the Appraisee has the relevant knowledge, skills and competencies to perform their role. The Appraiser and Appraisee will agree any professional development activities for the Appraisee for the following year, and the Appraiser and CEO will support the Appraisee in carrying out those activities.

Following the appraisal discussion, the Appraiser will complete a Performance Appraisal Record (**Appendix 5A**) and provide this to the CEO for the Appraisee’s personnel file. The Appraisee may request a copy of the Performance Appraisal Record at any time. The appraisal discussion will be held in private and the Performance Appraisal Record will be kept confidential and handled in accordance with the CLSB’s privacy policy.

3. Rating

The Appraiser will give the Appraisee's performance an indicative rating, which will be recorded in the Performance Appraisal Record. The rating is intended to give the Appraisee a clear indication of whether they are meeting expectations in their role. Ratings that demonstrate consistent underperformance or unaddressed development needs will also act as an indicator that further intervention may be warranted.

Rating	Description	Understanding
1	Excellent	Consistently exceeds expectations
2	Very good	Exceeds expectation in some areas
3	Good	Meets most expectations but development needs in some areas
4	Below expected standards	Numerous development needs

Appendix 5A: Performance Appraisal Record Template

Appraisee (name and role):

Date of appraisal discussion:

Appraiser (name and role):

Rating	Description	Understanding	Overall Outcome
1	Excellent	Consistently exceeds expectations	<input type="checkbox"/>
2	Very good	Exceeds expectation in some areas	<input type="checkbox"/>
3	Good	Meets most expectations but development needs in some areas	<input type="checkbox"/>
4	Below expected standards	Numerous development needs	<input type="checkbox"/>

Appraisal area	Rating	Comments of Appraiser, or other feedback, in support of rating
Contribution to strategic direction		
Communication skills		
Working relationships with others		
Promotion of the regulatory objectives		

Other comments, including any observations from the appraisal discussion or issues raised by the Appraisee

--

Any development needs identified and/or objectives agreed for the following year

--

Appendix 6: Board Additional Remuneration Policy

1. Purpose

This policy sets out guidelines for remunerating Directors when they carry out tasks, as requested by the CLSB from time to time, over and above their responsibilities as a Director. It is intended to ensure that the remuneration of Directors is fair, consistent and transparent.

The CLSB's only contractual obligation to remunerate a Director for their services is as set out in the Director's letter of engagement, the terms of which prevail over this policy in the event of any inconsistency.

2. Approved additional activity

The CLSB will pay a Director, at its discretion, additional remuneration when the following criteria are satisfied:

- the additional activity is considered sufficiently substantial in nature by the CEO or the Chair;
- the CEO or the Chair has indicated to the Director in writing (including by email) the amount the CLSB will pay for that additional activity; and
- this has been accepted by the Director.

Examples of substantial additional activities might include:

- participating in an interview panel;
- participating in a committee of the Board;
- undertaking a discrete project.

In the event of approved additional activities, the CLSB will offer remuneration based on a rate per day, as approved by the Remuneration Committee.

3.

4.

Deleted: of £357

Deleted: , or such other rate

Deleted: and published on the CLSB website from time to time

Deleted: Travel and subsistence

Deleted: The CLSB will reimburse Directors promptly for expenses necessarily incurred when travelling on approved CLSB business. ¶

¶ Expenses claims must be made within three months of the expense being incurred. They should be submitted to the CLSB Operations Director on a CLSB expense claim form, with documentary evidence of all disbursements attached. ¶

Travel by road¶

¶

CLSB will reimburse a Director for use of their own transport at the following rates:¶

¶

Car: 45p per mile¶

Motorcycle: 24p per mile¶

Pedal cycle: 20p per mile ¶

¶

The distance claimed must be no more than the distance from and back to the Director's home address. ¶

¶

Mileage claims will only be paid in respect of private vehicles which are both roadworthy and insured for the relevant use. By submitting a mileage claim, the Director is confirming to the CLSB that both these criteria have been met. ¶

¶

Travel by rail¶

¶

A Director may, at their discretion, claim for first class travel when attending a Board meeting (in acknowledgement of preparation being done during transit) provided the Director has used reasonable endeavours to secure the best possible price. This includes booking in advance with stated travel times where appropriate. ¶

¶

The Chair may, at their discretion, claim for first class travel in the event the journey is in excess of an hour and a half each way. As above, the Chair should use reasonable endeavours to secure the best possible price. ¶

¶

Travel by taxi¶

¶

Travel by taxi will be reimbursed provided the cost does not exceed £50 per journey. Where the cost would exceed this amount, public transport should be used. ¶

¶

Travel by air¶

¶

Air travel (economy class) may be claimed where it is evidenced to be more cost effective than any other form of transport for the business journey in question.¶

Deleted: Discretion

Deleted: If a Director would incur lower costs by departing from the terms of this policy, the Operations Director may approve a departure from the policy on a case-by-case basis in the interests of saving resource. An example of such a scenario would be where a first class ticket on a circuitous route is available more cheaply than a standard ticket on a direct route, and the Director would prefer the former option.¶

¶

In the event that a Director cannot comply with a term of this pol ¶

Appendix 7: Director Job Descriptions

Job description – Chair of the Board

Objective

The Chair holds the Board and executive to account for delivery of the organisation's mission and vision, providing inclusive leadership to the Board and ensuring effective governance of the CLSB. The Chair provides support and constructive challenge to the CEO and acts as an ambassador for the CLSB in partnership with the executive.

Responsibilities

Strategic leadership

- Provide leadership and direction for the CLSB and its Board, ensuring that it fulfils its regulatory functions under the Legal Services Act 2007.
- Ensure that the non-executive directors fulfil their governance duties and responsibilities, including by conducting annual appraisals of Board members.
- Guide the Board in reviewing regulatory and operational risks, as well as associated opportunities, and satisfying itself that systems are in place to take advantage of opportunities and manage risks.
- Ensure that the Board fulfils its duties to secure the sound financial health of the organisation, with systems in place to ensure financial accountability.

Governance

- Ensure that governance arrangements are working in the most effective way for the organisation and are transparent to stakeholders.
- Encourage positive change and open dialogue, creating an inclusive and safe environment for the generation of ideas and resolving any conflicts within the Board as necessary.
- Ensure that the Board is regularly refreshed and incorporates the right balance of skills, knowledge and experience needed to govern and lead the CLSB effectively, and which also reflects the regulated community and wider population.
- Work within the parameters of any agreed internal policies and procedures as well as applicable external laws and regulations, such as the Internal Governance Rules 2019 and the Equality Act 2010.
- Act at all times in accordance with the CLSB's Board Governance Policy, including the Board Code of Conduct, and the terms of the relevant letter of appointment or reappointment.

Profile

- Act as an ambassador for the CLSB, for professional standards and for the benefits of regulation generally.
- Establish positive working relationships and a position of influence with key external stakeholders.
- Act as a spokesperson for the organisation when appropriate and represent the organisation at external meetings and events.

Effectiveness

- Chair Board meetings effectively and efficiently, bringing impartiality, objectivity and innovation to the decision making process.
- Ensure that Board members are fully engaged and that decisions are taken collectively in the best long-term interests of the CLSB and in pursuit of the regulatory objectives set out in section 1 of the Legal Services Act 2007.
- Work closely with the CEO to give direction to Board decision making and to ensure that meetings are well planned and reflect the responsibilities of Board members.
- Monitor decisions taken at meetings to ensure they are implemented.
- Develop a working knowledge of the regulatory framework established by the Legal Services Act 2007 and an up-to-date understanding of topical issues, challenges and approaches in legal services regulation.
- Develop an understanding of the work of the Association of Costs Lawyers (ACL), Legal Services Board, Legal Services Consumer Panel, Legal Ombudsman and Ministry of Justice.

Relationship with the CEO

- Build a strong, effective and constructive working relationship with the CEO, ensuring they are held to account for achieving agreed strategic objectives.
- Support the CEO and maintain an overview of the organisation's affairs, whilst respecting the boundaries that exist between the two roles.
- Maintain regular contact with the CEO and foster an environment in which the Chair and CEO can both speak openly about concerns, opportunities and challenges.
- Ensure that the CEO has the opportunity for professional development and has appropriate external professional support.

The above list is indicative only and not exhaustive. The Chair will be expected to perform all duties as are reasonably commensurate with the role.

Job description – Non-executive director

Objective

Together, the non-executive directors oversee fulfilment of the CLSB's mission and vision, providing direction to the executive and contributing to the effective governance of the organisation. Non-executive directors apply their diverse talents and experience to further the interests of the CLSB and help the organisation promote the regulatory objectives in section 1 of the Legal Services Act 2007.

Responsibilities

Stewardship

- Contribute to the development of strategy and objectives for the organisation, bringing an independent perspective and open mind to discussions.

- Apply relevant prior experience and professional expertise for the benefit of the CLSB, making suggestions for positive change that take into account the organisation's resources and purpose.
- Scrutinise financial information provided to the Board and encourage sound use of the CLSB's resources.
- Proactively seek assurance and information in order to hold the executive to account for the delivery of agreed business plans, strategic objectives and key performance indicators.
- Consider and respectfully challenge recommendations and decisions of the executive.
- Monitor and help to address regulatory and operational risks.
- Make contributions and take decisions (including by exercising any voting rights) always in the best long-term interests of the CLSB and in pursuit of the regulatory objectives.

Engagement

- Act as an ambassador for the CLSB, for professional standards and for the benefits of regulation generally.
- Constructively engage with key external stakeholders when the opportunity arises.
- Build a strong and effective working relationship with the executive team, providing advice and support in areas of expertise as required.
- Show respect for other non-executive directors and the Chair and support them in fulfilling their respective roles, fostering an inclusive and safe environment for constructive debate.
- Contribute to the work of Board committees, subject to expertise and capacity.

Effectiveness

- Develop an understanding of the regulatory framework established by the Legal Services Act 2007 and an up-to-date understanding of topical issues, challenges and approaches in legal services regulation.
- Develop awareness of the role of the Association of Costs Lawyers (ACL), Legal Services Board, Legal Services Consumer Panel, Legal Ombudsman and Ministry of Justice.
- Act at all times in accordance with the CLSB's Board Governance Policy, including the Board Code of Conduct, and the terms of the relevant letter of appointment or reappointment.
- Work within the parameters of any agreed internal policies and procedures as well as applicable external laws and regulations, such as the Internal Governance Rules 2019 and the Equality Act 2010.
- Participate constructively in annual appraisals.

The above list is indicative only and not exhaustive. Non-executive directors will be expected to perform all duties as are reasonably commensurate with the role.

Core competencies – All non-executive directors

Area	Competency	Indicative behaviour
Leadership	Strategic awareness	sees long term trends and their potential impact and recommends timely, proportionate action
	Commerciality	identifies business potential and financial or commercial opportunities
	Prioritisation	sets and manages strategic objectives flexibly and effectively
	Risk awareness	identifies and evaluates risks and likely outcomes when considering issues or making decisions
	Vision	contributes to and clearly conveys a vision for the organisation, providing strategic guidance and direction for its pursuit
	Creativity	offers creative ideas and perspectives
Communication	Clarity	expresses views concisely and clearly
	Collaboration	considers and respects the views of others and actively shares information with colleagues
	Consensus building	is aware of the need for, and is able to, persuade, facilitate and build consensus and reduce the risk of conflict
	Challenging	challenges and tests constructively, without appearing aggressive or dismissive
	Working relationships	develops trusting and effective working relationships
	Stakeholder awareness	builds effective relationships with a range of stakeholders, understanding and responding to their needs and priorities
Decision-making	Independence	thinks independently, then openly and confidently expresses views that may differ from the majority, whilst also being open to challenge
	Information management	is able to analyse data, identify information gaps, handle detail and comprehend specialist or technical issues, asking for advice or training where needed
	Innovation	applies professional knowledge and expertise to draw credible analogies and innovate
	Sensitivity	addresses issues with consistency and diplomacy, respecting confidences where appropriate

Accountability	Professionalism	appreciates and fulfils the statutory and fiduciary duties of a director of a private limited company and regulatory body under the Legal Services Act
	Corporate responsibility	accepts and supports final corporate decisions even if not personally in agreement, but calls out non-compliance and risk
	Personal responsibility	is prepared to take on a reasonable proportion of the work and make consistently valuable contributions
	Integrity	demonstrates a strong personal commitment to the highest standards of public life, including the Nolan principles, and behaves at all times in an ethical, objective and balanced manner
	Equality	demonstrates commitment to promoting diversity, inclusivity and equal opportunities, treating people fairly whilst responding thoughtfully to differences

Consolidated Register of Interests

At 23 April 2026

Name	Rt Hon David Heath CBE, Chair
Employment in last year	<ul style="list-style-type: none"> • Independent Chair, MCS Standards Board • Chair, Policy Advisory Group, Institute and Faculty of Actuaries • Member, Disciplinary Committee, Royal College of Veterinary Surgeons • Chair, Disciplinary Committee, Institute and Faculty of Actuaries (from 1 April 2025) • Member, Regulatory Board, Institute and Faculty of Actuaries (from 1 April 2025)
Businesses in which partner or sole proprietor	
Company Directorships	
Charity Trusteeships	
Memberships (with control or management)	<ul style="list-style-type: none"> • Vice-President, Frome Festival
Immediate family declarations of interest	
Breach of CLSB Board Code of Conduct?	No
ACL decision-making role?	No
Gifts or hospitality from external bodies?	No
Any other personal or professional interests	No

Name	Andrew Harvey
Employment in last year	<ul style="list-style-type: none"> • General Pharmaceutical Council - Deputy Chair, Investigating Committee • Judicial Appointments Commission - Independent Selection Panel Member and Chair (ended 3 December 2025)

	<ul style="list-style-type: none"> • Nursing and Midwifery Council - Chair, Fitness to Practise Committee (appointment ended 16 June 2025) • Registers of Scotland - Non-Executive Director and Chair, Audit and Risk Committee (appointment ended 30 September 2025) • Recruitment and Employment Confederation - Chair, Remuneration and Appointments Committee • General Osteopathic Council - Chair, Professional Conduct Committee and Health Committee • Institute of Chartered Accountants of England and Wales - Chair, Disciplinary Committee • First Tier Tribunal, Health and Social Entitlement Chamber (Mental Health) - Specialist Member and Judicial Assessor • Civil Nuclear Policy Authority – Deputy Chair • Legal Practitioners Disciplinary Tribunal (Ireland) – Tribunal Member and Chair • Governance Review Lead for the Scottish Legal Complaints Commission (appointment ended 30 April 2025)
Businesses in which partner or sole proprietor	<ul style="list-style-type: none"> • Sole trader as governance and communications consultant (no legal service regulation clients)
Company Directorships	
Charity Trusteeships	
Memberships (with control or management)	
Immediate family declarations of interest	<ul style="list-style-type: none"> • Spouse, employed by Health and Care Professions Council, CORU – Health and Social Care Professions Council (Ireland), The Institute of Chartered Accountants in England and Wales, Social Care Wales, Ministry of Defence and First Tier Tribunal, Property Chamber • Daughter, employed by Derbyshire County Council • Son, employed by West Northamptonshire Council • Son, employed by The Chartered Institute of Environmental Health • Brother, employed by NatWest Group plc
Breach of CLSB Board Code of Conduct?	No

ACL decision-making role?	No
Gifts or hospitality from external bodies?	No
Any other personal or professional interests	No

Name	Andrew McAulay
Employment in last year	<ul style="list-style-type: none"> • Clarion Solicitors
Businesses in which partner or sole proprietor	<ul style="list-style-type: none"> • Clarion Solicitors
Company Directorships	<ul style="list-style-type: none"> • VAYNOL RMC LTD (residential property management)
Charity Trusteeships	
Memberships (with control or management)	
Immediate family declarations of interest	
Breach of CLSB Board Code of Conduct?	No
ACL decision-making role?	No
Gifts or hospitality from external bodies?	No
Any other personal or professional interests	No

Name	Helen Moulinos
Employment in last year	Anti-Slavery International (until 30 th Jan 2026)
Businesses in which partner or sole proprietor	Courage Matters LTD – until April 2026
Company Directorships	Courage Matters LTD - until April 2026
Charity Trusteeships	Peace Brigades International Council Board Member (NGO co-headquartered in Belgium & USA)
Memberships (with control or management)	N/A

Immediate family declarations of interest	N/A
Breach of CLSB Board Code of Conduct?	No
ACL decision-making role?	No
Gifts or hospitality from external bodies?	No
Any other personal or professional interests	<ul style="list-style-type: none"> • Civil & Commercial Accredited Mediator, Society of Mediators • College of Policing External Independent Assessor • Amnesty UK Section Chair of AGM & National Conference • Co-Chair Amnesty Local Community Activism Group (based in Enfield London) • Mensa UK Member • Electoral Observer (UK & OSCE/ODHIR)

Name	Leigh White
Employment in last year	Irwin Mitchell LLP
Businesses in which partner or sole proprietor	No
Company Directorships	No
Charity Trusteeships	Irwin Mitchell Charities Foundation 1 st Hathersage Scout Group (and Treasurer)
Memberships (with control or management)	No
Immediate family declarations of interest	No
Breach of CLSB Board Code of Conduct?	No
ACL decision-making role?	No
Gifts or hospitality from external bodies?	No
Any other personal or professional interests	No

Name	Paul Mosson, CEO
Employment in last year	<ul style="list-style-type: none"> • CEO, Cost Lawyers Standards Board (CLSB) – 1 May 2025 onwards • Director of Member Services and Engagement, Law Society of Scotland – until 30 April 2025
Businesses in which partner or sole proprietor	<ul style="list-style-type: none"> • Paul Mosson Coaching (formerly PMExec) – coaching and consultancy (this includes freelance work for ADHD Works)
Company Directorships	<ul style="list-style-type: none"> • Director, Law Society of Scotland Services Company – until 13 March 2025
Charity Trusteeships	<ul style="list-style-type: none"> • Trustee, Disabling Barriers Scotland – October 2025 (board member from April 2025) • Trustee, LCR Pride, September 2025 – January 2023
Memberships (with control or management)	Co-Chair of the Legal Neurodiversity Network – February 2026 onwards
Immediate family declarations of interest	
Breach of CLSB Board Code of Conduct?	No
ACL decision-making role?	No
Gifts or hospitality from external bodies?	No
Any other personal or professional interests	No

CLSB Annual Risk Outlook 2026

Contents

Political Risk	2
Economic Risk	8
Social Risk	11
Environmental Risk	13
Technology Risk	16

Political Risk

This category of risk is broad as it covers international and national politics, policy and regulatory change, legal developments and key judgments. Not all of these different areas of political risk will impact immediately or equally on the work of Costs Lawyers, but it is important to be aware of how each of them could have an effect.

International political risks

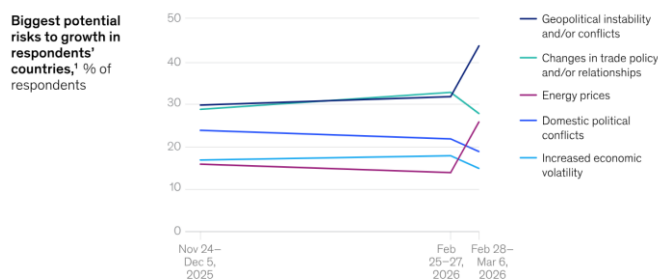
Since the last risk outlook for Costs Lawyers, the world has become even more geopolitically unstable. Major conflicts such as the US-Iran war and the Russia-Ukraine war are not only contributing to ongoing economic disruption and uncertainty, but are also reshaping global politics. International political institutions like NATO and the United Nations are being challenged as never before in the post-Second World War era and there is a growing sense that a major geopolitical realignment is taking place as China seeks to replace the US in many international spheres of influence.

This means that Costs Lawyers will need to be prepared to run their businesses against a very uncertain global backdrop which will most likely have a dampening effect on investment and business decision-making in the short to medium-run and divert government attention away from domestic concerns. It also suggests that Costs firm owners will need to develop greater personal resilience, and be willing to embrace continuous change.

What has changed since last year?

Global instability has continued to remain high but views about the factors posing the greatest risks can change rapidly in this volatile environment. The emergence of an energy price shock as a major risk factor in March 2026, displacing trade disputes, illustrates how quickly circumstances can change (as shown below in McKinsey's Global Survey of Economic Conditions in February/March 2026¹).

Before February 28, geopolitical instability and trade policy changes were equally cited as top domestic risks, as was true in December.



¹Top 5 most-cited out of 18 risks listed as answer choices. Nov 24–Dec 5, 2025, n = 1011; Feb 25–27, 2026, n = 313; Feb 28–Mar 5, 2026, n = 607. Source: McKinsey Global Survey on economic conditions, 2025–26

McKinsey & Company

What this might mean for Costs Lawyers?

Greater uncertainty about the future shape of global institutions and alliances will inevitably feed through into economic uncertainty. Businesses are likely to delay investment and merger decisions in the face of this uncertainty, with knock-on effects for general litigation in the medium term. In the short run, however, big-ticket litigation driven by political developments (e.g. Abramovic litigation arising from the sale of Chelsea FC) will still be in evidence.

Costs Lawyers should be prepared for clients to change their strategic course at short notice. A general theme of this update is the need for Costs businesses to stress test their exposure to key clients, or types of work, and to maintain a financial buffer in case of greater uncertainty.

¹ [Global economic outlook 2026 report | McKinsey](#)

<p>Beyond Q1, the rest of 2026 looks set to be turbulent politically, dominated by the actions of the Trump administration and the reactions from others. Key trigger points for further volatility could be: The G7 in France in June, the Nato summit scheduled for Ankara in July, the UN General Assembly in September which will see a change of Secretary General and the G20 to be held in Miami in December, for which the US has disinvited the South Africans who hosted in 2025 and invited Poland instead. Key international elections will include the US mid-terms on 3 November and Israeli elections on 27 October.</p>	
<p>UK Politics</p>	
<p>The UK political environment is remarkably volatile, despite the fact that the country is still not even at the mid-point of the Labour government’s current electoral mandate. Public confidence in the mainstream political parties is at a historically low ebb², making decisive policymaking very challenging. The government’s political agenda until the next election is being shaped by its six key manifesto priorities³: Raising living standards, building more homes in England and fast-tracking planning decisions, ending hospital backlogs, increasing police numbers, improving pre-school services and increasing the supply of home-grown energy. Justice priorities do not make it onto the top tier of political priorities, but in 2026 the Ministry of Justice is focusing on: Strengthening access to restorative justice, an AI Action Plan for Justice and ongoing transformation of the justice system, set against a backdrop of severe funding constraints. In the UK nations, Scottish Parliamentary and Welsh Senedd elections will take place on 7 May, with a focus on justice very dependent on the priorities of the different political parties.</p>	
<p>What has changed?</p>	<p>What this might mean for Costs Lawyers?</p>
<p>The Secretary of State for Justice set out the Government’s vision for the justice sector⁴ in February 2026. The focus is primarily on the criminal justice sector, given serious concerns about delays in hearing cases and the impact of victims. Key announcements included:</p> <ul style="list-style-type: none"> – The creation of a National Listing Framework to standardise how and when cases are heard in court, reducing national variations, and prioritising serious offences. – A programme of “Blitz” courts. Has been proposed with the aim of fast-tracking and resolving outstanding cases of a similar nature in order to remove them from the backlog. This activity is expected to start by 	<p>Efforts to reduce court backlogs and a greater political focus on the functioning of the court system, should be a welcome development for Costs Lawyers as this will improve the predictability of timeframes for cases. Greater use of AI in the system, even for background administration, will need to be monitored to see what impact it has on case management by the Courts.</p> <p>Government activity to promote the international attractiveness of the English and Welsh legal system could help to bring in, or at least sustain, the pipeline of high value international cases that provide work for Costs Lawyers in the Commercial Court.</p>

² <https://yougov.com/en-gb/trackers/voting-intention>

³ [Plan for Change - GOV.UK](#)

⁴ [Deputy Prime Minister sets out vision for the justice system - GOV.UK](#)

<p>dealing with cases relating to assaults on emergency workers.</p> <ul style="list-style-type: none"> – A dramatic expansion in the use of AI in the court system. Including in scheduling hearings, transcribing and summarising judgments. <p>The Government’s proposal to reduce jury trials, as set out in the Courts and Tribunals Bill 2026⁵, is likely to become law in 2026, despite stiff opposition from some in Parliament and the legal profession. Once the criminal backlog has been reduced, the government is focus greater attention on measures to speed up civil justice.</p> <p>The settlement of firm funding commitments for the justice sector for the next three years, comes as some welcome relief as this is likely to create improved conditions for forward planning by the Ministry of Justice and the Courts.</p> <p>Finally, the government has also recently reinforced its commitment to the promotion of the English and Welsh legal system through the creation of an English Law Promotion Panel⁶.</p> <p>Elsewhere in the UK, the upcoming Welsh Senedd elections will be important for deciding the future of Welsh justice. The Labour Party, Green Party and Plaid Cymru manifestos for these elections contain specific priorities on justice and all seek to increase devolved powers in this area, though with a different emphasis. The Labour manifesto identifies the appointment of a Minister for Justice, improving access to Welsh law, and a Welsh Tribunals Bill as priority areas. The Green party manifesto highlights policing, prisons, restorative justice and youth justice as key issues for attention, whilst Plaid Cymru focuses on enshrining human rights in Welsh law and reducing violence against women. The Conservative Party manifesto explicitly rejects further devolution of justice matters and the Reform Party manifesto is silent on the issue, suggesting no intention from them of changing the status quo.</p>	<p>The Welsh elections will be held on the de Hondt voting system, previously used in the UK for European Parliamentary elections. This makes the outcome unpredictable and almost certainly likely to result in some form of coalition. The extent to which any of the manifesto commitments of the different parties are likely to be implemented is therefore equally unpredictable.</p>
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⁵ <https://www.gov.uk/government/publications/courts-and-tribunals-bill>

⁶ [The English Law Promotion Panel - GOV.UK](#)

Fixed Costs Regime

Since the last risk update there have been two review consultations on various aspects of the Fixed Recoverable Costs (FRC) regime – on Whiplash (small track road traffic accident claims) and on the operation and effectiveness of the extended fixed recoverable costs regime (the intermediate-track). These stocktaking reviews were largely data gathering exercises in preparation for a more comprehensive review of the regime later in 2026.

What has changed?

A full Ministry of Justice led post-implementation review is expected to launch in autumn 2026, with any resulting reforms unlikely before mid-2027.

Meanwhile criticisms of the regime continue to emanate from various quarters, with the Law Society warning the regime “is failing to deliver what it promised”⁷.

There has also been a significant judgment in early 2026 which helps to clarify some aspects of the FRC regime. In the *Executors of the Estate of Kenneth Collins v The Chief Constable of Thames Valley Police* [23.01.26] the court determined that the fixed costs regime is not triggered by timing or procedure but rather that the nature of the underlying claim is central to the analysis of costs. At the same time, Part 36 settlements do not automatically avoid the FRC regime⁸.

What this might mean for Costs Lawyers?

There is much to watch out for in the ongoing, unfolding saga of the FRC. What recent developments do indicate, however, is that Costs Lawyers need to stress to clients that costs considerations must be built in at a very early stage and not treated as an afterthought.

Regulation in the Legal Sector

Although no immediate review of the regime established by the Legal Services Act (LSA) 2007 is likely in the lifetime of this government, it is increasingly seen as something that will happen at some point in the foreseeable future. The high-profile case of *Mazur v Charles Russell Speechlys* has also highlighted gaps in the LSA regime and further strengthened arguments for its review.

What has happened?

The landmark 2025 case *Mazur & Anor v Charles Russell Speechlys LLP*, dramatically affected the scope of litigation work that unqualified staff could undertake. In a surprise judgment the High Court held that litigation tasks conducted by an unauthorised fee-earner (even under supervision) were void, running counter to general market practice. On 31 March the Court of Appeal reversed this judgment and provided a different interpretation

What this might mean for Costs Lawyers?

Costs Lawyers were immediate beneficiaries of the uncertainty created by the *Mazur* judgment, since the role that unregulated costs advisors could play was immediately perceived as a potential risk. The removal of some of this uncertainty by the overturning by the Court of Appeal of the lower court’s interpretation of litigation rights, has reduced these risks. Despite

⁷ <https://www.newlawjournal.co.uk/content/flaws-found-in-fixed-costs-regime>

⁸ <https://kennedyslaw.com/en/thought-leadership/case-review/2026/long-awaited-clarity-provided-on-fixed-recoverable-costs>

<p>of “carrying on the conduct of litigation” within the context of the Legal Services Act 2007. It held that “the conduct of litigation” refers to the tasks being undertaken and “carry on” refers to the direction and control, and responsibility for those tasks. Although the Court provided some guidance on the distinction between these categories of activities some uncertainties remain, in particular, about what constitutes “the commencement, prosecution and defence” of proceedings.</p> <p>Meanwhile the septennial review of the Legal Services Board is underway in 2026. Led by Richard Lloyd, the Chair of the Independent Parliamentary Standards Authority, this review will consider the LSB’s statutory remit, its strategy, governance and accountability. This may help to feed into consideration of a potential timetable for a more fundamental review of legal services regulation in future.</p>	<p>this, the continued uncertainty created by conflicting guidance from different regulators and professional bodies may still lead litigation teams to err on the side of caution when using unqualified staff in litigation matters.</p> <p>The short term impact of Mazur has been a noticeable uptick in enrolments for the Costs Lawyers Professional Qualification (CLPQ), as firms look to increase the availability of qualified costs professionals.</p>
<p>Legal Aid</p>	
<p>The civil legal aid market continues to face critical funding problems. There are some glimmers of light that are likely to alleviate immediate pressures on legal aid practitioners but these will not deal with the long term structural issues affecting publicly funded work.</p>	
<p>What has changed?</p>	<p>What this might mean for Costs Lawyers?</p>
<p>Legal aid continues to be squeezed by both funding cuts and limitations on scope.</p> <p>Applicants for legal aid, however, are likely to finally see the implementation of uplifts in financial eligibility criteria from July 2026, addressing the 40% rise in prices since the last update in 2009. This will bring more individuals within the scope of legal aid.</p> <p>The government has also confirmed recently in a letter to the Commons Justice Committee, that the amendment of standard civil contracts for legal aid would allow for the provision of remote legal advice. This change will be the subject of a consultation expected in the near future⁹.</p> <p>The Legal Aid Agency (LAA) suffered a major cyber incident in June 2025 which created major difficulties for providers, including backlogs in payments and potential insolvencies, as well as delays in cases. This has exposed the Ministry of Justice to the risk of claims in relation to material losses and GDPR claims.</p>	<p>The need for practitioners involved in legal aid work to keep on top of costs and LAA claims has never been greater, but for Costs Lawyers as for providers more generally, making this area of work pay remains challenging.</p>

⁹ <https://share.google/JhsJ0IP0h87i0o195>

Litigation Funding

The 2023 Supreme Court ruling R (PACCAR Inc and others) v Competition Appeal Tribunal continues to cast a long shadow over the litigation funding industry.

What has changed?

Following the outcome of the litigation funding review commissioned from the Civil Justice Council (CJC) by the incoming Labour government in 2024, the government confirmed that it would legislate to reverse the PACCAR judgment. However, the legislation is expected to go beyond the limited draft Bill that the previous Conservative government had brought forward before the 2024 election, and not only to clarify that litigation funding agreements are not damages based agreements, but also to put in place a “light touch” regulatory regime for litigation funders. The government has, however, so far refused to commit to a timetable for this legislation, but this may become clearer after the next King’s speech in May 2026.

In other litigation funding developments the 2025 Merricks v Mastercard Competition Appeal Tribunal case, the court refused a litigation funder’s request for the recovery of its intervention costs from the settlement fund¹⁰. The tribunal also required that only “reasonable costs” of the class representative be paid out of the settlement¹¹.

What does this mean for Costs Lawyers?

The uncertainty around litigation funding looks set to persist for some time yet but at least the direction of travel is becoming clearer.

In the meantime, funders should assume they will not automatically be reimbursed for intervening costs unless expressly agreed. Costs Lawyers advising funded cases must clearly set out funding agreements and consider whether a funder might be hit by a costs order (see next point).

In general, the use of funding may decline in regulated sectors like family law but remain a key part of large commercial and group actions. Costs legal teams should also track any government initiatives, for example, new reforms to arbitration and civil disputes that might clarify funder liability.

¹⁰ <https://kain-knight.co.uk/monthly-legal-costs-update-january-2026/>

¹¹ Id

Economic Risk

General Economic Outlook	
<p>The economic outlook for the UK remains fragile. Although inflation pressures had begun to ease in 2025, the oil price shocks of March 2026 are expected to feed through into higher costs across the economy over the coming year, with a consequent dampening effect on economic activity generally. As a result, growth forecasts have been downgraded, with interest rates and inflation remaining above long term forecast rates¹².</p>	
What has changed?	What might this mean for Costs Lawyers?
<p>Economic forecasters were predicting very slow growth even before the US-Iran war but even if a resolution is reached quickly (unlikely at the time of writing), the effects are expected to last long into 2026 and beyond¹³.</p>	<p>In a sluggish economy, corporate clients may be more cost-conscious and Costs Lawyers might see a shift toward collections and restructuring cases, rather than M&A and finance disputes. Demand for costs budgeting and assessment services may grow, as clients with smaller budgets scrutinise recoverability. The number of general civil cases entering the system may drop, but the supply of high value cross-border and fraud cases (where recoveries can be high) looks set to continue.</p>
Collective Actions	
<p>2026 is widely expected to be a pivotal year for collective proceedings. Litigation is expected to emerge from the Digital Markets, Competition and Consumers Act 2024, following the example of private enforcement of the EU Digital Market Act.</p>	
What has changed?	What this might mean for Costs Lawyers?
<p>There has been a continued rise in high-value collective actions (consumer, shareholder, competition). However, courts are rigorously capping costs in such cases. For example, in the “Dieselgate” group litigation¹⁴, the claimant lawyers asked for £55.7m, but the court approved only £21m. The court penalised the claimants for continuing to involve “innumerable lawyers” despite the courts initial criticism during earlier budgeting rounds.¹⁵</p>	<p>Costs teams involved in group actions will face intense scrutiny with detailed, transparent budgeting becoming essential. Simply tabulating cumulative fees is no longer enough and firms must tie time to specific tasks. Costs Lawyers should warn clients that only a portion of claimed fees may be allowed if the opposing side is successful.</p> <p>They are likely be asked to justify each category of cost with overheads likely to be</p>

¹² www.bankofengland.co.uk

¹³ <https://www.theguardian.com/commentisfree/2026/mar/12/oil-price-shocks-trump-war-china-iran-russia>

¹⁴ <https://www.sciencedirect.com/science/article/pii/S294979142500065X>

¹⁵ <https://www.legalfutures.co.uk/?p=149914>

<p>Similarly, in the <i>Municipio de Mariana v BHP Group (UK)</i> litigation, the claimants sought £113.5m in Stage 1 costs, but the judge cut the award down to £43m¹⁶.</p> <p>In both of the above cases, judges criticised overly high or vague budgets (noting “extraordinarily high” costs with insufficient detail in the BHP case and applied cautious reductions (limiting recoverability to about 60%).</p>	<p>excluded. Costs Lawyers should work closely with counsel to trim non-legal costs from budgets.</p>
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High-Value Commercial Disputes

The jurisdictional thresholds for the Business and Property Courts were updated in 2025, reserving cases with a value at risk of £7 million or more to the Commercial Court, in order to deal with growing case volumes. Despite the shift of lower value work into the London Circuit Commercial Court or the County Court, the Commercial Court received 144 new filings in Q1 2026, representing a 44% quarterly increase, driven by complex, high-value disputes.

What has changed?

Growth areas for large value disputes in 2026 appear to be professional services, often involving large advisory firms, along with the banking and finance sectors.

There are also expected to be further disputes on AI and intellectual property following the *Getty Images v Stability AI* [2025] case, and on litigation funding following the Competition Appeal Tribunal’s (CAT) settlement approval in the *Merricks v Mastercard* case and follow-up judicial review of the CAT.

A February 2026 report from the House of Commons Committee of Public Accounts highlighted high value cases in obstetrics which are driving massive clinical negligence claims, averaging £11.2 million for individual claims. The liabilities on the government’s balance sheet amounting to £60 billion is creating increased scrutiny of these cases.

Meanwhile a raft of COVID-19 related cases have received directions for trial and are part

What this might mean for Costs Lawyers?

The demand for sophisticated costs advice in complex, high value cases looks likely to continue into 2026.

Costs Lawyers interested in predicting future trends would do well to pay attention to the extent to which cases being heard in 2026 have been driven out of economic activity and behaviour reaching back to 2020 and earlier. This illustrates how the disruption to markets in 2025 and 2026 caused by US tariffs and the war against Iran, are likely to play out in the courts in future.

¹⁶ <https://www.newlawjournal.co.uk/content/mammoth-pollution-class-action-costs-cut-by-two-thirds/>

of the Commercial Court's increasingly active judicial case management approach, seeking to group cases where possible (e.g. Nibsys Ltd and others v Allianz Insurance PLC (CL-2023-000538))

Litigation in the financial sector and large corporate disputes are also generating significant costs orders.

In a high-profile Chancery case (PrivatBank v Kolomoisky), a six-year commercial trial concluding in July 2025 was followed by a costs judgment in November 2025¹⁷. The court ordered an unprecedented interim payment on account of £76.4m to be paid within two weeks, although this was reduced from the original claim of £80million.

¹⁷ <https://essexcourt.com/us3bn-awarded-in-privatbank-litigation/>

Social Risk

Equality, diversity and inclusion (EDI)	
<p>Promoting equality, diversity and inclusion remains an important issue across legal services. For the Costs profession, EDI is relevant not only as a regulatory and cultural issue, but also as a recruitment, retention and client confidence issue in a relatively small specialist market.</p>	
What new developments?	What this might mean for Costs Lawyers?
<p>The Legal Services Board (LSB) issued a consultation on a new policy statement on EDI in late 2025¹⁸. This sets out the framework which will increasingly influence regulators in the legal sector, including the CLSB. Key EDI issues in focus include:</p> <ul style="list-style-type: none"> - Blockages to entry into the legal profession - Biased recruitment and progression practices - Unequal work allocation and pay - Barriers to employment for carers and stigma over flexible or part-time work - Misconduct and non-inclusive practices - Barriers for disabled and neurodivergent professionals - Technology risks amplifying bias - Poor mental health and unsustainable work culture <p>The sector is likely to see a hardening of guidance into regulation. The Solicitors Regulation Authority, for example, has substantively refreshed its EDI guidance, clarifying how EDI failures can trigger regulatory enforcement, including where conduct occurs outside the office (e.g. social media, firm events)¹⁹.</p> <p>There is also a growing emphasis on diversity data gathering and monitoring to shape</p>	<p>Firms will seek to recruit a diverse range of candidates into costs roles. For costs teams, this may mean a broader talent pool and new perspectives. Costs Lawyers should be aware of firm policies and take EDI training. Diverse staff can enhance understanding of different clients. Maintaining a diverse workforce is likely a factor in panel selections and tenders; costs practices may need to demonstrate their EDI credentials.</p>

¹⁸ [2511-LSB-diversity-consultation-document.pdf](#)

¹⁹ [SRA | Complying with Principle 6 - encouraging equality, diversity and inclusion | Solicitors Regulation Authority](#)

<p>regulation. The CLSB has been collecting diversity data for a number of years²⁰ and this will help to shape future policy interventions.</p>	
<p>Social Mobility</p>	
<p>Social mobility is increasingly framed as a public-interest and access to justice issue, not just an employment one. The Social Mobility Commission’s State of the Nation 2025 report²¹ highlights entrenched regional and class-based inequality and recommends a broader approach to the issue from regulators and policymakers in future.</p>	
<p>What has changed?</p>	<p>What this might mean for Costs Lawyers?</p>
<p>Concerns highlighted by Government, the Social Mobility Commission and others highlight persistent inequality only marginally ameliorated by occupational mobility that assists individuals from lower socio-economic backgrounds to access professional careers.</p> <p>The concern in the legal sector, highlighted by the Legal Services Board, is that individuals from working-class backgrounds remain underrepresented in retention and progression rates. Law firms are likely to be expected in future to monitor and influence promotion rates, sponsorship, and attrition as social-mobility indicators, not just recruitment numbers.</p> <p>These concerns are also reflected in wider policy developments. The implementation of the Employment Rights Act 2025 from early 2026 onwards and into 2027 will increase employment rights for workers in protected categories. The government has also announced a major employment drive to unlock new jobs and apprenticeships for young people, backed by new funding, including an Apprenticeship Incentive of £2,000 for each new employee aged 16-24 taken on by an SME.</p>	<p>There is a growing disparity between salaries for Costs Lawyers (around £48k) versus costs advisors (around £37.5k)²². The provision of training opportunities for entry level employees in Costs firms and Costs departments in law firms should take into account the guidance around promotion and progression as mechanisms to improve social mobility.</p> <p>Apprenticeship opportunities should help to increase the availability of training positions. The Association of Costs Law Training (ACLT) has also been approved in March 2026 as a provider of Costs Lawyer apprenticeships with courses likely to open for enrolment later in 2026²³.</p>

²⁰ [Reports and Research – CLSB](#)

²¹ [State of the Nation 2025: The evolving story of social mobility in the UK - GOV.UK](#)

²² <https://newlaw-journal.azurewebsites.net/content/crunching-the-numbers-on-costs-salaries>

²³ [Costs lawyer \(level 6\) - apprenticeship training course](#)

Environmental Risk

An increase in environmental risk creates a growth area for litigation, across direct environmental claims, judicial reviews and greenwashing but there are also potential risks for Costs Lawyers as suppliers to law firms and corporates.

Environmental litigation	
<p>Environmental and sustainability issues continue to influence litigation trends. The growth of climate-related and environmental disputes is of relevance to Costs Lawyers because these claims are often procedurally complex, document-heavy and expensive to run.</p>	
What has changed?	What this might mean for Costs Lawyers?
<p>Courts have recently seen a growth in climate-related litigation²⁴. Litigation is already increasing across several fronts, including challenges to government and corporate climate strategies, opposition to high emission projects and claims seeking accountability for alleged environmental harms, both within the UK and internationally. According to the 'Global trends in climate change litigation: 2025 snapshot', by the Grantham Research Institute on Climate Change and the Environment²⁵, around 20 per cent of climate related cases filed in 2024 targeted companies or their directors and officers, signalling a clear shift towards corporate defendants.</p> <p>Public environmental cases and judicial reviews, can also have a significant long-term impact on the approach to private sector litigation. The Supreme Court's decision in <i>Finch v Surrey County Council 2024</i>²⁶, for example, which held that environmental impact assessments should take into account indirect as well as direct significant effects, has opened the door for further</p>	<p>For Costs Lawyers this means a growing area of specialist litigation with significant likelihood of satellite and costs litigation in addition.</p> <p>Costs issues are likely to be a feature of such cases, with special costs rules applying (such as those related to Aarhus Convention cases)³².</p> <p>Developments in class actions and litigation funding will also have an important determining effect on the growth of environmental litigation and Costs Lawyers interested in developing specialist expertise in this area should be aware of the impact that changes in class action rules and funding could have on the prospects for litigation.</p>

²⁴ [Greenwashing, illegality and false claims: 13 climate litigation wins in 2025 | Climate crisis | The Guardian](#)

²⁵ [Global trends in climate change litigation: 2025 snapshot - Grantham Research Institute on climate change and the environment](#)

²⁶ R (on the application of Finch on behalf of the Weald Action Group) (Appellant) v Surrey County Council and others (Respondents) (UKSC/2022/0064) <https://supremecourt.uk/cases/uksc-2022-0064>

³² <https://www.badgertrust.org.uk/post/high-court-hands-down-landmark-judgment-on-cost-cap-variations>

litigation against private companies undertaking investment with an environmental impact (see for example the Scottish case *Greenpeace & Uplift v UK Government* (Rosebank & Jackdaw Oil Fields, Court of Session, Jan 2025²⁷).

There is also likely to be increased regulatory and litigation activity in relation to environmental and sustainability-related claims²⁸. The Financial Conduct Authority (FCA) undertook a public consultation in Q1 2026 on disclosure requirements for UK listed companies and transparency around ESG ratings. This garnered broad support from industry, albeit with some concerns that it must avoid disproportionate burdens on smaller providers²⁹.

As disclosure expectations tighten, firms are under mounting litigation risk where ESG data is unreliable, as regulators focus on the consistency and reliability of information supplied for sustainability disclosures.

Courts in other jurisdictions have already seen a rise in such cases, including in 2025: Various class actions against Procter & Gamble in the US for alleged deceptive marketing regarding their commitment to primary forests; a ruling against Apple in Germany for promoting the Apple Watch as "CO₂-neutral"; Coca Cola facing an EU plastics greenwashing complaint and an AU\$8.25 million fine for Clorox in a greenwashing claim. This area of litigation is expected to become increasingly prevalent in the UK³⁰.

Finally, there are also new areas of environmental litigation emerging, based on government human rights obligations (see e.g. *Friends of the Earth & Others v United Kingdom* (ECtHR, filed July 2025) and large-scale overseas environmental claims

²⁷ [2025csoh10-petitions-by-greenpeace-limited-and-uplift-for-judicial-review.pdf](#)

²⁸ [ESG litigation and enforcement in the UK and EU — Climate Claims](#)

²⁹ [FCA ESG ratings plans attract support but raise concerns over scope | News | IPE; FCA Proposed Approach to Regulation](#)

³⁰ [What is in store for ESG litigation in the UK and EU, Simmons & Simmons](#)

<p>being heard in the English courts, following on from the Mariana Dam collapse case (Municipio de Mariana & others v BHP Group Plc and BHP Group Ltd) (see above)³¹:</p>	
<p>Sustainability Reporting Standards for Law Firms</p>	
<p>Sustainability reporting has been a growing part of corporate reporting for a decade, with various overlapping requirements being introduced over a number of years, primarily for quoted and large companies. From 2026 onwards, the UK’s new Sustainability Reporting Standards are likely to begin to have an influence across supply chains as the reporting obligations of larger organisations require them to collect information about the practices of their suppliers.</p>	
<p>What has changed?</p>	<p>What this might mean for Costs Lawyers?</p>
<p>Within the legal sector itself, sustainability reporting will become a growing internal risk, as well as a potential source of litigation and advisory work. Law firms are facing growing ESG procurement pressures and risk being excluded from panels where they cannot demonstrate action to manage their own environmental impact. From 2026, some larger law firms will be captured under the UK’s new Sustainability Reporting Standards (UK SRS) and come under increasing pressure to report on the emissions risk and environmental impact of their suppliers.</p>	<p>This primarily affects Costs Lawyers working in law firms but will also have a knock-on effect on those working as suppliers to larger law firms.</p> <p>Costs Lawyers providing services to larger law firms or to the public sector will benefit in procurement processes if they are able to measure and provide data on their own environmental impact.</p>

³¹ [Mass tort claims in England: 5 takeaways from Mariana v BHP for businesses operating overseas](#)

Technology Risk

Over the past year, the type of technology risks facing Costs Lawyers has not changed dramatically, but the nature of these risks has perhaps become clearer. Key areas to watch are:

- AI hallucination liability arising from filed documents and other AI-driven errors impacting the litigation process
- Cybersecurity weaknesses increasing risks of data breaches alongside other vulnerabilities
- Further moves by law firms away from time-based billing models and the greater integration of AI features into case management systems.

Artificial Intelligence in court proceedings	
AI use by legal professionals and by Litigants in Person (LiPs) is growing ³³ . Whilst AI could create opportunities for the Costs profession, it also raises challenges in relation to its appropriate use for court documentation and the risks of increased vexatious or erroneous litigation by LiPs and complainants ³⁴ .	
What has changed?	What might this mean for Costs Lawyers?
<p>AI tools (such as drafting assistants, e-discovery software, legal research tools) are now widely used by law firms, although research suggests that the nature of their deployment is still fairly superficial³⁵. This growing take-up of AI is taking place against the backdrop of voluntary guidance from regulators that is superimposed on existing professional regulations^{36 37}.</p> <p>At the same time there are growing concerns in the judiciary about the use of AI in professional submissions to the court. In 2025 this prompted the Courts Service to issue AI guidance to the judiciary³⁸, and in February of 2026 the Civil Justice Council issued a consultation on whether legal professionals submitting documents to the</p>	<p>Costs lawyers will need to be increasingly vigilant about the sources of information and the tools that have been used by litigation teams. Regardless of the outcome of the CJC consultation on the use of AI, work that will feed into the court needs to be checked for AI-generated content, which in turn needs to be checked for accuracy by a qualified professional.</p> <p>Care needs to be taken when using other kinds of tools that incorporate AI. These can be extremely useful but do not remove the need for independent judgment, for example in case management (e.g. predicting which cases are likely to settle and advising clients on Part 36 uses).</p>

³³ <https://natlawreview.com/article/ai-courtroom-key-takeaways-recent-decisions-courts-england-and-wales>

³⁴ [Bar Standards Board sees influx of AI-generated complaints against barristers - Legal IT Insider](#)

³⁵ [Clio Report: AI Adoption Surges in UK & Ireland Legal Sector](#)

³⁶ [Using AI in your work – CLSB](#)

³⁷ [SRA | Compliance tips for solicitors regarding the use of AI and technology | Solicitors Regulation Authority](#)

³⁸ [Artificial-Intelligence-AI-Guidance-for-Judicial-Office-Holders-2.pdf](#)

<p>court should have to declare the use of AI in their preparation³⁹.</p>	<p>Costs professionals will need to be open to learning how to use different types of AI and address confidentiality issues and understanding their pros and cons. In the first instance, use should be made of the growing body of useful guidance from the CLSB and other regulators^{40 41}.</p>
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Cybersecurity and Data Protection

Cybersecurity and data protection remain major risks for the legal services sector. Costs professionals handle large amounts of sensitive financial, personal and case-related material, which means that data weaknesses can quickly become regulatory, operational and reputational problems.

What has changed?

Cyber threats remain severe in 2026. Rogue state actors have been increasingly active in targeting the UK's national infrastructure and disrupting vital economic activity, most evident in attacks on the NHS and in 2025 on Jaguar Land Rover. The most recent annual report from the National Cyber Security Centre (NCSC) identified at least four nationally significant cyber-attacks taking place each week⁴². The Legal Aid Agency suffered a catastrophic cyber attack in 2025, albeit not from a state actor, and took months to restore its systems.

These national level threats sit alongside already heightened concerns about criminal activity which targets the legal sector in particular. Law firms, and other key sector organisations, are prime targets for ransomware and phishing (recent surveys show a continued high rate of breaches in professional services)⁴³.

The government has responded with new legislation in recognition of these increased

What this might mean for Costs Lawyers?

Costs Lawyers are under a professional obligation to keep client data secure and should take personal responsibility for ensuring that they have completed up to date cyber and information security training.

Costs firms should ensure that they provide secure e-billing systems and train staff effectively in cyber hygiene (password management, email verification). They should also ensure that communication and storage are properly encrypted. In assessments, courts may expect confirmation of compliance with data rules (e.g. use of secure data rooms in large cases).

Ensuring cyber-resilience thus becomes part of risk management in the costs function. Firms can draw on a wide range of free resources to increase their understanding of these issues⁴⁶, but any firms wishing to win public sector or large client mandates would

³⁹ [Interim-Report-and-Consultation-Use-of-AI-for-Preparing-Court-Documents-2.pdf](#)

⁴⁰ [Using AI in your work – CLSB](#)

⁴¹ [SRA | Compliance tips for solicitors regarding the use of AI and technology | Solicitors Regulation Authority](#)

⁴² [UK experiencing four 'nationally significant' cyber attacks every week | National Cyber Security Centre - NCSC.GOV.UK](#)

⁴³ <https://www.wolterskluwer.com/en-gb/expert-insights/cybersecurity-for-lawyers-phishing-ransomware-guide>

⁴⁶ [Cyber security advice for small to medium sized organisations | National Cyber Security Centre - NCSC.GOV.UK](#)

threats. The Cybersecurity and Resilience Bill⁴⁴ is making its way through the Parliamentary process and is expected to become law later in 2026 and enter into force in 2027/28. This will bring managed service providers and data centres into regulation.

The cyber-attack on the LAA in 2025 also highlighted the related risks of data breaches. In 2025, the Data (Use and Access) Act (DUAA 2025) received Royal assent. This introduces an important exemption to data subject's rights to information in relation to legal professional privilege, amending the Data Protection Act 2018. The DUAA 2025 also introduces some useful simplifications around consent and legitimate interests in certain circumstances, and introduces provisions relevant to automated decision-making, which might arise when using agentic AI, for example⁴⁵.

be advised to become cyber essentials or cyber essentials plus accredited⁴⁷.

⁴⁴ [The cyber security and resilience bill: a new era for UK cybersecurity regulation | Trowers & Hamlins law firm](#)

⁴⁵ [Data \(Use and Access\) Act factsheet: UK GDPR and DPA - GOV.UK](#)

⁴⁷ [Cyber Essentials | National Cyber Security Centre - NCSC.GOV.UK](#)

CLSB Risk Register

Last reviewed: 14 April 2026

This risk register was developed in March 2023 following a review of the CLSB’s risk framework. It maps the potential risks that could impact the CLSB’s effectiveness, either directly or indirectly, through their influence on the market that we regulate. Previous versions of our operational and regulatory risk registers are available by [contacting us](#).

This risk register is divided into four sections:

A. Sources of risk for horizon scanning (market risks).....	2
B. Risk areas for ongoing monitoring	3
C. Key risk areas for mitigation	6
D. Risk areas for longer-term structural reform	8

A. Sources of risk for horizon scanning (market risks)

These sources have the potential to generate new risks or exacerbate existing ones, and are therefore key targets for horizon scanning. They relate to what is happening in the costs law market, in areas such as:

- client demand and need;
- the supply of services by Costs Lawyers and other market participants;
- the overall legislative and regulatory environment affecting the market; and
- the impact of activity in other parts of the legal sector, including actions of other regulators.

Category of risk	Main sources of risk
Political/legal/regulatory	Changes in public sector spending, court rules or legislation driving costs control/capping.
Political/legal/regulatory	New regulation of ancillary industries, such as third party litigation funding.
Political/legal/regulatory	Changes in the Civil Procedure Rules or common law more broadly.
Economic	Trends in the litigation market and commercial developments in litigation funding options.
Economic	New entrants to the market and new service offerings, as well as consolidation of firms.
Social	Consumer use of online legal services, including the emergence of costs risk.
Social	Demand for different pathways to legal professional qualification.
Technological	Progress in court digitisation and e-billing.
Technological	Law firm take up of technology, including case management and billing systems, as well as the use of AI.
Technological	Adoption of blockchain technology and smart contracts.

B. Risk areas for ongoing monitoring

These are specific risks, identified from horizon scanning across the risk sources described in section A above, that could foreseeably impact the regulatory objectives in section 1 of the Legal Services Act 2007. These risks are subject to ongoing monitoring to determine whether their impact can and should be actively managed by the CLSB (see section C below).

Even though many of these risks are outside of our control, their impact can be mitigated generally by fostering:

- Robustness – building strength and depth in the profession by increasing numbers, improving the quality of both initial and ongoing training and widening the range of expertise and skills the profession is able to offer.
- Resilience – improving the ability of Costs Lawyers to redeploy their skills within a changing market.

Regulatory objective	Costs law market related risk outcome	Relationship to risk sources
Protecting and promoting the public interest	<ul style="list-style-type: none"> – Capping of recoverable costs – Wasting of court time by unqualified costs advisor, authorised practitioners lacking in costs competency, or poor practices of Costs Lawyers 	<ul style="list-style-type: none"> – Risks from unqualified suppliers – Risks from ineffective regulation – Risks from public sector budget cuts targeting litigation, or other forms of intervention in the costs market, in ways that prioritise short term budgetary savings over longer term public interest
Supporting the constitutional principle of the rule of law	<ul style="list-style-type: none"> – Shrinking legal aid budget and falling solicitor numbers providing legal aid services – Court promotion of technology and mediation to overcome backlog – Civil procedure review designed to improve the functioning of the courts and introduction of e-billing as standard 	<ul style="list-style-type: none"> – Risks from policy, legislative or rule changes that impact on demand for Costs Lawyer services or viability of providing services to those with legal need
Improving access to justice	<ul style="list-style-type: none"> – Individuals or groups excluded from access to justice by excessive costs or costs uncertainty – Expansion of fixed costs regime, reforms to PI regime, reforms to judicial review 	<ul style="list-style-type: none"> – Risks from inadequate supply of costs information services – Risks from policy reforms designed to reduce availability of contested litigation

Regulatory objective	Costs law market related risk outcome	Relationship to risk sources
	<ul style="list-style-type: none"> – Solicitors unable to claim full legitimate costs from legal aid budget without Costs Lawyers – Third party funders discouraged by inadequate budgeting and uncertainty of rules around contingency arrangements 	<ul style="list-style-type: none"> – Risks from insufficient numbers of legal aid trained Costs Lawyers – Risks from inadequate service from Costs Lawyers or unqualified costs advisors
Protecting and promoting the interests of consumers	<ul style="list-style-type: none"> – Consumers unable to access independent advice on costs – Consumers are excluded from civil litigation or are inadequately served due to limitations on funding options (including fixed fees on specialist legal services) – Self-represented litigants incur significant adverse costs risk/liability due to lack of individualised advice – Consumer risk from unregulated no win no fee advisors 	<ul style="list-style-type: none"> – Risks from insufficient supply of Costs Lawyers focused on consumer market – Risks from “capture” of Costs Lawyer services by professional (mainly solicitor) clients – Risks from public sector budget cuts targeting litigation or policy interventions designed to stem legal costs – Risks from gaps in regulation
Promoting competition in the provision of legal services by authorised persons	<ul style="list-style-type: none"> – Law firm mergers hampered by lack of accurate information about WIP; investors discouraged by lack of clarity around value of law firms – New entrants to the legal sector cannot access independent information about value of certain areas of litigation activity – Increased use of technology in law firms substituting for Costs Lawyers – Concerns about market risks disincentivise new qualifiers or encourage qualified Costs Lawyers out of the profession 	<ul style="list-style-type: none"> – Risks from insufficient supply of properly trained Costs Lawyers to provide essential services – Risks from new service areas with potential risks to clients and firms – Risks from the activities of other regulators – Risks from lack of awareness/ability of Costs Lawyers to embrace and adapt to technology

Regulatory objective	Costs law market related risk outcome	Relationship to risk sources
	<ul style="list-style-type: none"> – Costs firms offering new unregulated services alongside reserved legal activities, such as litigation funding options for clients – SRA regulation fails to prevent employer collapse creating problems in the Costs Lawyer market – Uncertainty and/or inconsistency about the conduct of litigation and who can assist. 	
Encouraging an independent, strong, diverse and effective legal profession	<ul style="list-style-type: none"> – Insufficient numbers of Costs Lawyers are available to the market generally – Insufficient supply of independent costs law firms and practitioners in the market – Costs Lawyers’ independence is undermined by an actual or perceived conflict between the interests of their immediate (professional) client and their underlying client – Costs Lawyers are not appropriately trained and up-to-date – Costs Lawyer demographics do not reflect society 	<ul style="list-style-type: none"> – Risks from insufficient supply of properly trained Costs Lawyers – Risks from Costs Lawyers being absorbed into solicitors firms/SRA regulation – Risks from “capture” of Costs Lawyer services by professional clients – Risks from ineffective CLSB regulatory arrangements – Risks from limited diversity of new entrants to the profession – Risks from amalgamation of costs law firms affecting culture and standards
Promoting and maintaining adherence to the professional principles	<ul style="list-style-type: none"> – Disciplinary issues/complaints about Costs Lawyers leading to poor consumer outcomes – Failure of Costs Lawyers to maintain proper standards of work – Costs law firms unwilling or unable to implement sufficient systems and controls 	<ul style="list-style-type: none"> – Risks from ineffective CLSB regulatory arrangements – Risks from lack of entity-level regulation in the costs market

C. Key risk areas for mitigation

These consolidate the key risks identified in section B over which we have some degree of influence or control through our regulatory levers, and which we can therefore work to mitigate over time. The need to proactively manage these risks influences our regulatory activities, including our approach to supervision and the priorities in our annual Business Plans. The table below sets out the priority workstreams that are aimed at mitigating or managing these risks in the current year.

	Regulatory risks	Current priority initiatives for mitigating risks
1.	<p>Poor client outcomes arise from substandard conduct, inadequate service or lack of competence amongst Costs Lawyers.</p>	<ul style="list-style-type: none"> • 2026 Business Plan priority 1: <i>The new communication toolkit will seek to educate professional and lay clients about the importance of choosing a regulated Costs Lawyer over an unregulated costs advisor. Poor client outcomes are not limited to those we regulate, but the regulated profession can suffer reputational damage by the unregulated advisors, impacting client confidence in the entire costs law profession.</i> • 2026 Business Plan priority 3: <i>Expand the guidance and resources to support Costs Lawyers in upholding their professional ethical duties, in collaboration with strategically aligned expert partners and groups, where appropriate.</i> • 2026 Business Plan priority 7: <i>In collaboration with ACL Training, evaluate the third year of delivery of the new Costs Lawyer Qualification by carrying out the annual monitoring process under the Accredited Study Provider Scheme Handbook. Provide new guidance to Qualified Persons built out from feedback and assessment in 2025.</i> • 2026 Business Plan priority 10: <i>Monitor compliance with new guidance on: Dealing with consumers; and Client Care Letters.</i> • 2026 Business Plan priority 14: <i>Implement the next stage of our action plan to respond to the recommendations from the Costs Lawyers, Technology and Regulation report 2024, including guidance for Costs Lawyers on the professional and ethical considerations of using AI.</i> • Priority not set out in the Business Plan: <i>The CLSB’s review of its Rules and guidance specifically address opportunities to further safeguard against poor client outcomes</i>

2.	Costs Lawyers offer new areas of service without adequate consumer protections or assessment of risk to consumers.	<ul style="list-style-type: none"> • 2026 Business Plan priority 6: <i>Identify opportunities to support the current and future profession in Wales.</i> • 2026 Business Plan priority 10: <i>See above.</i>
3.	Regulatory deterrents or barriers to innovation limit the Costs Lawyer profession.	<ul style="list-style-type: none"> • 2026 Business Plan priority 2: <i>Continue to collaborate with the Ministry of Justice, Judicial Appointments Commission and other key partners to expand current statutory eligibility requirements for judicial appointment to include Costs Lawyers.</i> • 2026 Business Plan priority 4: <i>Work with ACL Training and the employer Trailblazer Group to progress the Costs Lawyer apprenticeship standard.</i> 2025 Business Plan priority 9: <i>See above.</i> • 2026 Business Plan priority 9: <i>Act upon the quantitative and qualitative career pathways research to: Inform how the apprenticeship is promoted; Guide the engagement strategy with prospective entrants to the profession; and Review any unintended barriers to becoming a Costs Lawyer.</i>
4.	Independence of the profession is compromised through capture by certain types of clients or practising arrangements.	<ul style="list-style-type: none"> • 2026 Business Plan priority 1: <i>See above.</i> • 2026 Business Plan priority 4: <i>See above.</i> • 2026 Business Plan priority 6: <i>See above.</i>
5.	New Costs Lawyer Qualification fails to attract sufficient student numbers or sufficiently diverse cohorts.	<ul style="list-style-type: none"> • 2026 Business Plan priority 1: <i>See above.</i> • 2026 Business Plan priority 7: <i>See above.</i> • 2026 Business Plan priority 9: <i>See above.</i>
6.	The Costs Lawyer Competency Statement or Costs Lawyer Qualification fails to ensure that newly qualified Costs Lawyers are equipped for modern practice.	<ul style="list-style-type: none"> • 2026 Business Plan priority 7: <i>See above.</i>

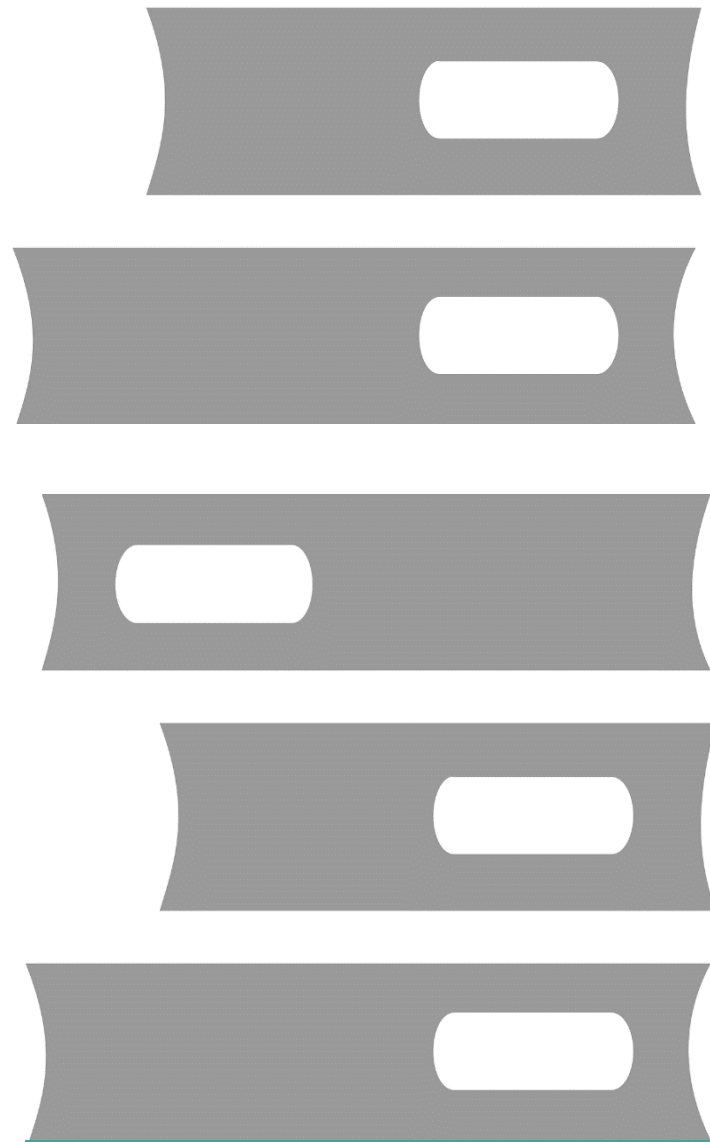
D. Risk areas for longer-term structural reform

Our recent research and project work has identified structural risks in relation to the regulation of the costs law market. Mitigating these risks is fundamental to our regulatory approach and informs our longer-term strategic planning.

Risk statement	Source of risk	Strategic question to answer
There is a gap in how the public interest is defined/considered in the context of legal costs.	Costs Lawyers rarely serve consumers directly. There is a significant public interest issue at the heart of the costs market, but this may lie less in the protection of consumers and more in dealing with the market failure in legal costs management generally. Such a market failure appears to exist as there is no actor, outside the courts, that is currently tasked with ensuring the efficient use of resources to achieve appropriate and proportionate resolution of legal problems.	What does promoting the public interest mean in the context of the costs law market?
The authorisation of Costs Lawyers is not aligned with the public interest.	If the CLSB regulates primarily to protect consumers, it risks becoming increasingly less relevant to Costs Lawyers, who can work outside the scope of authorisation. Yet the regulatory agenda driven by the Legal Services Board, in fulfilment of its remit under the Legal Services Act, is focused on consumer-facing work and addressing unmet legal need. This model is misaligned with the public interest problem that needs to be addressed in the costs law market, and thus with impactful regulation of the Costs Lawyer profession.	What should the role of Costs Lawyers be in the legal market (i.e. what are Costs Lawyers for?) and how can that best be differentiated, through the CLSB's regulatory framework, from the role played by unregulated advisers to promote the public interest?

Consultation

Costs Lawyer Practising Rules



Closing date: 5pm on 31 July 2026

Costs Lawyer Standards Board



This consultation

The Costs Lawyer Standards Board (CLSB) regulates Costs Lawyers under the framework established by the Legal Services Act 2007. To ensure that Costs Lawyers meet appropriate professional standards, the CLSB establishes requirements in relation to competency and conduct. Those requirements are set out in various regulatory arrangements, collated in the [Costs Lawyer Handbook](#).

The Costs Lawyer Practising Rules govern the practice of Costs Lawyers and the issue and revocation of practising certificates by the CLSB. The current version of the Practising Rules is available [on our website](#).

During the early part of 2026 the CLSB undertook a review of the Practising Rules and determined that some minor changes were needed to introduce clearer language and address real life queries received by the CLSB. Further, the CLSB's rules need to ensure that any individual applying for their first Costs Lawyer practising certificate or reinstatement to the Register of Costs Lawyers is of satisfactory character and suitability. This includes any period prior to first application or during any pauses in practicing.

The CLSB sets out its approach to consultations which is [published on our website](#). This consultation paper explains the rationale for a series of proposed changes to the Practising Rules following the review. It raises questions that you might like to consider as part of your consultation response, although we welcome comments on any aspect of the proposals. Consultation responses should be sent to enquiries@clsb.info by **5pm on 31 July 2026**.

The current practising system

Costs Lawyers are permitted to practise if they:

- are qualified as a Costs Lawyer;
- have a current practising certificate; and
- have appropriate indemnity insurance.

Practising certificates run to 31 December each year. Annual renewals take place each November for the following year. Those qualifying or returning to practice in-year can apply for a certificate to cover the remaining part of the practising year at a reduced fee. Costs Lawyers with a current practising certificate are listed on the CLSB [Register of Costs Lawyers](#).

The CLSB can grant a practising certificate, grant a certificate subject to conditions on practising, or refuse an application for a practising certificate. Practising conditions might, for example, limit the type of work the Costs Lawyer can do or require them to take steps, such as completing specified training. The CLSB can also impose a condition on a certificate during its currency.

A practising certificate will automatically be revoked on certain events (e.g. death) and is likely to be revoked on others (e.g. bankruptcy). The Conduct Committee can also suspend or revoke a practising certificate and direct the removal (permanent or temporary) of a Costs Lawyer from the register.

Why change is needed

The current Practising Rules are based on those which came into effect in 2011 and which were amended in 2013 (twice), 2014 and 2020.

We are not aware of any need to change the fundamentals of the practising regime. We have sought to address a limited number of issues with the current Rules, as set out in this section. In the case of one proposed amendment, the change is necessary to ensure we meet our regulatory objective of protecting the consumer. Another is to respond to

the concerns raised following recent appeals about delegation of the conduct of litigation. The other two changes are largely process driven to ensure clarity.

Specifying disclosure of complaints histories

The current Rules are not sufficiently detailed on the need for applicants to declare relevant complaints histories prior to being admitted to or reinstated to the Register of Costs Lawyers. Rule 4.2 (i) has been relied upon to seek disclosure of such information, but the proposed amendment to Rule 4.2 (g) makes this clearer for those considering a first application or reinstatement.

Delegation of work

The current Rules are silent on what work can be delegated, how it can be and to who. The Code of Conduct (Principles Four and Five) already provide public protection in this area, but the introduction of a new Rule 5 in these Practising Rules seeks to make explicit what was implicit. We believe this addresses any misunderstanding so far as we are able that can have arisen following the recent appeals in the Mazur case.

There is a further addition which seeks to ensure that work is only delegated to individuals who are of the same character and fitness as the Costs Lawyers who are delegating the work.

Removal of Rule 6.2

The current Rule 6.2 is obsolete now the only Register is the online public Register. Historically, prior 2021, there were two registers but since the new database was introduced there has been only one, which is as published on the website therefore this Rule is now obsolete.

Professional Indemnity Insurance from overseas

The current Rules are silent on whether the CLSB would accept professional indemnity insurance from a provider outside of England and Wales. The CLSB does not seek to

prevent Costs Lawyers continuing to practise from overseas subject to compliance with our full regulatory requirements. Therefore we proposed to insert a new section to Rule 9 to allow for equivalent cover from outside the United Kingdom.

The proposed amendments

Annex 1 to this consultation paper is a table setting out the proposed amendments to the text of the Practising Rules. Changes are shown in red while deleted text has been struck through. Commentary on the rationale for each proposed change is provided in the righthand column of the table.

Annex 2 to this consultation paper shows the amended Practising Rules as they would appear if all the proposed changes are made.

Consultation questions

1. Do you agree that we have focused on the right objectives in updating the Practising Rules? Are there any other key objectives or bodies of evidence that we should take into account? If so, how?
2. Do you agree with the proposed amendments to the Practising Rules? Are there any additional amendments that we should consider?
3. Do you find the proposed presentation of the Practising Rules accessible? Are there any other formatting changes we should consider to make the Practising Rules more user-friendly?
4. Do you foresee any reason why the proposed changes could have a harmful impact on persons with a protected characteristic under the Equality Act 2010? If so, is there any evidence you can provide that would help us assess that impact?

Annex 1 – Explanation for proposed amendments to the Practising Rules

Section of Rules – Revised Text	Explanation of Proposed Amendments
<p>Rule 4: Disclosure</p> <p>4.2 The events that the applicant or Costs Lawyer must disclose are that they have:</p> <ul style="list-style-type: none"> (a) been subject to any criminal charge, conviction or caution, subject to the Rehabilitation of Offenders Act 1974; (b) been subject to an adjudication of bankruptcy; (c) been granted a debt relief order; (d) entered into an individual voluntary arrangement or a partnership voluntary arrangement; (e) been a director of any company or partner in an LLP or partnership that has been the subject of a winding up order, an administrative order or an administrative receivership, or has otherwise been wound up or put into administration in circumstances of insolvency; (f) been disqualified from being a company director or the trustee of a charity; (g) been the subject of disciplinary proceedings by any regulatory or professional body; (h) been the subject of a complaint from a client or member of the public about any costs service they have provided, whether or not the complaint was upheld. (i) been the subject of an adverse order or finding of a civil court or employment tribunal; or (j) become aware of any other matter that might reasonably be expected to be disclosed in affecting their fitness to become or remain a Costs Lawyer <p>4.3 The applicant must make a prompt report to the CLSB of any material changes of which the applicant is aware to information previously provided to the CLSB by the applicant or on their behalf relating to the applicant or their practice, including any change to the information recorded in the register.</p>	<p><i>The current Rules are not sufficiently detailed on the need for applicants to declare relevant complaints histories prior to being admitted to or reinstated to the Register of Costs Lawyers. Rule 4.2 (i) has been relied upon to seek disclosure of such information, but the proposed amendment to Rule 4.2 (g) makes this clearer for those considering a first application or reinstatement.</i></p>

Section of Rules – Revised Text	Explanation of Proposed Amendments
<p>RULE 5: Delegation of Work</p> <p>5.1 Costs Lawyers must ensure that where work is delegated to a person who is not a Costs Lawyer authorised by the CLSB, whether employed or not, that individual has the necessary competence and knowledge to undertake the role.</p> <p>5.2 A Costs Lawyer must not delegate to a person to whom any part of Rule 4.2 would apply if they are not a costs Lawyer without the express permission of the CLSB. This permission will not be unreasonably withheld, and where it is not withheld it may be issued with conditions to protect the public interest and integrity of the Costs Lawyer profession.</p> <p>5.3 Where a Costs Lawyer delegates work to an ‘unauthorised person’, the ‘unauthorised individual’ must be acting on behalf of the Costs Lawyer in assisting with whatever delegated tasks fall within the scope of ‘reserved legal activities’, and;</p> <p>(a) Where the ‘unauthorised individual’ is assisting the Costs Lawyer to undertake ‘reserved legal activities’ they must be suitably supervised and a Costs Lawyer must ensure that the manner in which the delegated work is undertaken is not done in such a way that means in reality the unauthorised person is committing an offence; and</p> <p>(b) A Costs Lawyer who fails to suitably supervise an unauthorised individual assisting in ‘reserved legal activities’ will be in breach of the Code of Conduct as well as these Practising Rules.</p>	<p><i>This new Rule 5 is proposed to address concerns across the legal sector in England and Wales in relation to what work can be delegated, who is ultimately responsible and awareness of reserved legal activities.</i></p> <p><i>Guidance will be used to improve understanding of what is a reserved legal activity.</i></p> <p><i>This proposed new rule seeks to codify what the CLSB understands to be the usual behaviour of Costs Lawyers. However, following the fallout from the Mazur case it has become clear to the legal sector’s frontline regulators that there was not a shared understanding on delegation of work – this proposed new rule simply seeks to make explicit what was implicit.</i></p> <p><i>The only exception to the above is proposed Rule 5.2. This new rule would simply mean that those to whom Costs Lawyers delegate work are held to the same standards of fitness as the Costs Lawyers themselves. As the Costs Lawyer is ultimately responsible for the work they delegate, this change should not only offer clients greater protection, but also Costs Lawyers themselves.</i></p>
<p>Rule 5 6: Register of Costs Lawyers</p> <p>56.1 The Register may be kept in electronic form of Costs Lawyers will be published on the CLSB website.</p> <p>56.3 The Register will contain the following information in respect of each Costs Lawyer:</p> <p>(a) name;</p> <p>(b) registration number;</p> <p>(c) date year of qualification as a Costs Lawyer;</p> <p>(d) details of their practice of employment</p>	<p><i>This Rule changes from Rule 5 to Rule 6 to accommodate the proposed new Rule 5.</i></p> <p><i>These changes at 6.1, 6.3 and 6.4 (formerly 5.1, 5.3 and 5.4) collectively update the Rules to reflect the manner in which the CLSB publishes details of all Costs Lawyers, and harmonises it with what is specified in the Disciplinary Rules and Procedure. Rule 5.4 is obsolete as there are no longer two registers, there is only the one, which is published on the website.</i></p>

Section of Rules – Revised Text	Explanation of Proposed Amendments
<p>(e) contact details;</p> <p>(f) any conditions on their Practising Certificate;</p> <p>(g) any published disciplinary outcomes, and</p> <p>(h) any other information required by law or deemed appropriate to be held.</p> <p>5.4 A short version of the Register which shows the name and registration number of each Costs Lawyer, their date of qualification, the organisation in which they practise (if applicable) and any conditions on their Practising Certificate will be made available in an electronic format for public inspection through the CLSB website. Other information may appear in this public Register from time to time, unless the Costs Lawyer requests that it does not so appear. Disciplinary information relating to a Costs Lawyer may appear in the public Register in accordance with the Regulatory Arrangements.</p>	
<p>Rule 6: Issue of Practising Certificates</p> <p>6.2 The commencement date for the Practising Certificate will be the date on which it is entered on the Register and this will also appear on the Practising Certificate.</p>	<p><i>Rule 6.2 is obsolete now the only Register is the online public Register. Historically, prior 2021, there were two registers but since the new database was introduced there has been only one, which is as published on the website therefore this Rule is now obsolete.</i></p>
<p>Rule 9: Indemnity Insurance</p> <p>9.1 Costs Lawyers must ensure that they:</p> <p>(a) practise with the benefit of professional indemnity insurance of a minimum £100,000 (any one claim) to include loss of documents; and</p> <p>(b) on an ongoing basis, assess all financial risk associated with work being undertaken by them and ensure that professional indemnity insurance (including loss of documents insurance) is in place in excess of the minimum set out in Rule 9.1(a) at a level commensurate with that risk.</p> <p>(c) professional indemnity insurance will ordinarily be written in the United Kingdom from a provider regulated under United Kingdom legislation. In the event a Costs Lawyer is based overseas and provides cover from another jurisdiction, they must evidence that it provides equivalent cover and if written in any language other than English, provide a suitable translation certified as accurate.</p>	<p><i>The current Rules are silent on whether the CLSB would accept professional indemnity insurance from overseas. The CLSB does not seek to prevent Costs Lawyers continuing to practise from overseas subject to compliance with our full regulatory requirements. Therefore we proposed to insert a new section to Rule 9 to allow for equivalent cover from outside the United Kingdom.</i></p>

Annex 2 – Complete version of proposed new Practising Rules

Introduction

These Rules govern the practice of Costs Lawyers and the issue and revocation of practising certificates by the CLSB. They replace any other practising rules or regulations previously issued by the CLSB.

Definitions

ACL	Association of Costs Lawyers (named in the Legal Services Act 2007 as the Association of Law Costs Draftsmen)
Applicant	Any person who applies for a Practising Certificate
Approved Regulator	A body designated as an approved regulator under the Legal Services Act 2007
CLSB	Costs Lawyer Standards Board, acting as an approved regulator under the LSA following delegated authority by the ACL on 31 October 2011.
Costs Lawyer	A person who holds a current Practising Certificate and is therefore authorised to carry on the following reserved legal activities: <ul style="list-style-type: none">• The exercise of a right of audience• The conduct of litigation• The administration of oaths
Conduct Committee	Committee established by the CLSB to consider Costs Lawyer conduct matters, as defined in the Disciplinary Rules and Procedures
CPD	Continuing Professional Development
CPD Rules	CLSB's rules and requirements for continuing professional development that apply at the relevant date

Disciplinary Rules and Procedures	CLSB's rules and procedures governing disciplinary matters that apply at the relevant date
Practising Certificate	Certificate issued annually allowing a Costs Lawyer to practise under the title of Costs Lawyer and carry on reserved legal activities
Prescribed	Prescribed by the CLSB from time to time
Register	The register of Costs Lawyers who hold a current Practising Certificate
Regulatory Arrangements	The CLSB Handbook, including the Code of Conduct, and associated CLSB guidance, policies and procedures
Regulatory Objectives	The objectives listed in section 1(1) of the Legal Services Act 2007
Training Rules	The CLSB's rules and requirements for training and qualification that apply at the relevant date

RULE 1: Right to practise as a Costs Lawyer

1.1 No person shall be entitled to practise as a Costs Lawyer unless:

- (a) they have qualified as a Costs Lawyer in accordance with the Training Rules;
- (b) they have a current Practising Certificate which has been issued in accordance with these Rules and which is not suspended;
- (c) they comply with CPD requirements set out in the CPD Rules; and
- (d) they have professional indemnity insurance in accordance with Rule 9.

RULE 2: Application for a Practising Certificate

2.1 An application for a Practising Certificate must be made in the prescribed form, correctly completed, by the prescribed time, and be accompanied by:

- (a) the prescribed fee; and

-
- (b) any information and documents that may be prescribed or reasonably requested by the CLSB.
- 2.2 The application will only be made once the CLSB has received all the payments, information and documents relating to it.
- 2.3 The applicant must ensure that all details provided in and in connection with the application are correct and complete, and if they become aware of any changes to the information supplied or any inaccuracy or relevant omission, they must notify the CLSB as soon as practicable.

RULE 3: Decisions

- 3.1 As soon as reasonably practicable after the receipt of a completed application for a Practising Certificate, the CLSB will notify the applicant of its decision.
- 3.2 The CLSB will either:
- (a) grant a Practising Certificate (with or without conditions); or
 - (b) refuse the application.
- 3.3 The CLSB will refuse the application if the applicant:
- (a) does not meet, or has not demonstrated that they meet, the criteria in Rule 1.1(a), (c) and (d);
 - (b) has not complied with Rule 2;
 - (c) has failed to pay any fixed costs or financial penalties imposed pursuant to the Disciplinary Rules and Procedures which are due at the date of the application;
 - (d) is subject to an order suspending their Practising Certificate; or
 - (e) is subject to an order permanently revoking their Practising Certificate.
- 3.4 The CLSB may refuse the application or impose conditions on the issue of a Practising Certificate if satisfied that:

-
- (a) the applicant is unsuitable to practise as a Costs Lawyer (or in the case of a condition, is unsuitable to undertake certain activities or engage in certain business or practising arrangements);
 - (b) the applicant is putting, or is likely to put, at risk the interests of clients, third parties or the public;
 - (c) the applicant will not comply with the CLSB's Regulatory Arrangements (and/or in the case of a condition, will require monitoring in relation to compliance with the CLSB's Regulatory Arrangements);
 - (d) in the case of a condition, the applicant should take specified steps conducive to the Regulatory Objectives; or
 - (e) it is otherwise in the public interest to do so in light of the Regulatory Objectives.

3.5 The CLSB may also impose or amend conditions on a Practising Certificate during its currency on one or more of the grounds set out in Rule 3.4. If the CLSB does so, it must give 21 calendar days' written notice with reasons to the Cost Lawyer in question, unless it is satisfied on reasonable grounds that it is not in the public interest to do so.

3.6 The CLSB may remove a condition on a Practising Certificate if it considers, on written application of the Costs Lawyer or on its own initiative, that there has been a change of circumstances such that it is no longer satisfied that any of the grounds in Rule 3.4 for imposing a condition apply.

3.7 The CLSB must notify its reasons in writing to the applicant in the event the CLSB:

- (a) refuses an application;
- (b) makes a Practising Certificate subject to conditions; or
- (c) refuses to remove a condition imposed on a Practising Certificate.

RULE 4: Disclosure

4.1 An applicant or Costs Lawyer must disclose the events set out in Rule 4.2 to the CLSB:

- (a) when making an application for a Practising Certificate;

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- (b) when making an application to remove a condition on a Practising Certificate (including to remove a condition imposed under an interim suspension order pursuant to the Disciplinary Rules and Procedures); and
 - (c) at any other time as soon as reasonably practicable after the event has occurred.

4.2 The events that the applicant or Costs Lawyer must disclose are that they have:

- (a) been subject to any criminal charge, conviction or caution, subject to the Rehabilitation of Offenders Act 1974;
- (b) been subject to an adjudication of bankruptcy;
- (c) been granted a debt relief order;
- (d) entered into an individual voluntary arrangement or a partnership voluntary arrangement;
- (e) been a director of any company or partner in an LLP or partnership that has been the subject of a winding up order, an administrative order or an administrative receivership, or has otherwise been wound up or put into administration in circumstances of insolvency;
- (f) been disqualified from being a company director or the trustee of a charity;
- (g) been the subject of disciplinary proceedings by any regulatory or professional body;
- (h) been the subject of a complaint from a client or member of the public about any costs service they have provided, whether or not the complaint was upheld;
- (i) been the subject of an adverse order or finding of a civil court or employment tribunal; or
- (j) become aware of any other matter that might reasonably be expected to be disclosed in affecting their fitness to become or remain a Costs Lawyer

4.3 The applicant must make a prompt report to the CLSB of any material changes of which the applicant is aware to information previously provided to the CLSB by the applicant or on their behalf relating to the applicant or their practice, including any change to the information recorded in the register.

RULE 5: Delegation of Work

- 5.1 Costs Lawyers must ensure that where work is delegated to a person who is not a Costs Lawyer authorised by the CLSB, whether employed or not, that individual has the necessary competence and knowledge to undertake the role.
- 5.2 A Costs Lawyer must not delegate to a person to whom any part of Rule 4.2 would apply if they are not a costs Lawyer without the express permission of the CLSB. This permission will not be unreasonably withheld, and where it is not withheld it may be issued with conditions to protect the public interest and integrity of the Costs Lawyer profession.
- 5.3 Where a Costs Lawyer delegates work to an ‘unauthorised person’, the ‘unauthorised individual’ must be acting on behalf of the Costs Lawyer in assisting with whatever delegated tasks fall within the scope of ‘reserved legal activities’, and;
- (a) Where the ‘unauthorised individual’ is assisting the Costs Lawyer undertake ‘reserved legal activities’ they must be suitably supervised and a Costs Lawyer must ensure that the manner in which the delegated work is undertaken is not done in such a way that means in reality the unauthorised person is committing an offence; and
 - (b) A Costs Lawyer that fails to suitably supervise an unauthorised individual when assisting in ‘reserved legal activities’ will be in breach of the Code of Conduct as well as these Practising Rules.

RULE 6: Register of Costs Lawyers

- 5.1 The Register may be kept in electronic form.
- 5.2 The name of each Costs Lawyer will be entered onto the Register upon:
- (a) the issue of a Practising Certificate; or
 - (b) the expiry of any suspension of a current Practising Certificate.

5.3 The Register will contain the following information in respect of each Costs Lawyer:

- (a) name;
- (b) registration number;
- (c) date of qualification as a Costs Lawyer;
- (d) details of their practice or employment;
- (e) contact details, including an email address;
- (f) any conditions on their Practising Certificate;
- (g) any published disciplinary outcomes; and
- (h) any other information required by law or deemed appropriate to be held.

5.4 If a Costs Lawyer is subject to an order (pursuant to the Disciplinary Rules and Procedures or otherwise) for suspension of their name from the Register, the Costs Lawyer's name will be removed from the Register for the period of the suspension. The Costs Lawyer's name will be reinstated to the Register upon expiry of the suspension if they have a Practising Certificate that is current at that time. If they do not have a Practising Certificate that is current at that time, their name will be reinstated to the Register upon successful application for a Practising Certificate.

5.5 If a Costs Lawyer is subject to an order (pursuant to the Disciplinary Rules and Procedures or otherwise) for permanent removal of their name from the Register, the Costs Lawyer's name will be removed from the Register and will be reinstated only upon successful appeal against the order.

5.6 A Costs Lawyer's name will be removed from the Register if they do not have a current Practising Certificate.

RULE 7: Issue of Practising Certificates

6.1 The Practising Certificate will be delivered to the address notified to CLSB as the applicant's practising address or to such other address as the applicant shall advise the CLSB in writing and may be delivered either by post or electronically.

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- 6.2 The commencement date for the Practising Certificate will be the date on which all conditions are satisfied in order for it to be issued and this will also appear on the Practising Certificate.
- 6.3 The Practising Certificate will include the following details:
- (a) the full name of the Costs Lawyer;
 - (b) the commencement date;
 - (c) the date of expiry; and
 - (d) any condition to which the Practising Certificate is subject.
- 6.4 In the event conditions are imposed on a Practising Certificate, a replacement Practising Certificate will be issued stating the condition and the date on which it was imposed.
- 6.5 A replacement Practising Certificate will be issued in the event a condition expires, is varied, is successfully appealed or is revoked.

RULE 8: Expiration of a Practising Certificate

- 7.1 A Practising Certificate will expire:
- (a) on the expiry date stated on the Practising Certificate;
 - (b) when a replacement Practising Certificate is issued; or
 - (c) on the death of the Costs Lawyer.

RULE 9: Revocation and suspension of a Practising Certificate

- 8.1 A Practising Certificate may be revoked by the CLSB if:
- (a) the Costs Lawyer no longer meets the criteria in Rule 1.1(a), (c) and (d), or it comes to light that the Costs Lawyer did not meet those criteria at the time of applying for the Practising Certificate;

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- (b) the Costs Lawyer is subject to an order permanently revoking their Practising Certificate;
 - (c) the Costs Lawyer discloses one or more of the events set out in Rule 4.2 to the CLSB and the CLSB is satisfied of one or more of the matters in Rule 3.4 (a), (b), (c) or (e).

8.2 If a Costs Lawyer is subject to an order suspending their Practising Certificate, they will not be able to practise as a Costs Lawyer for the period of the suspension. If the Practising Certificate is still current when the suspension ends, the Practising Certificate will remain valid. If the Practising Certificate has expired during the period of the suspension, the Costs Lawyer must apply for a new Practising Certificate.

RULE 10: Indemnity insurance

9.1 Costs Lawyers must ensure that they:

- (a) practise with the benefit of professional indemnity insurance of a minimum £100,000 (any one claim) to include loss of documents; and
- (b) on an ongoing basis, assess all financial risk associated with work being undertaken by them and ensure that professional indemnity insurance (including loss of documents insurance) is in place in excess of the minimum set out in Rule 9.1(a) at a level commensurate with that risk.
- (c) professional indemnity insurance will ordinarily be written in the United Kingdom from a provider regulated under United Kingdom legislation. In the event a Costs Lawyer is based overseas and provides cover from another jurisdiction, they must evidence that it provides equivalent cover and if written in any language other than English, provide a suitable translation certified as accurate.

RULE 11: Appeals

10.1 An applicant or Costs Lawyer may appeal a decision of the CLSB to:

- (a) refuse to issue a Practising Certificate;
- (b) impose conditions upon a Practising Certificate;

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- (c) refuse to remove a condition imposed on a Practising Certificate; or
 - (d) revoke a Practising Certificate.

10.2 An appeal must be made within 21 calendar days of the date on which the Costs Lawyer is notified of the decision they intend to appeal.

10.3 The appeal must be in writing to the CLSB and must set out the grounds on which the appeal is being made.

10.4 The only grounds for making an appeal are that the decision was flawed because:

- (a) there was a material error of law;
- (b) there was a failure to take into account material information;
- (c) the decision was irrational or based on irrelevant considerations;
- (d) there was a material failure to follow the Regulatory Arrangements;
- (e) the decision was unlawful; or
- (f) new evidence has been obtained which could not have been made available when the decision was made and which will be material to the decision.

10.5 An appeal shall be by way of review by a Conduct Committee and the decision on the appeal shall be made on the papers.

10.6 The Conduct Committee may not impose any decision or condition that is harsher than the original.

10.7 There is no right of appeal beyond the Conduct Committee.

RULE 12: Notification of decisions

11.1 If it is considered to further the Regulatory Objectives, the CLSB may notify any or all of the following about decisions made under these Rules:

- (a) ACL;
- (b) an Approved Regulator;
- (c) the Legal Services Board;

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- (d) a law enforcement agency;
 - (e) the Legal Ombudsman.

Guidance Note For costs law firms



7 April 2026 (version 4)

Costs Lawyer Standards Board



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Who is this guidance for?

1. You should read this guidance if you have responsibility for a business that:
 - employs Costs Lawyers or has officers (such as partners or directors) who are Costs Lawyers;
 - markets or provides costs law services; and
 - is not authorised by a regulator (such as the Solicitors Regulation Authority) under the Legal Services Act 2007 (LSA).

Such businesses are often referred to as “unregulated” because they are not regulated specifically under the LSA, although they are likely to be regulated in other ways, not least under general consumer protection legislation.

2. Many costs advisers have established partnerships, limited liability partnerships, limited companies or other vehicles through which they work. We refer to these organisations as “costs law firms”. Costs law firms often employ a combination of regulated Costs Lawyers, unregulated costs ~~advisors~~, paralegals and other staff. Because the CLSB only regulates individuals and not organisations, these too are “unregulated” organisations even if they are owned by or employ regulated individuals.

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3. This guidance is relevant to anyone who has a position of responsibility in a costs law firm. Aspects of the guidance will also be relevant to unregulated organisations that employ Costs Lawyers on an “in-house” basis, such as insurers, litigation funders and government agencies.
4. A Costs Lawyer will always remain liable for their personal conduct within a costs law firm. Where the practices or arrangements of an unregulated employer conflict with the regulatory obligations of a Costs Lawyer, then if the Costs Lawyer is unable to resolve that conflict it is likely they will need to leave their employment.
5. In addition, the more control a Costs Lawyer has over their organisation (for example, if they are a director or partner) the more likely it is that we will hold

that Costs Lawyer responsible for ensuring the organisation puts in place procedures that enable Costs Lawyers who work for the business to comply with the Code of Conduct and their other regulatory obligations.

6. It is therefore very important that everyone working in a costs law firm environment understands the professional obligations to which a Costs Lawyer is subject. Costs law firms should not create an environment where a Costs Lawyer cannot comply with their obligations and should not penalise a Costs Lawyer for complying with them. Contracts of employment should reflect Costs Lawyers' professional obligations.
7. There is more detailed guidance on what many of these issues mean for Costs Lawyers in the rules and guidance set out in the [Costs Lawyer Handbook](#).

Reserved legal activities

8. Under the LSA, certain legal activities are reserved to authorised persons, meaning that only qualified, regulated practitioners – such as Costs Lawyers – can undertake those activities.
9. Costs Lawyers are authorised to carry out the following reserved legal activities in unauthorised businesses:
 - conducting litigation in relation to costs;
 - appearing before and addressing a court (exercising a right of audience) in proceedings or on issues that relate to costs;
 - administering oaths.See our [Guidance Note](#) on reserved legal activity rights for more information.
10. The above reserved legal activities can be undertaken by a Costs Lawyer for the benefit of their unregulated employer if they work “in-house”, or can be undertaken directly to or for a costs law firm’s external clients.

11. Costs Lawyers cannot delegate their right to carry on reserved legal activities to unauthorised members of staff, such as costs advisors. It is an offence under the LSA for anyone who is not authorised or not an exempt person (under Schedule 3 of the LSA) to carry on a reserved legal activity.

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12. However, Costs Lawyers may, for example, bring a unauthorised person with them to court to take notes, and courts may also allow unauthorised persons to address them in certain hearings.

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13. Costs Lawyers may also delegate ancillary tasks (such as preparing a draft of a document) to unauthorised persons, providing it is the Costs Lawyer who is in fact conducting any litigation and, for example, approving any documentation filed with the court prior to it being signed. While an unauthorised person signing a document filed with the court is not necessarily conducting litigation, the CLSB encourages Costs Lawyers to sign these documents themselves to evidence, at least in part, their supervision of the unauthorised individual in the litigation matter.

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14. A Costs Lawyer who chooses to delegate a task to a colleague remains responsible for regulatory compliance and for client outcomes. The Costs Lawyer must therefore retain proper oversight of the matter and supervise their colleague appropriately. This includes ensuring that:

- delegated tasks are carried out in accordance with the CLSB's regulatory arrangements;
- the client understands in advance that the task will be delegated to a person who is not an authorised Costs Lawyer;
- the delegation complies with the Costs Lawyer Code of Conduct, in particular that delegating the task is in the client's best interests; and
- the insurance policy upon which the Costs Lawyer relies extends to cover the outcome of any delegated tasks.

Some core obligations

15. Costs Lawyers are obliged to follow the seven principles of professional conduct set out in the [Code of Conduct](#). They must:

Principle 1: Act with honesty and integrity and maintain their independence.

Principle 2: Comply with their duty to the court and promote the proper administration of justice.

Principle 3: Act in the best interests of their client.

Principle 4: Provide a good quality of work and service to their client.

Principle 5: Deal with the regulators and the Legal Ombudsman (LeO) in an open and co-operative way.

Principle 6: Treat everyone fairly and equitably, and with dignity and respect.

Principle 7: Keep the affairs of their clients confidential.

16. Under Principle 2, a Costs Lawyer's duty to the court means that (amongst other things) Costs Lawyers cannot mislead the court, or knowingly allow their clients or their employer to do so, even inadvertently.
17. Under Principle 5, Costs Lawyers have duties of disclosure to the CLSB. Costs law firms should be aware that Costs Lawyers might need to disclose matters relating to the firm's work or business to us if they relate to compliance with our regulatory rules. Your contracts with Costs Lawyers should not prohibit disclosure by them of information in accordance with their professional obligations. Costs Lawyers also have duties of disclosure to LeO; these are dealt with below (see "Complaints about a Costs Lawyer").
18. Costs Lawyers are also required, under our Practising Rules and Continuing Professional Development (CPD) Rules in the [Costs Lawyer Handbook](#), to maintain their knowledge and undertake ongoing training to ensure they remain competent to fulfil their role. Costs law firms should provide Costs Lawyers with the time and opportunity to maintain and build on their professional skills. While you are not obliged to pay for a Costs Lawyer's CPD training, you should keep in mind the benefits to your organisation and your clients of Costs Lawyers having

access to high quality, relevant learning activities. You can read more about Costs Lawyers' CPD obligations on our [CPD webpage](#).

Supervision

19. You should have an effective system of supervision in place within your costs law firm to help ensure that Costs Lawyers meet their own regulatory obligations when they are carrying out work, and that Costs Lawyers themselves supervise staff appropriately, as explained at paragraph 14 above.
20. An effective system of supervision is even more important if a large proportion of your staff are working at home for some or all of the time. This will include maintaining regular contact and checking work online where possible.
21. A "litigant in person" cannot delegate their personal right to conduct of litigation. As such right is personal to the individual it cannot be delegated. If an unauthorised employee assumes responsibility for the conduct of litigation which is not merely mechanical or administrative, they will have committed an offence under the LSA.

Costs law firms and client protection

Professional indemnity insurance

22. Costs Lawyers are required to have professional indemnity insurance (PII) to cover claims against them for negligence.
23. [Practising Rule 9](#) provides that they must:
 - have PII cover at a minimum level of £100,000 (for any one claim), to include loss of documents; and
 - on an ongoing basis, assess all financial risk associated with their work and ensure they have PII in excess of the minimum at a level commensurate with that risk.

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24. The insurance policy will normally be in the name of the organisation. Costs law firms should therefore make sure that the policy meets the above conditions and covers all work undertaken by the Costs Lawyer, including any delegated work for which the Costs Lawyer is responsible. This will include a regular review of the financial risks to be insured – something that a prudent business will do in any event. See our [Guidance Note](#) on indemnity insurance for further information.

Client money

25. Costs Lawyers are not allowed to hold client money, pursuant to Principle 3.6 of the Code of Conduct. So, if as an unregulated costs law firm you do hold money that belongs to your clients, the relevant account should not be in a Costs Lawyer's name.
26. By client money we mean, for example, money:
- from an opponent in contentious proceedings, to satisfy a costs award made in the client's favour;
 - from your client to satisfy a costs award made against that client; or
 - money paid in advance on account of charges for your services or disbursements such as court fees.
27. Costs Lawyers can however receive payment in their own name from clients in settlement of an invoice for services or for disbursements already incurred. They can also make use of a Third Party Managed Account (TPMA), whereby a reputable financial institution handles the client's money in a pre-agreed way.
28. Where a costs law firm has its own legal identity (usually a limited company or LLP), then if any client money is held by that body it will not be held by the employed Costs Lawyer. In such cases, the prohibition in Principle 3.6 is not directly relevant. However, Costs Lawyers who work under this kind of arrangement still need to uphold their professional obligations, which will include safeguarding clients' money where relevant. See our [Guidance Note](#) on handling client money for further information.

Complaints about a Costs Lawyer

29. Under the Code of Conduct, a Costs Lawyer must provide for an effective complaints procedure for handling complaints from clients, covering issues relating to their professional conduct as well as the service they provide, in line with the CLSB's guidance on complaints procedures.
30. They must ensure that complaints are dealt with promptly (within a maximum eight-week period from date of receipt) openly and fairly, and that appropriate provisions for redress exist.
31. If a complaint is not resolved to the satisfaction of the complainant, or is not resolved within eight weeks, individual clients have the right to take a complaint about the standard of service provided by the Costs Lawyer to LeO. Complaints about a Costs Lawyer's professional conduct can also be considered by the CLSB. The Costs Lawyer must tell clients about the right to escalate a complaint to LeO or the CLSB both at the time of engagement and when any complaint is made, and provide contact details for those organisations.
32. If LeO upholds a complaint it has a range of options available to it, including ordering a Costs Lawyer to reduce a bill or to pay compensation. As well as looking at the substance of the complaint, LeO will look at the way in which the complaint was handled and this will be a factor in its determination, including whether to charge the Costs Lawyer the case fee for the matter.
33. If you do not already have one, your costs law firm will need to establish a complaints procedure that complies with these provisions as far as the work of the Costs Lawyer and any work that they supervise is concerned.
34. You should ensure that your employment contract with the Costs Lawyer permits them to disclose relevant information to LeO and the CLSB.

35. Issues may arise where a client complains about a matter where the Costs Lawyer did not perform all of the work and some of it was carried out by a unauthorised person such as a costs advisor. LeO only has authority to deal with complaints in relation to authorised persons under the LSA. LeO may therefore decide to deal with only part of the complaint, or may decide to treat the whole case as the Costs Lawyer's responsibility where the Costs Lawyer was in charge of the matter or supervising the unauthorised colleague.

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Information to clients

36. The Code of Conduct requires Costs Lawyers to ensure that clients are able to make informed decisions about the work being undertaken on their behalf throughout the lifetime of a matter, including how it will be priced, the costs incurred and the likely overall cost of the matter (including any potential liability for the costs of other parties).
37. This means that a Costs Lawyer must give an estimate of fees and details of their charging structure to clients in advance of instruction. Where that estimate subsequently becomes inaccurate or that charging structure changes, the Costs Lawyer must provide an updated estimate or notice of revised charges.
38. The Costs Lawyer must also let the client know what steps will be taken in the matter and the likely timetable. For more detailed information, see our [Guidance Notes](#) on price transparency and client care letters.
39. Any publicity of your business must not be misleading or inaccurate insofar as it concerns the Costs Lawyer or their work.
40. It is important that costs law firms make it clear to clients which work is going to be carried out by a Costs Lawyer and which work will be undertaken by staff who are not authorised under the LSA, and what the consequences are for the client. In particular:
- Whilst the client will have a right to complain about the Costs Lawyer's service to LeO or about their conduct to the CLSB, they will have no such rights in

relation to the unauthorised person, although they will have the right to complain that there has been no, or no adequate, supervision by the Costs Lawyer of the unauthorised person.

- Whilst professional indemnity insurance will be in place to cover any claim relating to the Costs Lawyer's work, that insurance might not extend to the work of unauthorised persons who are not supervised by the Costs Lawyer.

Conflicts of interest

41. A Costs Lawyer must decline to act if it would not be in the client's best interests to do so, including where that client's interests conflict with the Costs Lawyer's interests or with the interests of another client (other than in certain circumstances). See Principle 3.1a of the Code of Conduct and our [Guidance Note](#) on conflicts of interest.
42. Examples of such situations include:
 - Providing costs services to opposing parties in a costs dispute or other litigation.
 - Providing costs services to both an instructing solicitor and a third-party funder in negotiating funding terms for the same proceedings.
43. A Costs Lawyer must also decline to act for a client if the client has a conflict of interest with you, as the Costs Lawyer's employer, or with a fellow employee. This may mean, for example, that if the Costs Lawyer considers that a fellow employee at your costs law firm has been negligent in relation to the client's case then the Costs Lawyer may be obliged to inform the client and to stop acting for them.
44. Your costs law firm will want to put systems in place to ensure that conflicts of interest do not arise or, if they do arise, they are identified and properly managed. This might include, for example, erecting information barriers if a Costs Lawyer is acting (or has acted) on a matter for a client and your firm intends to have another employee work on a related matter in a way that could be adverse to the client's interests.

Confidentiality

45. Under Principle 7.1 of the Code of Conduct, a Costs Lawyer must keep the affairs of clients and former clients confidential unless disclosure is required or allowed by law or if the client consents in writing to disclosure, having had the consequences of such consent explained to them.
46. Costs law firms will want to ensure that they have appropriate arrangements in place to help the Costs Lawyer meet their obligations in relation to confidentiality. This will also assist you in complying with the requirements of data protection legislation. For example:
 - Information should not be passed to third parties (for example, for marketing purposes) without the client's consent.
 - Personal data should not be used for a purpose other than for which it was supplied (for example, for cross-selling of services) without consent.
 - Client records should be held securely.
47. Confidential information regarding one client should not be shared with another.

Complying with general consumer protection legislation

48. Costs law firms, like all other businesses, must comply with consumer protection legislation when marketing or providing costs law services to consumers. Consumer protection laws impose requirements around contract terms, cancellation rights, information provision, advertising, ADR and complaint handling, and the way in which services must be performed. Whether or not a costs law firm employs Costs Lawyers, these rules must be followed.
49. The CLSB has published a comprehensive [guide to dealing with consumers](#), which applies to all costs law firms.

Setting up or closing down a costs law firm

- [50.](#) There are many things to consider when setting up a costs law practice, regardless of whether you intend to employ Costs Lawyers. Our [Guidance Note](#) on setting up a practice provides advice on issues such as whether your firm needs to be authorised, what type of services you can provide, and what arrangements you will need to put in place.
51. It also explains how you should refer to the regulatory status of your costs law firm and how to use the CLSB's Mark of Regulation.
52. Equally, if you are closing a costs law firm, you will need to take steps to protect your clients and ensure minimal disruption to third parties. Our [Guidance Note](#) on regulatory issues when closing down a practice covers matters such as insurance run-off, managing client files and informing stakeholders.

END

Guidance Note Reserved Legal Activity Rights



7 April 2026 (version 3)

Costs Lawyer Standards Board



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Definitions

CLSB	The Costs Lawyer Standards Board
Costs Lawyer	A Costs Lawyer authorised and regulated by the CLSB under the LSA
LSA	Legal Services Act 2007

References to legislative provisions are references to the LSA, except where otherwise stated.

Authorised rights

1. This guidance clarifies the rights of an authorised Costs Lawyer to carry out reserved legal activities. These rights are sometimes referred to as “authorised rights” or “reserved legal activity rights”.

What are the authorised rights of a Costs Lawyer?

2. A Costs Lawyer is entitled, by virtue of their authorisation as a Costs Lawyer under the LSA, to carry out three reserved legal activities (Schedule 4, Part 1):
 - the exercise of a right of audience;
 - the conduct of litigation; and
 - the administration of oaths.
3. A statement clarifying these rights in relation to Costs Lawyers was adopted by the Lord Chancellor in July 2007 and a revised version was approved by the Legal Services Board in March 2014. The statement is referred to in the Costs Lawyer Code of Conduct and reads as follows.

Provided that you are instructed to deal only with matters that relate to costs, you may conduct proceedings and represent clients in any court or tribunal, including any criminal court or courts martial, the Supreme Court or the Privy Council where:

- *the proceedings are at first instance; or*

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- *the proceedings include an appeal below the level of the Court of Appeal or Upper Tribunal, are on a first appeal (other than in the Court of Appeal) and the appeal itself relates to costs; or*
 - *the proceedings do not fall within either of the categories above, but your instructions are limited to dealing with the costs of the proceedings; or*
 - *the court or tribunal grants permission for you to conduct proceedings or to represent a client (or both).*

Where proceedings relate to other matters, in addition to costs, the rights referred to above apply only to those parts of the proceedings (if any) that:

- *relate solely to costs; or*
- *when they relate to other issues, solely those issues that are not in dispute.*

A matter 'relates to costs' if it relates to payments for legal representation, including payments in respect of pro bono representation under s194 of the LSA and/or to payments made for bringing or defending any proceedings, but only if and to the extent that those monies are not damages.

For the avoidance of doubt, this includes:

- *Costs between opposing parties including costs management and budgeting.*
- *Solicitor and client costs but not if and to the extent that issues of negligence arise when a Lawyer competent to deal with allegations of negligence ought to be instructed instead.*
- *Legal aid, criminal costs, wasted costs or costs against third parties.*

Further, you may administer any oath.

Where do authorised rights derive from?

4. An individual Costs Lawyer's right to carry out reserved legal activities derives from the LSA. Any question of entitlement is determined solely in accordance with that legislation (section 13(1)).
5. Under the LSA, a person is entitled to carry on a reserved legal activity where that person is authorised in relation to the activity in question (section 13(2)(a)). A person will be authorised if they are authorised by an approved regulator (section 18(1)). In relation to Costs Lawyers, the approved regulator is the CLSB.

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6. An authorised person may be an individual or a non-natural person. The definition of a person includes a body of persons (corporate or incorporate), commonly referred to as an entity in the context of legal services regulation (section 207).
 7. The CLSB does not authorise or regulate entities, only individuals. Certain other approved regulators, such as the Solicitors Regulation Authority, authorise and regulate entities.

Is authorisation always required in order to carry out a reserved legal activity?

8. No. If a person is not authorised, they may still be entitled to carry out a reserved legal activity if they are an “exempt person” in relation to the activity in question (section 13(2)(b)).
9. A list of exempt persons can be found in Schedule 3 to the LSA. Each reserved legal activity has its own distinct list of exemptions.

Regulated persons

Duties of a regulated person

10. If a person is authorised by an approved regulator under the LSA, then they are subject to that approved regulator’s rules. Authorised Costs Lawyers are regulated by the CLSB and are “regulated persons” for the purposes of the LSA.
11. A regulated person has a duty to comply with all “regulatory arrangements” made by their approved regulator (section 176). Costs Lawyers must therefore comply with the provisions of the Costs Lawyer Handbook – including the Code of Conduct – and any other rules or procedures implemented by the CLSB that make up its regulatory arrangements.

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12. An individual who is not authorised by the CLSB, but who is a manager or employee of an authorised person, is also considered a regulated person under the LSA and must comply with all relevant regulatory arrangements (section 176(2)(b)).
 13. Regulated persons who are authorised to exercise a right of audience or conduct litigation have additional duties under the LSA. These include a duty to the court to act with independence in the interests of justice (section 188).

Offences under the LSA

14. It is an offence for a person to carry on a reserved legal activity unless they are entitled to do so under the LSA; that is, unless they are either authorised or exempt (section 14). The offence is punishable by imprisonment and/or a fine.
15. It is also an offence for a person to (section 17):
 - wilfully pretend to be entitled to carry on a reserved legal activity;
 - use a name, title or description with the intention of implying falsely that the person is entitled to carry on a reserved legal activity.

The reserved legal activities

What is a right of audience?

16. A “right of audience” means a right to appear before and address a court, including the right to call and examine witnesses (Schedule 2, paragraph 3).

Can a Costs Lawyer delegate their right of audience?

17. No. The CLSB authorises and regulates individual Costs Lawyers, and it is the Costs Lawyer who is authorised in relation to this reserved legal activity (section 18). The LSA makes no provision for the delegation of this right by an authorised person to an unauthorised person.

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18. While a Costs Lawyer’s right of audience cannot be delegated, an unauthorised person may be entitled to exercise a right of audience – including in relation to costs – if they are an exempt person under the LSA (see paragraph 8 above).
19. In relation to exercising a right of audience, a person will be exempt if, for example, the court grants them a right of audience in the proceedings at hand or if they have a right of audience under a law other than the LSA. A person will also be exempt if their work generally includes assisting in the conduct of litigation, and they are assisting in the conduct of the proceedings at hand under the instruction and supervision of an authorised Costs Lawyer, where the proceedings are heard in chambers¹ in the High Court or County Court (and are not reserved family proceedings) (Schedule 3, paragraph 1(7)).
20. Therefore, a Costs Lawyer may instruct a colleague who is not an authorised person to attend a court hearing under the Costs Lawyer’s supervision. However, the Costs Lawyer should be mindful that their colleague will only be able to exercise a right of audience if they meet the criteria for being an exempt person under the LSA. In such circumstances, the Costs Lawyer is not delegating their authorised rights, nor are they delegating responsibility for the exercise of those rights; rather, they are delegating a task (under supervision) that forms part of the overall service to their client.
21. A Costs Lawyer who chooses to delegate a task to a colleague remains responsible for regulatory compliance and for client outcomes. The Costs Lawyer must therefore retain proper oversight of the matter and supervise their colleague appropriately. This includes ensuring that:
- delegated tasks are carried out in accordance with the CLSB’s regulatory arrangements;

¹ In *MAZUR & ANOR vs CHARLES RUSSELL SPEECHLYS LLP*, the Court of Appeal offered clarity on “in chambers; at paragraph 57 of its ruling. “The expression “in chambers” is an out-of-date reference to hearings held in the High Court or county court which were not held in public and were often procedural in nature. They were in the judge’s room, the judge often being a Master (in the High Court) or District Judge (in the county court or District Registry).”

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- the client understands in advance that the task will be delegated to a person who is not an authorised Costs Lawyer;
 - the delegation complies with the Costs Lawyer Code of Conduct, in particular that delegating the task is in the client’s best interests; and
 - the Costs Lawyer’s insurance policy extends to cover the outcome of any delegated tasks.

What is the conduct of litigation?

22. The “conduct of litigation” means (Schedule 2, paragraph 4):

- the issuing of proceedings before any court in England and Wales;
- the commencement, prosecution and defence of such proceedings; and
- the performance of any ancillary functions in relation to such proceedings (such as entering appearances to actions).

23. In MAZUR & ANOR vs CHARLES RUSSELL SPEECHLYS LLP the Court of Appeal did not provide a definitive description of what is conducting litigation. However, but it identified seven activities which it considered could be regarded as “unlikely to fall within the statutory definition of the “conduct of litigation”” as follows:

I. Pre-litigation work.

II. Giving legal advice in connection with court proceedings.

III. Conducting correspondence with the opposing party on behalf of clients.

IV. Gathering evidence.

V. Instructing and liaising with experts and counsel.

VI. Signing a statement of truth in respect of a statement of case.

VII. Signing any other document that the CPR permits to be signed by a legal representative, as defined by CPR Part 2.3.”

24. In the same way that a Costs Lawyer cannot delegate their right of audience to an unauthorised person, a Costs Lawyer cannot delegate their right to conduct litigation. Neither can a “litigant in person” delegate their right to conduct litigation.

25. A Costs Lawyer may delegate tasks which fall within the scope of the “conduct of litigation” to an unauthorised individual only if the following conditions are met:

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- a) The unauthorised person is in truth acting on behalf of the Costs Lawyer and it is, on inspection of the facts, the Costs Lawyer who conducting litigation.
 - b) The Costs Lawyer gives the unauthorised person proper direction, and exercises supervision and control.
 - c) The Costs Lawyer documents appropriate management processes to ensure compliance. As the “conduct of litigation” is defined by law and not regulation, the Costs Lawyer must ensure that its management processes comply with the latest legal position.

26.If the reality is that the litigation is not being conducted by the unauthorised person for and on behalf of the Costs Lawyer or another authorised individual, then the unauthorised person will be committing an offence under the LSA. The Costs Lawyer who delegated the work will also be breaching the CLSB’s Practising Rules and Code of Conduct.

27. Exempt persons may conduct litigation, but the categories of exempt persons in relation to the conduct of litigation are relatively narrow (Schedule 3, paragraph 2). Essentially, an unauthorised person may conduct litigation where they:
- have the court’s permission;
 - have a right to conduct litigation under a law other than the LSA;
 - are a party to the litigation (i.e. a litigant-in-person).

What is the administration of oaths?

28. The “administration of oaths” means an exercise of the powers conferred on a commissioner for oaths by various legislation, including the Commissioners for Oaths Acts 1889 and 1891 (Schedule 2, paragraph 8).
29. A Costs Lawyer cannot delegate their right to administer oaths, in the same way that they cannot delegate their other authorised rights. Exempt persons may administer oaths; exemptions exist for persons who (Schedule 3, paragraph 6):
- have a right to administer oaths under a law other than the LSA;
 - have a commission under the Commissioners for Oaths Act 1889.

END

Consultation

Costs Lawyer Disciplinary Rules and Procedure



Closing date: 5pm on 31 July 2026

Costs Lawyer Standards Board



This consultation

The Costs Lawyer Standards Board (CLSB) regulates Costs Lawyers under the framework established by the Legal Services Act 2007. To ensure that Costs Lawyers meet appropriate professional standards, the CLSB establishes requirements in relation to competency and conduct. Those requirements are set out in various regulatory arrangements, collated in the [Costs Lawyer Handbook](#).

The Costs Lawyer Disciplinary Rules and Procedures (DR&P) establish the processes to be followed where the CLSB receives information indicating that a Costs Lawyer might have breached our rules. You can find the current version of the DR&P [on our website](#).

During the early part of 2026 the CLSB undertook a review of the DR&P and determined that they could be improved by some minor changes to introduce clearer language and address real life queries received by the CLSB.

The CLSB sets out its approach to consultations which is [published on our website](#). This consultation paper explains the rationale for a series of proposed changes to the DR&P following the review. It raises questions that you might like to consider as part of your consultation response, although we welcome comments on any aspect of the proposals.

Consultation responses should be sent to enquiries@clsb.info by **5pm on 31 July 2026**.

The current practising system

Costs Lawyers are permitted to practise if they:

- are qualified as a Costs Lawyer;
- have a current practising certificate; and
- have appropriate indemnity insurance.

Practising certificates run to 31 December each year. Annual renewals take place each November for the following year. Those qualifying or returning to practice in-year can apply for a certificate to cover the remaining part of the practising year at a reduced fee. Costs Lawyers with a current practising certificate are listed on the CLSB [Register of Costs Lawyers](#).

The CLSB can grant a practising certificate, grant a certificate subject to conditions on practising, or refuse an application for a practising certificate. Practising conditions might, for example, limit the type of work the Costs Lawyer can do or require them to take steps, such as completing specified training. The CLSB can also impose a condition on a certificate during its currency.

A practising certificate will automatically be revoked on certain events (e.g. death) and is likely to be revoked on others (e.g. bankruptcy). The Conduct Committee can also suspend or revoke a practising certificate and direct the removal (permanent or temporary) of a Costs Lawyer from the register.

Why change is needed

The low number of complaints received by the CLSB has inevitably meant that certain questions have not been raised before. Each year the CLSB reviews complaints in the previous practising year and looks at whether improvements can be made to the DR&P for the benefit of all involved. Unintentional ambiguity is not considered helpful and we have determined that the DR&P could be improved to increase understanding and simplify language. We are not aware of any need to change the fundamentals of the DR&P.

Summary of the proposed amendments

In addition to various amendments that seek to primarily tidy up language and offer greater clarity, the key proposed amendments can be summarised as follows:

- Removal of a condition to hold a practising certificate at the time a complaint is made to the CLSB. This ensures that a Costs Lawyer cannot surrender their Practising Certificate to circumnavigate the complaints process and avoid any necessary investigation; the result of which could be important when assessing future applications to be reinstated to the CLSB Register.
- Making clear that extending the time limits for making a complaint will only apply in exceptional circumstances.
- Allowing the CLSB greater discretion to introduce new evidence into an existing complaint that leads to a new line of investigation. This will speed up the process and reduce costs compared with opening a new independent investigation case, as is currently the case.
- Increasing the financial amounts of fixed costs orders and the ceiling limit of the financial penalty that the CLSB can impose as a sanction; neither of which can be imposed unless a complaint has been upheld. This is common practice across regulation and ensures that where an individual is responsible for the complaint, they cover, or at least largely contribute to, the costs of the process. This avoids the regulated community from picking up the costs of poor behaviour and leaves it only covering the costs of complaints that are not upheld.
- New, clearer language that specifies what stages of the disciplinary process can and cannot be appealed, and where the final route of appeal ends.

The proposed amendments

Annex 1 to this consultation paper is a table setting out the proposed amendments to the text of the DR&P. Changes are shown in red and deleted text has been struck through. Commentary on the rationale for each proposed change is provided in the righthand column of the table.

Annex 2 to this consultation paper shows the amended DR&P as it would appear if all the proposed changes are made.

Consultation questions

1. Do you agree that we have focused on the right objectives in updating the DR&P? Are there any other key objectives or bodies of evidence that we should take into account? If so, how?
2. Do you agree with the proposed amendments to the DR&P? Are there any additional amendments that we should consider?
3. Do you find the proposed presentation of the DR&P accessible? Are there any other formatting changes we should consider to make the Practising Rules more user-friendly?
4. Do you foresee any reason why the proposed changes could have a harmful impact on persons with a protected characteristic under the Equality Act 2010? If so, is there any evidence you can provide that would help us assess that impact?

Annex 1 – Explanation for proposed amendments to the DR&P

Section of Rules – Revised Text	Explanation of Proposed Amendments
<p>Definitions</p> <p>Person appointed by the CLSB to assist in the administration of a disciplinary matter at level two or three, who may be a person employed by the CLSB or a third party.</p> <p>Rule 1: Jurisdiction</p> <p>1.1 These DR&P come into effect on the effective date above and replace any other disciplinary rules and procedures previously issued by the CLSB. These DR&P govern Complaints made-received on or after the effective date. The Costs Lawyer need not hold a practising certificate issued by the CLSB at the time the Complaint is made to the CLSB in order for the CLSB to have jurisdiction.</p> <p>1.2 These DR&P apply where the following two criteria are met:</p> <p>(i) there is reason to suspect that a Costs Lawyer has been or is in breach of a Principle;</p> <p>(ii) the Costs Lawyer held a practising certificate issued by the CLSB at the time the alleged breach of a Principle occurred. ; and</p> <p>(iii) — the Costs Lawyer holds a practising certificate issued by the CLSB at the time the Complaint is made to the CLSB.</p> <p>1.4 In the event that a Complaint is made outside of the time limits in rule 1.3 above, then the CLSB may only consider the Complaint if:</p> <p>(i) the Complainant provides a reasonable explanation an exceptional reason for the delay in making the Complaint and that delay does not cause unfair prejudice to the Costs Lawyer involved; or</p> <p>(ii) if it is otherwise in the public interest to consider the Complaint.</p>	<p>This insertion clarifies that the CLSB may use an external person to case manage a disciplinary matter.</p> <p><i>The current DR&P only allow the CLSB jurisdiction to investigate a complaint if the Costs Lawyer holds a current practising certificate at the time a complaint is made. This could, if misused, allow for a Costs Lawyer to avoid a complaint investigation by surrendering their Practising Certificate before a complaint is made to the CLSB. As this would prevent an investigation, they potentially could seek to join the Register again in the future. This is not in the interests of the client or the reputation and standing of the profession.</i></p> <p><i>By way of example, barristers and solicitors are subject to disciplinary sanctions by virtue of their professional qualification as barristers or solicitors and are not required to hold practising certificates.</i></p> <p><i>This change is to specify the high bar necessary to establish whether a delay in making a Complaint justifies suspending the time limit. What is reasonable to one person may not be reasonable to another, but it is considered that the word exceptional better explains the grounds necessary to justify suspending the time limit.</i></p>

Section of Rules – Revised Text	Explanation of Proposed Amendments
<p>1.6 The CLSB will not consider a Complaint by a Complainant to whom the Costs Lawyer’s first tier complaints procedure applies unless:</p> <p>(i) the Complainant has raised the issue with the Costs Lawyer under the terms of the complaints procedure, and either the procedure has been exhausted or a period of eight weeks has passed;</p> <p>(ii) the Complainant demonstrates, to the CLSB’s reasonable satisfaction, that it would cause unfair prejudice to the Complainant to use the Costs Lawyer’s complaints procedure; or</p> <p>(iii) it is otherwise considered by the CLSB in the public interest not to require the Complainant to use the Costs Lawyer’s complaints procedure.</p> <p>For the purposes of rule 1.4(i), active participation by a Complainant in a process under a first tier complaints procedure is likely to constitute a reasonable explanation-an exceptional reason for delay.</p> <p>1.7 In the event the CLSB accepts jurisdiction to investigate an alleged breach of a Principle, then the CLSB will confine itself to that alleged breach and to documents and witness evidence which relate to that breach. If the CLSB obtains information relating to another potential breach of a Principle in the course of an investigation, the CLSB will, at its discretion, decide whether it forms part of the existing complaint or whether it will treat that information as a fresh Complaint.</p> <p>1.9 If a person to whom these DR&P apply has a disability, the CLSB will consider a request by that person to make reasonable adjustments to the processes set out in these DR&P as set out in the reasonable adjustment policy. The CLSB will use best efforts to agree in advance suitable reasonable adjustments, which are consistent with the objectives of these DR&P, to address any substantial disadvantage the person might suffer. Where the CLSB determines it is not possible or not appropriate to make the reasonable adjustments requested, the CLSB will provide reasons in writing.</p>	<p><i>This amendment simply seeks to clarify who will make the decision on 1.6 (iii).</i></p> <p><i>This amendment is to align with the proposed change at 1.4(i) above.</i></p> <p><i>This amendment seeks to allow the CLSB to consider other elements of a complaint during an investigation without the need and expense of starting a new complaint, which inevitably causes all parties further delay.</i></p> <p><i>This amendment removes the detail of reasonable adjustments and instead directs to the standalone Reasonable Adjustments Policy. This will enable the CLSB to keep that Policy under periodic review and amend where necessary to keep up with best practice, without needing to consult on Rule changes which may delay being able to do the right thing.</i></p>
<p>Rule 3: Publication of an outcome</p> <p>3.4 Imposition of an interim suspension order under rule 4 will be noted against the name of the Costs Lawyer on the register of authorised and regulated Costs Lawyers, and any other part of the CLSB’s website at its discretion, for the period that the interim suspension order is in force.</p>	<p><i>The current Rules are overly prescriptive about where the suspension order can be published. This amendment seeks to address this while still offering a clear limitation to publication.</i></p>

Section of Rules – Revised Text	Explanation of Proposed Amendments
<p>Rule 4: Interim Suspension Orders</p> <p>4.6 The Costs Lawyer may apply in writing to have an interim suspension order revoked at any time while such an order is in force if new evidence becomes available that is material to the decision. A Lay Person Panel Member, ordinarily the same individual appointed under rule 4.3, will determine the application within 14 calendar days of receipt, taking into account the new evidence provided. The CLSB will notify the Costs Lawyer in writing of the Lay Person Panel Member’s determination. If the Lay Person Panel Member determines that the application should be allowed, the CLSB will revoke the interim suspension order.</p> <p>4.8 An appeal under rule 4.7 must be made in writing, setting out the reasons why the Costs Lawyer believes the interim suspension order should be revoked. The Conduct Appeal Committee will consider the issue afresh. The CLSB will notify the Costs Lawyer in writing of the outcome of the appeal. If the appeal is allowed, the CLSB will revoke the interim suspension order as soon as practicable. There is no further appeal of an outcome at this stage.</p>	<p><i>This amendment clarifies that the Lay Person appointed earlier in the process continues at this stage removing any ambiguity.</i></p> <p><i>This amendment makes explicit what was once implicit to avoid any ambiguity.</i></p>
<p>Rule 5: Level one procedure</p> <p>5.1.1 In the event the CLSB accepts jurisdiction in respect of a Complaint, it will carry out an investigation in relation to the Complaint. The investigation will be conducted by an investigator, who may be a senior member of CLSB staff or by an external investigator appointed by the CLSB who is considered to have the requisite expertise. The CLSB will use all reasonable endeavours aim to ensure an investigation is completed within three calendar months from the date an investigator is instructed or, in the event a CLSB staff member conducts the investigation, from the date the CLSB accepts jurisdiction.</p> <p>5.1.3 The CLSB or investigator will send a copy of the Complaint and any documents to the Costs Lawyer inviting them to provide, within 28 calendar days, a response which sets out concise observations (which may include admissions), supported by evidence relevant to the investigation. The Costs Lawyer may make a written request to the CLSB or investigator for an extension of time for responding, setting out reasons why the extension is required. An Only one extension will only be permitted other than where the CLSB is satisfied that there are exceptional circumstances, in which case it may exercise its discretion to grant a further extension, taking into account the public interest in the prompt investigation of Complaints.</p>	<p><i>This amendment seeks to remove unnecessary information, and remove an unnecessary fetter to the discretion of the CLSB in appointing the right person to lead the investigation.</i></p> <p><i>This amendment removes the presumptive limit of only one extension as there are times when it’s not foreseeable, such as health or bereavement, how long an extension is needed. This allows the CLSB discretion to be compassionate and fair, but in all cases there will need to be an exceptional reason for an extension. For example, in a recent case there were successive extensions due to the deteriorating health of a relative.</i></p>

Section of Rules – Revised Text	Explanation of Proposed Amendments
<p>5.1.7 At the conclusion of an investigation, the CLSB or the investigator will produce a written report. It will set out the evidence considered as part of the investigation and the investigator’s conclusions drawn from the evidence. Conclusions will be reached on the balance of probabilities.</p> <p>5.1.9 If the investigation report was prepared by an external investigator appointed by the CLSB, it will be evaluated by the CLSB to ensure it is thorough and fair. It will be at the discretion of the CLSB as to whether further investigation is carried out before the finding in the investigation report is acted upon. In such event, the Costs Lawyer will be notified that further investigation will be undertaken and completed within a specified period of 21 calendar days.</p> <p>5.3.7 A fixed costs order in the sum of £500-£750, payable within 21 calendar days, will be included in any warning letter or written undertaking. A written undertaking may also include:</p> <p>(i) an undertaking to pay a financial penalty not exceeding £500 a further £5,000;</p> <p>(ii) the imposition of a condition on the Costs Lawyer’s practising certificate for a specified period.</p> <p>5.4.2 The Costs Lawyer may appeal against a finding following a level one investigation, that a breach of a Principle occurred. The Costs Lawyer may also appeal against the content of a warning letter issued under rule 5.3.1(i). A Costs Lawyer may not appeal a referral to a Conduct Committee following a level one investigation.</p>	<p><i>This amendment makes it clear whose conclusions are contained in the report to avoid ambiguity.</i></p> <p><i>This amendment offers clarity and removes the restriction of 21 calendar days, which if stretching over the Christmas and New Year period would be almost impossible to comply with.</i></p> <p><i>The DR&P costs orders have not been reviewed since 2020 and this amendment seeks to address this. These costs orders do not come close to covering the costs of an investigation, which in 2025 cost in excess of £10,000 for five upheld complaints. The proposed £5,000 reflects the reality that many complaints are resolved at level one, and it is not a target or a standard fee. The CLSB will only seek to recover the costs of the complaint. For example, if the cost of a complaint is £1200, then the financial penalty would be £450 in addition to the £750 fixed costs order. This approach, commonly referred to in regulatory circles as “polluter pays”, means that the costs of upheld complaints are passed on to the Costs Lawyer responsible, leaving the rest of the regulated community to cover only the CLSB costs where a complaint is not upheld.</i></p> <p><i>This amendment simply clarifies what is currently implicit to make it explicit.</i></p>
<p>Rule 6: Level two procedure (Conduct Committee)</p> <p>6.1.1 A Conduct Committee will have jurisdiction under these DR&P in the events outlined in rule 5.3.1(iii), rule 5.3.9 and rule 5.4.5, and under the Practising Rules. Where a Conduct Committee has jurisdiction, the CLSB will convene the Conduct</p>	<p><i>This amendment explicitly provides that an appeal against a decision under Rule 10.5 of the Practising Rules is within the jurisdiction of the Conduct Committee.</i></p>

Section of Rules – Revised Text	Explanation of Proposed Amendments
<p>Committee in accordance with these DR&P as soon as reasonably practicable.</p> <p>6.2.3 A Lay Person Panel Member who was appointed under rule 4.3 to consider matters relating to an interim suspension order may not also be appointed to the Conduct Committee. The Conduct Committee will be provided with all material evidence that was made available to the Lay Person Panel Member.</p> <p>6.4.1 The CLSB will, not less than 14 calendar days before a Conduct Committee hearing, publish a notice on the CLSB website that a Conduct Committee has been convened. This notice will state the name of the Costs Lawyer, date, time and format, if online, or location of the Conduct Committee hearing. As the CLSB operates entirely remotely, there is a presumption that the hearing will be held online. Modern remote facilities provide for confidential ‘break out’ rooms for the Committee members and the Costs Lawyer that can be used for conferring. The location may be varied by the Conduct Committee if there are reasonable grounds to do so, for example in extremely complex matters or to meet a reasonable adjustment request.</p> <p>Rule 6.4.7: Any witness, whose evidence has not been agreed and who has therefore been called to give oral testimony, may be asked questions by the Costs Lawyer and/or the CLSB’s representative at the direction of the Conduct Committee. Any witness called by the CLSB whose evidence has not been agreed and has therefore been called to give oral testimony, may be examined by the CLSB’s representative (unless their witness statement is tendered in evidence), cross-examined by the Costs Lawyer or their representative and re-examined by the CLSB’s representative. If the Costs Lawyer chooses to give evidence, they (and any witness or witnesses called on their behalf) may be similarly cross-examined by the CLSB’s representative.</p> <p>6.5.2 Where the Conduct Committee finds that a breach of Principle occurred, the Conduct Committee may order one or more of the following sanctions:</p> <p>(i) a warning, specifying actions the Costs Lawyer must take or must avoid in the future, which may include sanctions that apply automatically upon non-compliance with the terms of the warning;</p> <p>(ii) a financial penalty not exceeding £5,000 £7,000;</p> <p>6.5.4 A fixed costs order in the sum of £1,250 £1,500, payable within 21 calendar days, will be included in any order made by</p>	<p><i>This amendment addresses what could be perceived as a procedural weakness. It excludes any Lay person who reviewed an Interim Suspension Order from being appointed to a subsequent Conduct Committee hearing the same matter.</i></p> <p><i>This amendment seeks to bring the DR&P in line with how the CLSB now operates as a remote organisation, removing any assumption that hearings would be held online or in a physical location leaving to it be decided on a case-by-case basis. This aligns with the Reasonable Adjustments Policy.</i></p> <p><i>This amendment is a clarification of the former language to make matters simpler to the reader.</i></p> <p><i>These two amendments taken together raise the financial penalty and fixed costs at this stage to reflect the rising costs of the CLSB, especially as at this stage it is highly likely that an external</i></p>

Section of Rules – Revised Text	Explanation of Proposed Amendments
<p>the Conduct Committee where it finds that a breach of a Principle occurred.</p>	<p><i>investigator will have been engaged because the matter will be more complex and/or serious.</i></p>
<p>Rule 7: Level three procedure (Conduct Appeal Committee)</p> <p>7.3.6 In the event the Conduct Appeal Committee:</p> <p>(i) finds that no valid ground for appeal has been made out by the Costs Lawyer; or</p> <p>(ii) upholds the Conduct Committee’s order in full,</p> <p>the Costs Lawyer will be ordered to pay fixed costs at level three in the sum of £1,250 £1,500 (in addition to the £1,250 £1,500 fixed costs ordered by the Conduct Committee at level two and any financial penalty imposed at level two). Level two and level three fixed costs, and any financial penalty imposed at level two, will be payable to the CLSB within 14 calendar days of the Costs Lawyer receiving written notification of the Conduct Appeal Committee’s order.</p> <p>NEW 7.4.2 The Conduct Appeal Committee’s order is not appealable and this process will have been exhausted.</p>	<p><i>This amendment raises the fixed costs at this stage to reflect the rising costs of the CLSB.</i></p> <p><i>This amendment seeks to make explicit what is currently implicit in the DR&P to ensure clarity.</i></p>

Annex 2 – Complete version of proposed new DR&P

Definitions

The definitions below form part of these Disciplinary Rules and Procedures.

ACL	Association of Costs Lawyers (named in the LSA as the Association of Law Costs Draftsmen).
Case Manager	Person appointed by the CLSB to assist in the administration of a disciplinary matter at level two or three, who may be a person employed by the CLSB or a third party.
CLSB	Costs Lawyer Standards Board, acting as an approved regulator under the LSA following delegated authority by the ACL on 31 October 2011.
CoC	Costs Lawyer Code of Conduct effective at the time a Principle might have been breached.
Complaint	Information established by the CLSB under its supervision arrangements or information received from a third party (natural, legal or commercial) which relates to a potential breach of a Principle by a Costs Lawyer.
Complainant	The CLSB, or a person (natural, legal or commercial) who brings information to the attention of the CLSB that a Principle might have been breached by a Costs Lawyer.

Conduct Committee	Committee established by the CLSB to consider Costs Lawyer conduct matters, as defined in the Disciplinary Rules and Procedures
Costs Lawyer	A Costs Lawyer authorised and regulated by the CLSB.
DR&P	These Disciplinary Rules and Procedures.
Lay Person / Non-Lay Person	As defined in Schedule 1 paragraph 2(4) of the LSA.
LSA	Legal Services Act 2007.
Panel Member	<p>An individual appointed by the CLSB (including on an ad hoc basis) to serve on a Conduct Committee or Conduct Appeal Committee who:</p> <ul style="list-style-type: none"> • is independent of the CLSB; • has been neither an ACL Council member nor a non-executive director of the CLSB for a period of two years before being appointed as a Panel Member; and • has agreed in writing to adhere to the terms of the CLSB’s Panel Member Code of Conduct and any procedural guidance that the CLSB may issue for Panel Members from time to time.
Principle	<p>Any one or more of the seven principles a Costs Lawyer must comply with under the CoC, namely:</p> <ol style="list-style-type: none"> 1. Act with honesty and integrity and maintain your independence 2. Comply with your duty to the court and promote the proper administration of justice 3. Act in the best interests of your client 4. Provide a good quality of work and service to your client 5. Deal with the regulators and Legal Ombudsman in an open and co-operative way 6. Treat everyone fairly and equitably, and with dignity and respect

	<p>7. Keep the affairs of your client confidential</p> <p>The Principles are underpinned by CLSB rules, such as Practising Rules and CPD Rules, contained in the CLSB Handbook. A potential breach of a Principle may therefore involve breach of a rule and a potential breach of a rule may indicate the breach of a Principle. For this reason, a reference to a Principle in these DR&P includes a reference to any associated CLSB rule.</p>
Regulatory Objectives	As defined in section 1(1) of the LSA.

Background

These DR&P are made pursuant to the LSA, which requires the CLSB to act in a way that it considers most appropriate for the purposes of meeting the Regulatory Objectives. The CoC sets out the Principles that a Costs Lawyer must uphold in order to meet the fundamental professional standards required of a Costs Lawyer. The Principles are underpinned by CLSB rules, such as Practising Rules and CPD Rules. These DR&P establish processes for determining whether a Costs Lawyer has breached a Principle and/or an associated rule, as well as the consequences of any such breach. These DR&P are published in the CLSB Handbook.

Objectives

The main aim of these DR&P is to promote the Regulatory Objectives, in particular:

- protecting and promoting the public interest;
- supporting the constitutional principle of the rule of law;
- protecting and promoting the interests of consumers;
- encouraging an independent, strong, diverse and effective legal profession;
- promoting and maintaining adherence to the professional principles.

These DR&P aim to be fair, consistent, transparent and proportionate procedures for considering the conduct of Costs Lawyers. They also aim to provide a credible deterrent to non-compliance with professional standards.

The desired outcome under these DR&P is that consumers of Costs Lawyers' services, the general public, the regulated community and individual Costs Lawyers are confident that the CLSB takes appropriate action where a Costs Lawyer has acted or continues to act in a way which breaches a Principle.

RULE 1: Jurisdiction

- 1.1 These DR&P come into effect on the effective date above and replace any other disciplinary rules and procedures previously issued by the CLSB. These DR&P govern Complaints received on or after the effective date. The Costs Lawyer need not hold a practising certificate issued by the CLSB at the time the Complaint is made to the CLSB in order for the CLSB to have jurisdiction.
- 1.2 These DR&P apply where the following three criteria are met:
 - (i) there is reason to suspect that a Costs Lawyer has been or is in breach of a Principle;
 - (ii) the Costs Lawyer held a practising certificate issued by the CLSB at the time the alleged breach of a Principle occurred; and
- 1.3 Where the Complainant is not the CLSB, for these DR&P to apply a Complaint must be made in writing to the CLSB:
 - (i) within one calendar year from the date on which the matters giving rise to the Complaint occurred; or
 - (ii) within one calendar year from the date on which the Complainant first became aware that a breach of a Principle may have occurred.
- 1.4 In the event that a Complaint is made outside of the time limits in rule 1.3 above, then the CLSB may only consider the Complaint if:

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- (i) the Complainant provides an exceptional reason for the delay in making the Complaint and that delay does not cause unfair prejudice to the Costs Lawyer involved; or
 - (ii) if it is otherwise in the public interest to consider the Complaint.

1.5 The CLSB will not consider a Complaint by a litigant in person or a solicitor on the other side of proceedings involving the Costs Lawyer, whilst those proceedings are ongoing. The court has powers to consider conduct issues in the context of ongoing proceedings.

1.6 The CLSB will not consider a Complaint by a Complainant to whom the Costs Lawyer's first tier complaints procedure applies unless:

- (i) the Complainant has raised the issue with the Costs Lawyer under the terms of the complaints procedure, and either the procedure has been exhausted or a period of eight weeks has passed;
- (ii) the Complainant demonstrates, to the CLSB's reasonable satisfaction, that it would cause unfair prejudice to the Complainant to use the Costs Lawyer's complaints procedure; or
- (iii) it is otherwise considered by the CLSB in the public interest not to require the Complainant to use the Costs Lawyer's complaints procedure.

For the purposes of rule 1.4(i), active participation by a Complainant in a process under a first tier complaints procedure is likely to constitute an exceptional reason for delay.

1.7 In the event the CLSB accepts jurisdiction to investigate an alleged breach of a Principle, then the CLSB will confine itself to that alleged breach and to documents and witness evidence which relate to that breach. If the CLSB obtains information relating to another potential breach of a Principle in the course of an investigation, the CLSB will, at its discretion, decide whether it forms part of the existing complaint or whether it will treat that information as a fresh Complaint.

1.8 The CLSB has entered into agreements with other regulatory bodies to govern situations in which more than one regulatory body might have jurisdiction to handle a Complaint. The CLSB will only exercise its jurisdiction under these DR&P

in accordance with such agreements. The CLSB will notify a Complainant if a Complaint falls within this rule 1.8.

- 1.9 If a person to whom these DR&P apply has a disability, the CLSB will consider a request by that person to make reasonable adjustments as set out in the [reasonable adjustment policy](#).

RULE 2: The Legal Ombudsman

- 2.1 A Complaint about the service provided by a Costs Lawyer falls within the jurisdiction of the [Legal Ombudsman](#). A Complaint about the conduct of a Costs Lawyer (i.e. breach of a Principle) falls within the jurisdiction of both the CLSB and the Legal Ombudsman.
- 2.2 In the event the CLSB receives a Complaint that falls within the jurisdiction of the Legal Ombudsman but **not** the jurisdiction of the CLSB, the CLSB will inform the Complainant of this and provide the Complainant with contact information for the Legal Ombudsman.
- 2.3 In the event a Complaint relates to both the service and conduct of a Costs Lawyer the CLSB will allow the Legal Ombudsman to investigate the Complaint in the first instance, unless the CLSB deems the conduct element so serious in nature that it requires the immediate or earlier attention of the CLSB. Once the Complaint has been determined by the Legal Ombudsman, the CLSB will (where it has the jurisdiction to do so under these DR&P) deal with any matters relating to the conduct element of the Complaint that have not been fully disposed of by the Legal Ombudsman. In doing so, the CLSB will adopt any relevant findings of fact made by the Legal Ombudsman in its determination. For the purposes of rule 1.3, the Complaint will be deemed to have been made to the CLSB on the date the Complaint was made to either the CLSB or Legal Ombudsman, whichever is earlier.

RULE 3: Publication of an outcome

- 3.1 The purposes of publishing a disciplinary outcome are to protect the public and to promote high standards across the Costs Lawyer profession. The CLSB will be guided by these purposes in determining whether and how to publish.
- 3.2 In the event a breach of a Principle has been established under these DR&P, the finding and any associated disciplinary outcome will be published by the CLSB unless publication would prejudice other proceedings or investigations (whether of a legal or regulatory nature) or would breach Article 8 of the Human Rights Act 1998.
- 3.3 Publication will be on the CLSB website and in any other location that the CLSB deems appropriate for achieving the purposes in rule 3.1. A note will also appear against the name of the Costs Lawyer on the register of authorised and regulated Costs Lawyers.
- 3.4 Imposition of an interim suspension order under rule 4 will be noted against the name of the Costs Lawyer on the register of authorised and regulated Costs Lawyers, and any other part of the CLSB's website at its discretion, for the period that the interim suspension order is in force.
- 3.5 Other than where an interim suspension order has been imposed, publication will only occur where a breach of a Principle has been established against a Costs Lawyer and following expiry of the time for an appeal under these DR&P. In the event the Costs Lawyer appeals, publication of the finding under appeal will be withheld pending the outcome of that appeal.
- 3.6 Publication will be in accordance with the Data Protection Act 2018, as amended from time to time. The CLSB may rely upon any exemptions from general data protection rules relating to the processing of personal data in connection with regulatory activities.

RULE 4: Interim suspension orders

- 4.1 On receipt of a Complaint, the CLSB shall consider whether or not the Costs Lawyer's practising certificate should be subject to an interim suspension order. The effect of an interim suspension order is to impose a condition on the Costs Lawyer's practising certificate that the Costs Lawyer does not have the right to practice as a Costs Lawyer pursuant to the CLSB's Practising Rules while the interim suspension order has effect.
- 4.2 An interim suspension order must be fair, just and reasonable in all the circumstances, and may only be imposed if the CLSB is satisfied that such a course of action is justified having regard to:
- (i) the risk posed to the public if such an interim suspension order was not implemented; and
 - (ii) the Regulatory Objectives.
- 4.3 If the CLSB is of the view that there are grounds for imposing an interim suspension order, the CLSB will appoint a Lay Person Panel Member to consider the relevant facts and make a recommendation as to whether an interim suspension order should be imposed. The Lay Person Panel Member will consider whether it is appropriate, in all the circumstances, to seek further information from the Costs Lawyer before making the recommendation.
- 4.4 An interim suspension order will:
- (i) be imposed by the CLSB only where recommended by the Lay Person Panel Member appointed under rule 4.3;
 - (ii) be notified in writing to the Costs Lawyer, including reasons why the criteria in rule 4.2 for imposition of an interim suspension order are considered to be met; and
 - (iii) be published in accordance with rule 3.
- 4.5 An interim suspension order shall remain in force until such time as:

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- (i) an investigation has been undertaken in accordance with rule 5 and a finding has been made as provided for in rule 5.2, in which case the interim suspension order shall automatically lapse;
 - (ii) the relevant Complaint is fully determined following a finding at level one, level two or level three and the time for any appeal has expired, in which case the CLSB will revoke the interim suspension order and notify the Costs Lawyer in writing; or
 - (iii) the CLSB has reasonable grounds to believe that the criteria in rule 4.2 for imposition of an interim suspension order are no longer met, in which case the CLSB will revoke the interim suspension order and notify the Costs Lawyer in writing.

4.6 The Costs Lawyer may apply in writing to have an interim suspension order revoked at any time while such an order is in force if new evidence becomes available that is material to the decision. A Lay Person Panel Member, ordinarily the same individual appointed under rule 4.3, will determine the application within 14 calendar days of receipt, taking into account the new evidence provided. The CLSB will notify the Costs Lawyer in writing of the Lay Person Panel Member's determination. If the Lay Person Panel Member determines that the application should be allowed, the CLSB will revoke the interim suspension order.

4.7 The Costs Lawyer may, within 14 calendar days of receiving written notification of a determination under rule 4.6, appeal against that determination. The appeal will be considered by a Conduct Appeal Committee appointed under rule 7.2. The Lay Person Panel Member appointed under rule 4.3 shall not be a member of that Conduct Appeal Committee.

4.8 An appeal under rule 4.7 must be made in writing, setting out the reasons why the Costs Lawyer believes the interim suspension order should be revoked. The Conduct Appeal Committee will consider the issue afresh. The CLSB will notify the Costs Lawyer in writing of the outcome of the appeal. If the appeal is allowed, the CLSB will revoke the interim suspension order as soon as practicable. There is no further appeal of an outcome at this stage.

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- 4.9 There will be no order for costs against the Costs Lawyer in relation to the imposition of an interim suspension order, including in relation to any application to have the interim suspension order revoked or any appeal. This rule does not impact the power to impose fixed costs orders in relation to other aspects of disciplinary proceedings, as set out elsewhere in these DR&P.

RULE 5: Level one procedure

5.1 Investigation

- 5.1.1 In the event the CLSB accepts jurisdiction in respect of a Complaint, it will carry out an investigation in relation to the Complaint. The investigation will be conducted by an investigator, who may be a member of CLSB staff or an external investigator appointed by the CLSB. The CLSB will aim to ensure an investigation is completed within three calendar months from the date an investigator is instructed.
- 5.1.2 The person carrying out the investigation will at all times:
- (i) act independently;
 - (ii) maintain confidentiality; and
 - (iii) subject to (i) and (ii) above, make all enquiries and gather all evidence required to enable them to draw accurate conclusions.
- 5.1.3 The CLSB or investigator will send a copy of the Complaint and any documents to the Costs Lawyer inviting them to provide, within 28 calendar days, a response which sets out concise observations (which may include admissions), supported by evidence relevant to the investigation. The Costs Lawyer may make a written request to the CLSB or investigator for an extension of time for responding, setting out reasons why the extension is required. An extension will only be permitted where the CLSB is satisfied that there are exceptional circumstances, taking into account the public interest in the prompt investigation of Complaints.

5.1.4 The CLSB may consider multiple Complaints, or multiple potential breaches of a Principle, as part of a single investigation so long as this is consistent with rule 5.1.2.

5.1.5 In making a finding and recommending an outcome, the CLSB or the investigator will consider, without limitation:

- (i) whether the alleged facts are disputed by the Costs Lawyer;
- (ii) whether the alleged conduct is isolated or systemic in nature;
- (iii) the extent of any prejudice or loss caused or likely to be caused because of the alleged conduct;
- (iv) whether the alleged conduct involved the integrity or honesty of the Costs Lawyer;
- (v) the Costs Lawyer's standard of care and conduct leading up to the alleged conduct;
- (vi) whether the Costs Lawyer's handling of the matter under their first-tier complaints handling procedure was reasonable, and what steps, if any, the Costs Lawyer had taken to address the issue;
- (vii) whether any material harm has been caused to the standing of the Costs Lawyer profession;
- (viii) the disciplinary record of the Costs Lawyer;
- (ix) whether it is a case which involves a matter of wider public interest;
- (x) whether the Costs Lawyer complied with Principle 5 throughout the investigation.

5.1.6 All evidence that is relevant will be admissible in the investigation, unless disclosing it to the CLSB or the investigator would be unlawful. The weight given to any particular evidence or category of evidence will depend on what is fair and reasonable in the circumstances.

5.1.7 At the conclusion of an investigation, the CLSB or the investigator will produce a written report. It will set out the evidence considered as part of the investigation and the investigator's conclusions drawn from the evidence. Conclusions will be reached on the balance of probabilities.

5.1.8 The investigation report will contain one of the following findings:

- (i) no breach of a Principle occurred; or
- (ii) a breach of a Principle occurred.

In the event of a finding that a breach of a Principle occurred, the investigation report will also recommend that the CLSB implements one of the outcomes set out in rule 5.3.1.

5.1.9 If the investigation report was prepared by an external investigator appointed by the CLSB, it will be evaluated by the CLSB to ensure it is thorough and fair. It will be at the discretion of the CLSB as to whether further investigation is carried out before the finding in the investigation report is acted upon. In such event, the Costs Lawyer will be notified that further investigation will be undertaken and completed within a specified period.

5.2 Investigation finding: No breach of a Principle occurred

5.2.1 If the investigation report includes a finding that no breach of a Principle occurred then:

- (i) no further disciplinary action will be taken by the CLSB in relation to the Complaint; and
- (ii) there will be no costs payable by either the Costs Lawyer or the CLSB to the other.

5.2.2 The CLSB will inform the Costs Lawyer and Complainant of the finding in writing as soon as reasonably practicable.

5.3 Investigation finding: Breach of a Principle occurred

5.3.1 If the investigation report includes a finding that a breach of a Principle occurred, the CLSB may implement any of the following outcomes:

- (i) issue a warning letter, specifying conduct that the Costs Lawyer is expected to engage in or avoid in the future;
- (ii) agree a written undertaking with the Costs Lawyer, specifying actions that the Costs Lawyer has agreed to take, or conduct that the Costs Lawyer has agreed to avoid in the future;

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- (iii) refer the matter to a Conduct Committee (level two procedure) in accordance with rule 6.
- 5.3.2 The CLSB will inform the Costs Lawyer and Complainant of the finding and associated outcome in writing as soon as reasonably practicable.
- 5.3.3 The CLSB will pursue whichever of the outcomes under rule 5.3.1 best promotes, in the CLSB's view, the objectives of these DR&P. In doing so, the CLSB will take into account any recommendations in the investigation report, but will not be bound by those recommendations.
- 5.3.4 The CLSB will always consider referring the matter to a Conduct Committee where, without limitation:
- (i) the alleged breaches are, or have the potential to be, very serious or sensitive;
 - (ii) the conclusions of the investigation are finely balanced or the facts are unclear;
 - (iii) the person carrying out the investigation feels they have not been able to obtain all relevant evidence within the parameters set out in rule 5.1.2;
 - (iv) the CLSB is of the view that issuing a warning letter or agreeing a written undertaking would not serve the objectives of these DR&P;
 - (v) the matter otherwise raises an issue of significant public interest.
- 5.3.5 Where the CLSB determines that a written undertaking is the most appropriate outcome, it will seek to agree that written undertaking with the Costs Lawyer promptly following conclusion of the investigation. Once the terms of the undertaking have been agreed, the CLSB will provide the proposed written undertaking to the Costs Lawyer for the Costs Lawyer to sign and return within 14 calendar days. A written undertaking will have effect from the date of the Costs Lawyer's signature.
- 5.3.6 A warning letter or written undertaking will set out in brief the finding of the investigation, including the Principle breached and the circumstances of the breach.

5.3.7 A fixed costs order in the sum of £750, payable within 21 calendar days, will be included in any warning letter or written undertaking. A written undertaking may also include:

- (i) an undertaking to pay a financial penalty not exceeding a further £5,000;
- (ii) the imposition of a condition on the Costs Lawyer's practising certificate for a specified period.

5.3.8 Where an investigation relates to more than one Complaint, or finds that more than one breach of a Principle occurred, the CLSB may implement any combination of the outcomes under rule 5.3.1 as are considered appropriate.

5.3.9 In the event the Costs Lawyer:

- (i) expresses to the CLSB that they do not intend to comply with the terms of a warning letter;
- (ii) does not comply with the terms of a warning letter;
- (iii) does not sign and return a proposed written undertaking within 14 calendar days of receipt; or
- (iv) does not comply with the terms of an agreed written undertaking,

the CLSB may refer the matter to a Conduct Committee (level two procedure) and will notify the Costs Lawyer of this in writing. The Conduct Committee may consider the original Complaint that gave rise to the warning letter or written undertaking, as well as the Costs Lawyer's conduct that led to the matter being referred to the Conduct Committee under this rule 5.3.9 in making its findings.

5.3.10 The CLSB will not issue any further Costs Lawyer practising certificates to a Costs Lawyer until such time as fixed costs and any financial penalty at level one have been paid in full by the Costs Lawyer to the CLSB.

5.4 Breach of a Principle occurred: Right of appeal

5.4.1 A finding at level one may not be appealed by a Complainant.

5.4.2 The Costs Lawyer may appeal against a finding following a level one investigation, that a breach of a Principle occurred. The Costs Lawyer may also appeal against the content of a warning letter issued under rule 5.3.1(i). A Costs Lawyer may not appeal a referral to a Conduct Committee following a level one investigation.

5.4.3 An appeal by the Costs Lawyer under rule 5.4.2 must be made to the CLSB in writing, within 14 calendar days of:

- (i) receipt of written notification of a finding against the Costs Lawyer following a level one investigation; or
- (ii) receipt of a warning letter (where the appeal relates to the content of that warning letter).

5.4.4 The appeal should identify one or more of the following grounds for appeal and attach any evidence in support of those grounds:

- (i) there was a material error of law;
- (ii) there was a failure to take into account material information;
- (iii) the decision was irrational or based on irrelevant considerations;
- (iv) there was a material failure to comply with these DR&P;
- (v) the decision is unlawful, for example because it infringes a person's human rights;
- (vi) new evidence has been obtained which could not have been made available when the decision was made and which will be material to the decision.

5.4.5 An appeal under rule 5.4.2, which meets the criteria in rules 5.4.3 and 5.4.4, will be determined by a Conduct Committee convened in accordance with rule 6.

RULE 6: Level two procedure (Conduct Committee)

6 Jurisdiction of a Conduct Committee

6.1.1 A Conduct Committee will have jurisdiction under these DR&P in the events outlined in rule 5.3.1(iii), rule 5.3.9 and rule 5.4.5, and under the Practising Rules. Where a Conduct Committee has jurisdiction, the CLSB will convene the Conduct Committee in accordance with these DR&P as soon as reasonably practicable.

6.2 Conduct Committee composition

- 6.2.1 A Conduct Committee will comprise of two Lay Person Panel Members, one of whom will act as Chair of the Conduct Committee, and one Non-Lay Person Panel Member.
- 6.2.2 Before appointing a Panel Member to a Conduct Committee, the CLSB will confirm that the Panel Member does not have any conflict of interest in relation to the matter.
- 6.2.3 A Lay Person Panel Member who was appointed under rule 4.3 to consider matters relating to an interim suspension order may not also be appointed to the Conduct Committee. The Conduct Committee will be provided with all material evidence that was made available to the Lay Person Panel Member.

6.3 Convening a Conduct Committee

- 6.3.1 The CLSB may appoint a Case Manager to assist in convening the Conduct Committee. The role of the Case Manager is administrative only; they will have no involvement in the substantive deliberations or determination of the Conduct Committee.
- 6.3.2 The Costs Lawyer and Complainant will be notified of the name and contact details of any Case Manager appointed.
- 6.3.3 The Case Manager will advise the Complainant that a Conduct Committee is to be convened. A Complainant is not a party to disciplinary proceedings, but the Complainant may attend the Conduct Committee hearing as a member of the public.
- 6.3.4 The Case Manager will, not less than 28 calendar days before the Conduct Committee hearing, issue a written Notice of Conduct Committee to the Costs Lawyer. Whilst the Case Manager will use all reasonable endeavours to accommodate the availability of the Costs Lawyer, the Case Manager may set a Conduct Committee hearing date they consider appropriate in the circumstances.
- 6.3.5 The Notice of Conduct Committee will include the following information:

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- (i) the Principle alleged to have been breached which the Conduct Committee is being asked to consider;
 - (ii) date, time and location of the Conduct Committee;
 - (iii) the Panel Members who will form the Conduct Committee;
 - (iv) the Costs Lawyer's right to call witness evidence that has not been agreed between the CLSB and the Costs Lawyer; and
 - (v) the Costs Lawyer's right to be accompanied or represented at their own expense.

6.3.6 The Notice of Conduct Committee will annex the following:

- (i) a copy of the investigation report;
- (ii) a copy of the CoC and any associated rules it is alleged have been breached;
- (iii) a copy of these DR&P; and
- (iv) any other documentation the Case Manager considers appropriate in the circumstances.

6.3.7 The Case Manager will, not less than 21 calendar days before the Conduct Committee hearing, seek to establish what facts are agreed between the CLSB and the Costs Lawyer.

6.3.8 The Costs Lawyer and the CLSB will, not less than 14 calendar days before the Conduct Committee hearing, advise the Case Manager if they intend to call witness evidence in relation to facts that have not been agreed between the CLSB and the Costs Lawyer.

6.3.9 The Costs Lawyer will, not less than 14 calendar days before the Conduct Committee hearing, advise the Case Manager if they intend to be accompanied/represented.

6.3.10 The Costs Lawyer may, not less than 14 calendar days before the Conduct Committee hearing, file a skeleton argument with the Case Manager under which they set out a brief synopsis of the matter before the Conduct Committee outlining both issues that are agreed and issues that are not agreed between the CLSB and the Costs Lawyer. The CLSB may, not less than 7 days before the Conduct

Committee hearing, file a reply to the skeleton argument addressing any issues raised in the skeleton argument that are not dealt with in the investigation report.

6.4 Conduct Committee hearing

- 6.4.1 The CLSB will, not less than 14 calendar days before a Conduct Committee hearing, publish a notice on the CLSB website that a Conduct Committee has been convened. This notice will state the name of the Costs Lawyer, date, time and format, if online, or location of the Conduct Committee hearing. As the CLSB operates entirely remotely, there is a presumption that the hearing will be held online. Modern remote facilities provide for confidential ‘break out’ rooms for the Committee members and the Costs Lawyer that can be used for conferring. The location may be varied by the Conduct Committee if there are reasonable grounds to do so, for example in extremely complex matters or to meet a reasonable adjustment request.
- 6.4.2 The Conduct Committee hearing will be open to observation by the public. No member of the public will be heard unless prior permission is granted by the Conduct Committee. The Conduct Committee may ask any member of the public to leave in the event their conduct is considered unacceptable during the Conduct Committee hearing.
- 6.4.3 On the application of a party, or on the Conduct Committee’s own initiative, the Conduct Committee may make an order for all, or part, of a hearing to be held in private or for the identity of any person involved in the matter to be kept confidential. The Conduct Committee will take the following factors into account in determining whether to make such an order:
- (i) the hearing involves confidential information (including sensitive personal data) and publicity would damage that confidentiality;
 - (ii) the need to protect the interests of a vulnerable person;
 - (iii) the need to secure the proper administration of justice.
- 6.4.4 Where the Conduct Committee makes an order under Rule 6.4.3, it will produce reasons for its decision, which will be published on the CLSB website. If publication of reasons would defeat the purpose of making the order, the Conduct Committee will produce a non-confidential version of its reasons, which explains the Conduct

Committee's decision as transparently as is possible in the circumstances of the case, for publication on the CLSB website.

- 6.4.5 The CLSB may be represented at the Conduct Committee hearing by a staff member and/or other representative.
- 6.4.6 The Conduct Committee will act impartially. Members of the Conduct Committee may ask questions of any witness, the Costs Lawyer and the CLSB's representative.
- 6.4.7 Any witness called by the CLSB whose evidence has not been agreed and has therefore been called to give oral testimony, may be examined by the CLSB's representative (unless their witness statement is tendered in evidence), cross-examined by the Costs Lawyer or their representative and re-examined by the CLSB's representative. If the Costs Lawyer chooses to give evidence, they (and any witness or witnesses called on their behalf) may be similarly cross-examined by the CLSB's representative.
- 6.4.8 All evidence which is relevant will be admissible in a Conduct Committee hearing, unless its disclosure would be unlawful.
- 6.4.9 If deemed appropriate in all the circumstances, the Conduct Committee may take legal advice from an independent lawyer, adjourning to take such advice if required. The Case Manager may assist the Conduct Committee in sourcing appropriate legal advice.
- 6.4.10 Any finding reached by a Conduct Committee will be on the balance of probabilities and will be by majority.

6.5 Conduct Committee finding

- 6.5.1 Following the Conduct Committee hearing, the Conduct Committee will make an order setting out its finding as to whether or not a breach of a Principle occurred. The Conduct Committee may, if it considers it appropriate to do so, take into account further written submissions from the Costs Lawyer as to any mitigating circumstances prior to making an order for the imposition of sanctions under rule 6.5.2.

6.5.2 Where the Conduct Committee finds that a breach of Principle occurred, the Conduct Committee may order one or more of the following sanctions:

- (i) a warning, specifying actions the Costs Lawyer must take or must avoid in the future, which may include sanctions that apply automatically upon non-compliance with the terms of the warning;
- (ii) a financial penalty not exceeding £7,000;
- (iii) imposition of a condition on the Costs Lawyer's practising certificate for a specified period;
- (iv) suspension of the Costs Lawyer's practising certificate for a period not exceeding two years and suspension of the Costs Lawyer's name from the register of authorised and regulated Costs Lawyers for the same period (and any such order may require the Costs Lawyer to return their current practising certificate to the CLSB until the period of the suspension has passed);
- (v) permanent revocation of the Costs Lawyer's practising certificate and removal of the Costs Lawyer's name from the register of authorised and regulated Costs Lawyers (and any such order may require the Costs Lawyer to return their current practising certificate to the CLSB).

6.5.3 Where the Conduct Committee was convened to consider an appeal from a finding at level one (under rule 5.4.5), the Conduct Committee's order shall stand in place of the level one finding and any associated outcomes. Where the appeal related to the content of a warning letter, the Conduct Committee's order must not include the sanctions in rule 6.5.2 (ii), (iii), (iv) or (v).

6.5.4 A fixed costs order in the sum of £1,500, payable within 21 calendar days, will be included in any order made by the Conduct Committee where it finds that a breach of a Principle occurred.

6.5.5 In the event the Conduct Committee orders that a financial penalty must be paid, it shall stipulate a timeframe for payment.

6.5.6 The Case Manager will, within 21 calendar days of the Conduct Committee hearing, notify the Costs Lawyer in writing of the Conduct Committee's order and reasons for its finding. In complex cases, it may take longer for the Conduct Committee to reach a finding and articulate its reasons. In such cases the Case

Manager will keep the Costs Lawyer updated on the likely timeframe for communication of the Conduct Committee's order.

- 6.5.7 The Case Manager will, upon publication of a Conduct Committee's finding, notify the Complainant.
- 6.5.8 The CLSB will not issue any further practising certificates to the Costs Lawyer until such time as fixed costs and any financial penalty imposed at level two have been paid in full to the CLSB by the Costs Lawyer.

6.6 Right of appeal

- 6.6.1 There is no right of appeal by the Costs Lawyer where the Conduct Committee hearing was convened to consider an appeal relating to a level one finding or the content of a warning letter.
- 6.6.2 In all other circumstances the Costs Lawyer may, within 14 calendar days of notification of the Conduct Committee's order, file a written appeal with the Case Manager in relation to any aspect of that order, identifying one or more of the following grounds for the appeal and attaching any evidence in support of those grounds:
- (i) there was a material error of law;
 - (ii) there was a failure to take into account material information;
 - (iii) the decision was irrational or based on irrelevant considerations;
 - (iv) there was a material failure to comply with these DR&P;
 - (v) the decision was unlawful, for example because it infringes a person's human rights;
 - (vi) new evidence has been obtained which could not have been made available prior to the Conduct Committee making its order and which will be material to the decision.
- 6.6.3 A Case Manager appointed under level two may continue to act on the same basis under an appeal at level three. The Case Manager will notify the Complainant in the event an appeal is filed.
- 6.6.4 The finding of a Conduct Committee may not be appealed by the Complainant or the CLSB.

6.6.5 Where an appeal is filed, any fixed costs or financial penalty included in the Conduct Committee's order at level two will not become payable until the appeal has been determined, in accordance with rule 7.3.

RULE 7: Level three procedure (Conduct Appeal Committee)

7.1 Conduct Appeal Committee composition

7.1.1 The Conduct Appeal Committee will comprise two Lay Person Panel Members, one of whom will act as Chair of the Conduct Appeal Committee, and one Non-Lay Person Panel Member.

7.1.2 A Panel Member who was a member of the Conduct Committee that considered the matter being appealed will not be a member of the Conduct Appeal Committee.

7.1.3 Before appointing a Panel Member to a Conduct Appeal Committee, the CLSB will confirm that the Panel Member does not have any conflict of interest in relation to the matter.

7.2 Convening a Conduct Appeal Committee

7.2.1 The Costs Lawyer will be advised of the date that the Conduct Appeal Committee will consider the appeal (the review date).

7.2.2 The Case Manager will provide the CLSB with a copy of the Costs Lawyer's appeal notice and any documents submitted by the Costs Lawyer in support.

7.2.3 The CLSB may, not less than 14 calendar days before the Conduct Appeal Committee review date, file a response to the appeal notice. The Case Manager will provide this to the Costs Lawyer not less than 10 calendar days before the review date.

7.3 Conduct Appeal Committee process

7.3.1 The Conduct Appeal Committee will meet in private and consider the appeal on the papers.

7.3.2 The Conduct Appeal Committee will consider whether, on the balance of probabilities, any valid ground for appeal has been made out by the Costs Lawyer. If it has not, the Conduct Appeal Committee will uphold the Conduct Committee's order. If it has, the Conduct Appeal Committee will review the evidence that was before the Conduct Committee as well as any new evidence and decide whether to uphold or overturn the Conduct Committee's order.

7.3.3 Where a ground of appeal has been made out, the Conduct Appeal Committee may uphold or overturn the order of the Conduct Committee in full or in part. The Conduct Appeal Committee may set aside any part of an order made by a Conduct Committee and may substitute its own order, incorporating any of the sanctions set out in rule 6.5.2, except that it may not impose a higher financial penalty than that imposed by the Conduct Committee.

7.3.4 The finding of the Conduct Appeal Committee will be by majority.

7.3.5 If deemed appropriate in all the circumstances the Conduct Appeal Committee may take legal advice from an independent lawyer, adjourning to take such advice if required. The Case Manager may assist the Conduct Committee in sourcing appropriate legal advice.

7.3.6 In the event the Conduct Appeal Committee:

(i) finds that no valid ground for appeal has been made out by the Costs Lawyer; or

(ii) upholds the Conduct Committee's order in full,

the Costs Lawyer will be ordered to pay fixed costs at level three in the sum of £1,500 (in addition to the £1,500 fixed costs ordered by the Conduct Committee at level two and any financial penalty imposed at level two). Level two and level three fixed costs, and any financial penalty imposed at level two, will be payable to the CLSB within 14 calendar days of the Costs Lawyer receiving written notification of the Conduct Appeal Committee's order.

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- 7.3.7 In the event the Conduct Appeal Committee overturns the Conduct Committee's order in full, the Costs Lawyer will not be liable for any costs of the Conduct Committee at level two or of the Conduct Appeal Committee at level three.
- 7.3.8 In the event the Conduct Appeal Committee overturns the Conduct Committee's order in part, the Costs Lawyer will be liable to pay fixed costs ordered at level two, and any financial penalty ordered at level two and upheld by the Conduct Appeal Committee, within 14 calendar days of receiving written notification of the Conduct Appeal Committee's order. The Costs Lawyer will not be liable for any fixed costs at level three.
- 7.3.9 The Conduct Appeal Committee may, by order, deal with any interim suspension order that is in force in relation to the Costs Lawyer.

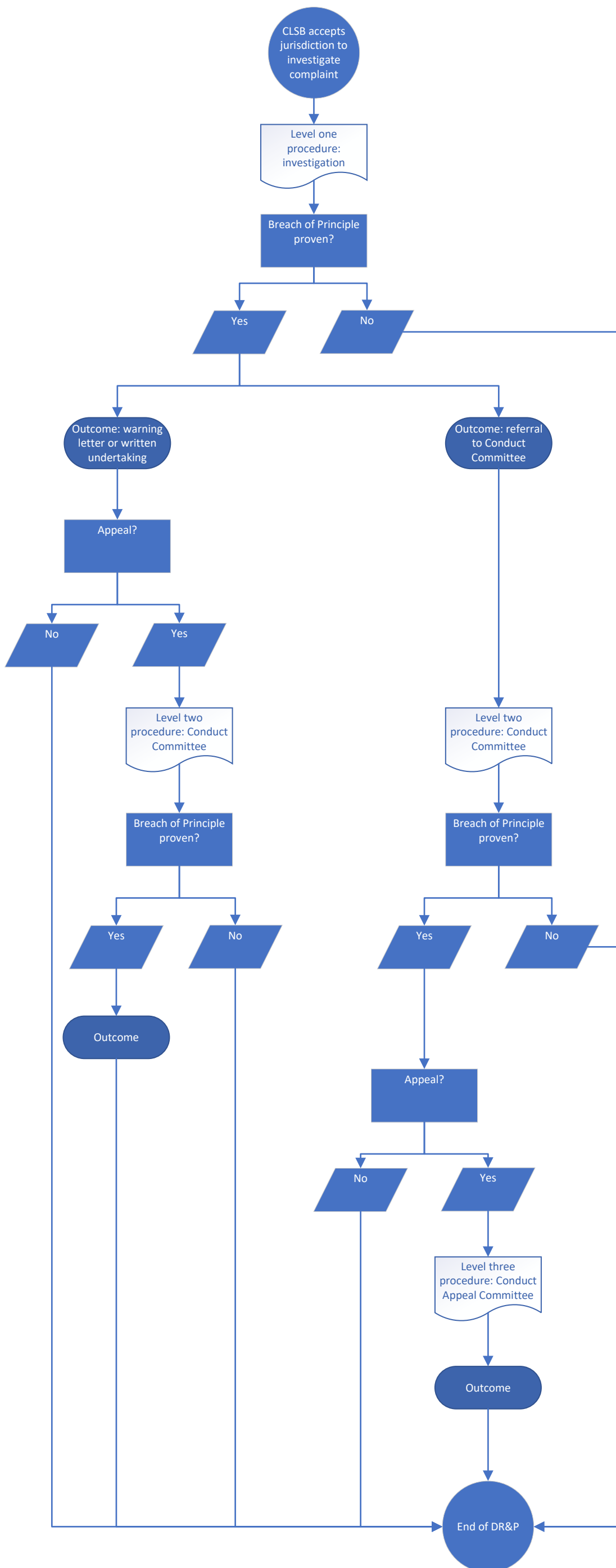
7.4 Following a Conduct Appeal Committee review

- 7.4.1 The Case Manager will, within 21 calendar days of the review date, notify the Costs Lawyer, the Complainant and the CLSB in writing of the Conduct Appeal Committee's order and reasons for its finding. In complex cases, it may take longer for the Conduct Appeal Committee to agree an order and articulate its reasons. In such cases the Case Manager will keep the parties updated on the likely timeframe for communication of the Conduct Appeal Committee's order.
- 7.4.2 The Conduct Appeal Committee's order is not appealable and this process will have been exhausted.
- 7.4.3 The CLSB will not issue any further practising certificates to the Costs Lawyer until such time as fixed costs and any financial penalty ordered at level two or level three have been paid in full to the CLSB by the Costs Lawyer.

RULE 8: Provision of information

- 8.1 Where these DR&P require or permit the provision of documents, notice or other information, that information may be provided by email unless the receiving party has requested in advance that information be provided by post.





Supervision Framework

Pre-contractual
information for
consumers



23 April 2026 (version 1)

Costs Lawyer Standards Board

Introduction

1. This framework sets out how the CLSB supervises compliance by Costs Lawyers with their obligations relating to the **pre-contractual information** provided to clients, or potential clients (who are consumers) to ensure they are dealt with fairly and in line with their consumer rights. This includes information on websites, promotional materials and Terms and Conditions. It applies only to Costs Lawyers that provide or market their services to consumers.
2. For the purposes of this framework a consumer is an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession. It is important to be aware that this includes individuals who are funded by legal aid and individuals you are advising on a pro-bono basis.
3. This framework forms part of a wider supervision programme, which involves the use of similar frameworks for other supervision activities such as auditing Client Care Letters and complaint handling. It should be read in conjunction with the CLSB's [Supervision Policy](#).

Regulatory context

4. When dealing with consumers you have a number of legal obligations under consumer protection law. Costs Lawyers who are regulated by the CLSB and deal directly with consumers and/or promote their services to consumers must therefore comply with consumer law in order to comply with the Code of Conduct¹.
5. CLSB has produced [guidance](#) on Dealing with Consumers to help Costs Lawyers recognise their obligations under consumer law and how these relate to their regulatory duties as Costs Lawyers. This guidance has significantly informed the approach set out in this Framework.

¹ Principle 2.1 provides that you must at all times act within the law

-
6. CLSB has also produced [guidance](#) on price transparency (through websites and promotional information) that is relevant here.
 7. This framework is primarily focused on the way in which you advertise and promote your services to consumers and the provision of information to consumers before the point at which they enter into a contract with you.
 8. Most of the information that you need to provide at the point of engagement (once the client has chosen to instruct you) is covered in separate guidance on Client Care Letters in the [Costs Lawyers Handbook](#). As we have a separate [Supervision Framework](#) in relation to Client Care Letters these requirements are not duplicated in this framework.
 9. Principle 1 of the [Costs Lawyer Code of Conduct](#) states that you must Act with honesty and integrity and maintain your independence.
 10. More specifically, Principle 1.3 states that you must not give false or misleading information to anyone with whom you deal.

11. Principle 1.4 states:

When you supply or offer your services as a Costs Lawyer, you must not be misleading or inaccurate about the nature or scope of the services you are offering, who will be legally responsible for undertaking them, the extent to which they are covered by regulation and insurance, the terms on which they will be supplied or the basis on which they will be charged.

12. Principle 4.6 states:

You must ensure your client is able to make informed decisions about the work being undertaken on their behalf throughout the lifetime of a matter, including how it will be priced, the costs incurred and the likely overall cost of the matter (including any potential liability for the costs of other parties).

-
13. If you work for an organisation that is authorised by another legal services regulator, such as the Solicitors Regulation Authority, you must comply with that regulator's rules and guidance in relation to pre-contractual information and price transparency. However, you should check that your organisation's approach is sufficient to meet your individual obligations as a Costs Lawyer in the Code of Conduct. Where a firm's overarching policy conflicts with the CLSB Code of Conduct, you remain personally accountable for ensuring the information you provide, or that is provided on your behalf, is not misleading.
 14. The main purpose of the audit is to promote high standards of transparency, improve the quality of information provided to consumers, and mitigate the risk of regulatory intervention or consumer complaints resulting from non-compliance with general consumer law. The audit specifically assesses whether information is 'intelligible' to a lay consumer.

Audit criteria and process

15. An audit of a sample of Costs Lawyers is undertaken annually.
16. Recognising that any pre-contractual information provided is usually done so on a firm basis rather than by individual Costs Lawyers (other than sole practitioners), we only select one Costs Lawyer per organisation for audit in any given year.
17. As a first step we conduct a desk top audit of the Costs Lawyers whereby we review websites and any relevant information thereon such as standard terms and conditions, promotional materials and service and price descriptions. We will not notify the Costs Lawyer concerned at this stage.
18. The information obtained through our audit will be assessed against the checklist at **Annex A**. Where we identify gaps or where the Costs Lawyer concerned does not have an online presence at all, we will write out to them to obtain copies of relevant documentation such as standard terms and, if necessary, actual case examples of

how the service and price is described pre-contract (which may be contained in documents such as the Client Care Letter). The information provided will then be assessed against the checklist.

19. Completed checklists are shared with Costs Lawyers where appropriate, including where non-compliance is identified or where the Costs Lawyer asks to see the completed checklist. The completed checklist is stored against the relevant Costs Lawyer's record in the CLSB's internal database.
20. The audit is undertaken in a manner which makes clear that the CLSB's intention is to support individual Costs Lawyers and organisations to facilitate better client outcomes. However, failure to cooperate with the audit or to make necessary changes without a reasonable explanation could result in disciplinary action being taken against a Costs Lawyer under the Disciplinary Rules and Procedures.

Audit outcomes

21. Where the information is found to comply with the guidance, the Costs Lawyer will be notified of the outcome by email.
22. Where the information is found to be non-compliant or non-existent, the Costs Lawyer will be informed and asked to take action to towards compliance as soon as possible.
23. If the information is used by more than one Costs Lawyer (i.e. it is an organisation-wide procedure), the most senior regulated Costs Lawyer working at the organisation will be contacted about the non-compliance, even if they were not the Costs Lawyer initially selected for audit. This is because that Costs Lawyer is likely to be best placed to effect the necessary changes within the organisation.
24. The Costs Lawyer will be asked to submit the revisions, following liaison with others in the organisation where appropriate, within a specified timeframe.

-
25. No compliant organisation will be audited more than once in three years, other than by way of follow-up in instances of non-compliance. If the random selection of a Costs Lawyer for audit in any given year would infringe this principle, the Costs Lawyer will not be audited and another Costs Lawyer will be randomly selected in their place.
 26. Upon completion of the annual audit, a report of findings is provided to the CLSB Board. Learnings from the audit are used to provide feedback to the profession (for example, by highlighting anonymised examples of poor practice and good practice) and to inform our regulatory arrangements and guidance materials as appropriate.

Annex A



Pre-contractual Information Audit

A. Introduction

1. The [Costs Lawyer Code of Conduct](#) provides that Costs Lawyers must not give false or misleading information to anyone with whom you deal (Principle 1.3) and ensure that clients are able to make informed decisions about the work being undertaken on their behalf throughout the lifetime of the matter (Principle 4.6).
2. Principle 1.4 states: When you supply or offer your services as a Costs Lawyer, you must not be misleading or inaccurate about the nature or scope of the services you are offering, who will be legally responsible for undertaking them, the extent to which they are covered by regulation and insurance, the terms on which they will be supplied or the basis on which they will be charged.
3. As part of its supervision activities, the CLSB undertakes a random audit of pre-contractual information including websites, and terms and conditions, and where sufficient information is not available online, examples of how key information about the service and price is provided.
4. To carry out the audit, we assess against the criteria in the checklist below. This is based on the guidance notes on Dealing with Consumers and on Price Transparency (through websites and other promotional material) in the [Costs Lawyer Handbook](#). For more information on each of the requirements listed below please refer to this guidance.
5. The CLSB will work with you to help you put compliant information in place. Please do not hesitate to contact the CLSB (enquiries@clsb.info) if you need support or advice during this audit process.

B. Audit checklist

Name and CL number of Costs Lawyer		
Name of organisation (if relevant)		
Section A: Requirements		Complies?
1	All marketing materials on websites and contractual terms must be transparent - avoid excessive technical language and be intelligible to a layperson.	
2	Marketing materials on websites must explicitly distinguish between CLSB-regulated individuals and non-regulated staff.	
3	Staff profiles in marketing materials on websites or descriptions of the person handling the case must clearly state specific experience levels and formal qualifications.	
4	The consumer must be given key information about the stages of the service and likely timeframe.	
5	The consumer must be given the total price for the services or where the total price is not known at the outset, how the price will be calculated together with a genuine estimate of the likely total cost to the consumer. Published fees or estimates must clearly define what is included and what constitutes an additional cost and must be clear about whether they are inclusive or exclusive of VAT.	
6	Likely disbursements must be listed alongside cost information with estimated ranges where exact costs are unknown.	
7	Conditional Fee Agreements (CFAs) must clearly outline the circumstances in which a client may be liable for costs.	
8	Contractual terms must be prominently displayed (e.g., header, main menu) in any materials and not buried in the footer.	
9	Contractual terms must include the legal entity name, trading name, postal address, and direct phone number.	
10	Contractual terms must explicitly include the right to cancel.	
11	Contractual terms must explicitly include details of the complaints handling procedure and right to complain to the Legal Ombudsman.	

Section B: Comments or commentary on areas of non-compliance	
12	

C. Next steps

1. Please revise your information as soon as possible, in liaison with others in your organisation where necessary, to address any areas of non-compliance identified above.
2. Submit those revisions to the CLSB by the deadline advised. Ensure the changes are communicated to and used by all Costs Lawyers in your organisation
3. Please note that a failure to cooperate with this audit or to otherwise meet your regulatory obligations could result in [disciplinary action](#) being taken.

Please contact the CLSB enquires@clsb.info if you have any queries or need support or further guidance.

Costs Lawyer Standards Board
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www.clsb.info

Costs Lawyers: Caring responsibilities



26 March 2026

Costs Lawyer Standards Board

CLSB
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In this report

Introduction.....	3
About the data.....	3
Declarations.....	3
Next steps.....	4
Key messages.....	5
The results.....	7
1. Costs Lawyers’ role as carers.....	7
2. Type of caring responsibilities.....	9
3. Relationship to the person/people being cared for.....	10
4. What concerns Costs Lawyers who are carers.....	11
5. Impact on carers’ working life.....	13
6. Discussions with work partners and/or employers.....	15
7. Support provided by work partners and/or employers.....	16
8. Understanding how to support colleagues who are carers.....	17
9. Support for Costs Lawyers with caring responsibilities.....	18
10. Awareness of LawCare.....	20

Introduction

The Costs Lawyer Standards Board (CLSB) is the regulator of Costs Lawyers in England and Wales. We exist to serve the public interest by setting and maintaining the standards of professional conduct by which Costs Lawyers must abide.

As a regulator, we have a statutory objective to “encourage an independent, strong, diverse and effective legal profession” under the Legal Services Act 2007. We do this in various ways, including by monitoring the diversity of the profession in order to identify areas of under-representation and consider action that could be taken to address these.

Our 2025 survey focused on caring responsibilities. The CLSB’s 2025 research on [Pathways into the Profession](#) showed that almost 50% of Costs Lawyers have caring responsibilities for an adult, children or both. We wanted to hear from Costs Lawyers about whether caring responsibilities affect their work, to what extent, and what further support they would like to see for Costs Lawyers with caring responsibilities. We were keen to hear from all Costs Lawyers on this important topic, even if they didn’t currently have caring responsibilities themselves.

About the data

The data on Costs Lawyers in this report was collected in a survey carried out in November to December 2025 alongside the annual practising certificate renewal process. We collect diversity data from practitioners on a voluntary basis; completing the diversity survey was not mandatory.

A total of 746 practitioners were contacted, of whom 169 responded, representing 22.6% of the profession. Because the sample size is therefore small, it has not been possible to break down the data to enable further comparisons (for example, to identify if age, gender or other characteristics affect caring responsibilities in any way).

As the data in this report does not reflect the entire regulated Costs Lawyer profession, caution should be taken when drawing conclusions from the data and/or making comparisons with other data sets.

Declarations

The contents of this report are based on data that is explicitly and voluntarily declared by respondents.

All questions on the survey contained an option of ‘prefer not to say’ and not all respondents chose to provide their diversity information.

In instances where a data set is too small to be meaningfully representative (i.e. fewer than five respondents) or there is the risk that an individual might be identifiable from the data, it has been excluded from the report.

Next steps

We will continue our work on improving our data collection, with a particular focus on improving the response rate to enable us to analyse data in a more granular way.

We will work with the Association of Costs Lawyers, LawCare and others to identify practical steps that can be taken to support Costs Lawyers with caring responsibilities.

The CLSB published its last full diversity report in 2023. The next full diversity survey will take place in 2026. We have published focused data on social mobility, pay and earnings, and career pathways in the profession. We will continue to collect, analyse and publish data on discrete aspects of diversity, in line with our mid-term strategy and business plan. Previous diversity reports can be found on the CLSB [website](#).

Key messages

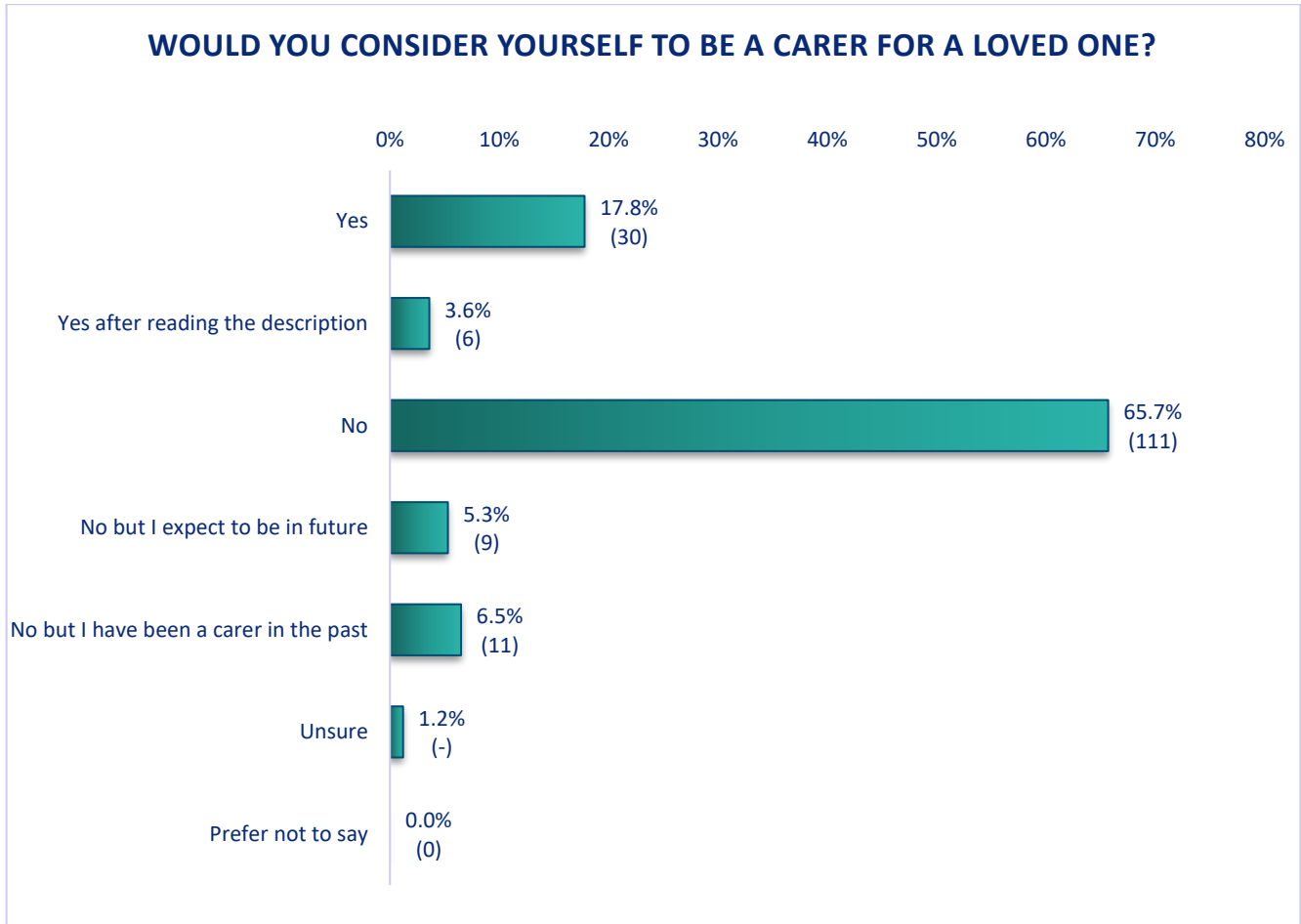
- This year's survey provided important insights into how caring responsibilities affect Costs Lawyers, and what further support the profession would like to see in this area.
- The majority of Costs Lawyers who responded to this year's survey did not have caring responsibilities. Of the Costs Lawyers who did have caring responsibilities, just under half were caring for an adult/adults, and just under half were caring for a child/children (chart 2).
- Balancing work and their role as a carer was a key concern for the majority of respondents that already had caring responsibilities (82.5%, 33 individuals). The second biggest concern was the health and wellbeing of the person being cared for (70% of respondents, 28 individuals), followed by the carer's own physical and/or mental health (45%, 18 individuals) (chart 4).
- Over half of respondents said that their caring responsibilities had led to them feeling distracted while at work (51.3%, 20 individuals). The majority of respondents had altered their working hours or used annual leave to accommodate caring responsibilities (69.2%, 27 individuals) (chart 5).
- The majority of respondents with caring responsibilities had spoken with their work partners or employer about them, and felt supported by their employer and partners. Respondents were asked to say how their employer had supported them in their role as a carer, the majority of which referred to employers allowing them to work flexibly in some way to accommodate their caring responsibilities (charts 6 and 7).
- Over a third of respondents who were not currently carers were unsure about whether they would know how to support a colleague who is a carer for a loved one (33.3%, 49 individuals), which suggests that further guidance and resources for the profession on this point would be helpful (chart 8).
- Over 60% of respondents wanted to see more guidance for managers about how to support Costs Lawyers with caring responsibilities (62.0%, 103 individuals), and more guidance for the profession about balancing caring responsibilities with professional life (62.6%, 104 individuals). Respondents also felt that more flexibility in, or changes to, CPD requirements for Costs Lawyers with caring responsibilities would be helpful (59.6%, 99 individuals). Chart 9 provides more details.

- Just under half of respondents were aware of LawCare (47.3%, 80 individuals), but just under half of respondents were not aware of LawCare (45.0%, 76 individuals).
- The CLSB will work with the Association of Costs Lawyers, LawCare and others to identify practical steps that can be taken to support Costs Lawyers with caring responsibilities.

The results

1. Costs Lawyers' role as carers

Chart 1



The survey included the following definition of a carer, and asked respondents whether they would consider themselves to be a carer for a loved one:

“A carer is anyone who looks after a family member, partner or friend who needs help because of their illness, frailty, disability, a mental health problem or an addiction and cannot cope without their support. The support provided can range from help with shopping, meal preparation, and domestics tasks to personal care such as dressing and bathing.”

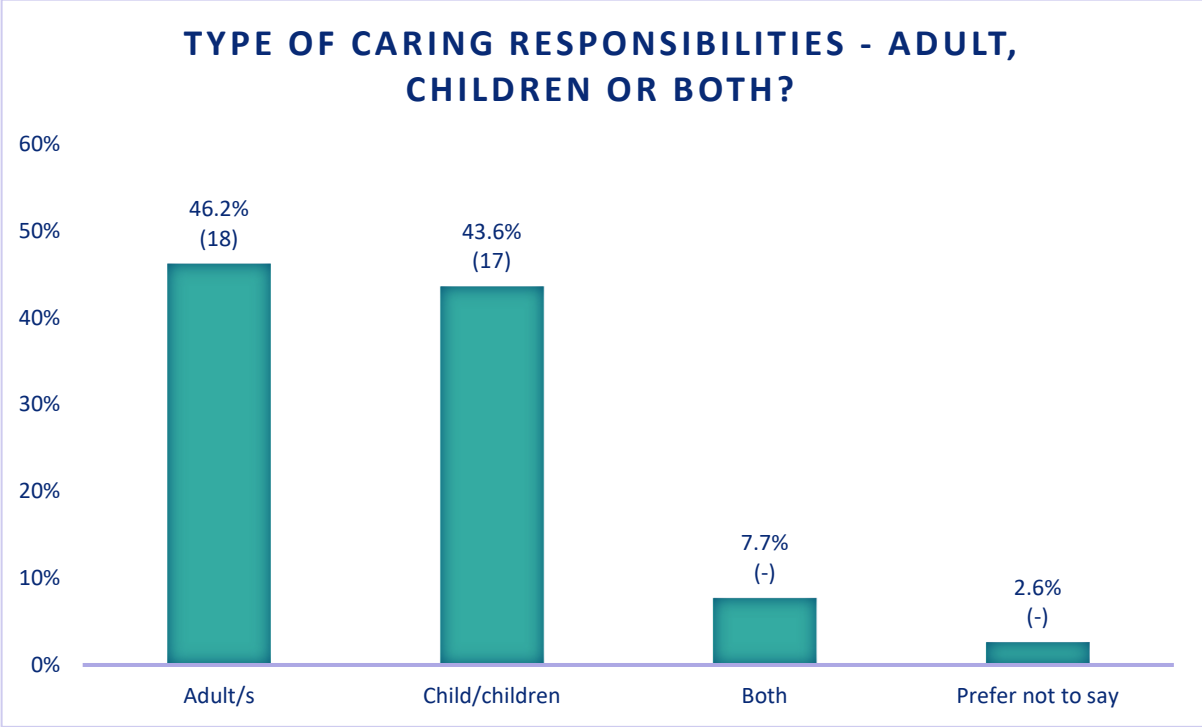
In 2025, the majority of respondents did not consider themselves to be a carer (65.7%, 111 individuals). However, 5.3% of respondents expected to become a carer in the future and 6.5%

were not currently a carer but had been in the past (9 individuals and 11 individuals respectively).

A total of 21.4% of respondents (36 individuals) considered themselves to be carers. Of those, 17.8% (30 individuals) considered themselves to be carers already and 3.6% (6 individuals) considered themselves to be carers after reading the description. Fewer than 5 respondents were unsure about whether they were carers (1.2%) and 0 respondents preferred not to say.

2. Type of caring responsibilities

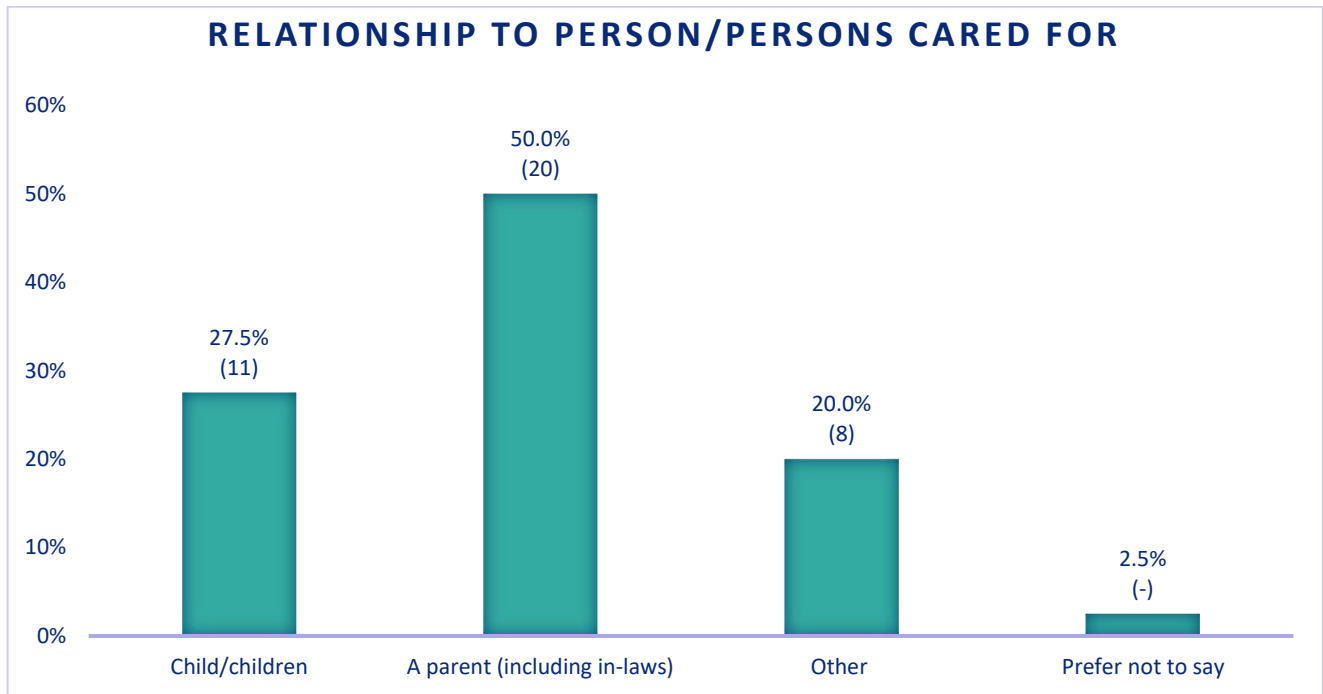
Chart 2



In 2025, 46.2% of respondents were caring for one or more adults (18 individuals). 43.6% of respondents were caring for one or more children (17 individuals) and 7.7% of respondents (fewer than five individuals) were caring for both adults and children. Fewer than 5 respondents preferred not to state the type of caring responsibilities they had.

3. Relationship to the person/people being cared for

Chart 3



In 2025, the majority of respondents with caring responsibilities were caring for a parent (including parents who were in-laws) (50.0%, 20 individuals). 27.5% of respondents had caring responsibilities for a child or children (27.5%, 11 individuals).

20% of respondents (8 individuals) with caring responsibilities had a different type of relationship to the person they cared for. These types of relationships included grandparents, partners or spouses, other family members, friends and neighbours.

Fewer than 5 respondents (2.5%) preferred not to say the nature of their relationship with the person they care for.

4. What concerns Costs Lawyers who are carers

Chart 4



Respondents with caring responsibilities were asked what concerned them as carers. They were able to select all concerns that applied.

Balancing work and caring responsibilities was a key concern for the majority of respondents (82.5%, 33 individuals). The second biggest concern was the health and wellbeing of the person being cared for (70% of respondents, 28 individuals), followed by the carer's own physical and/or mental health (45%, 18 individuals).

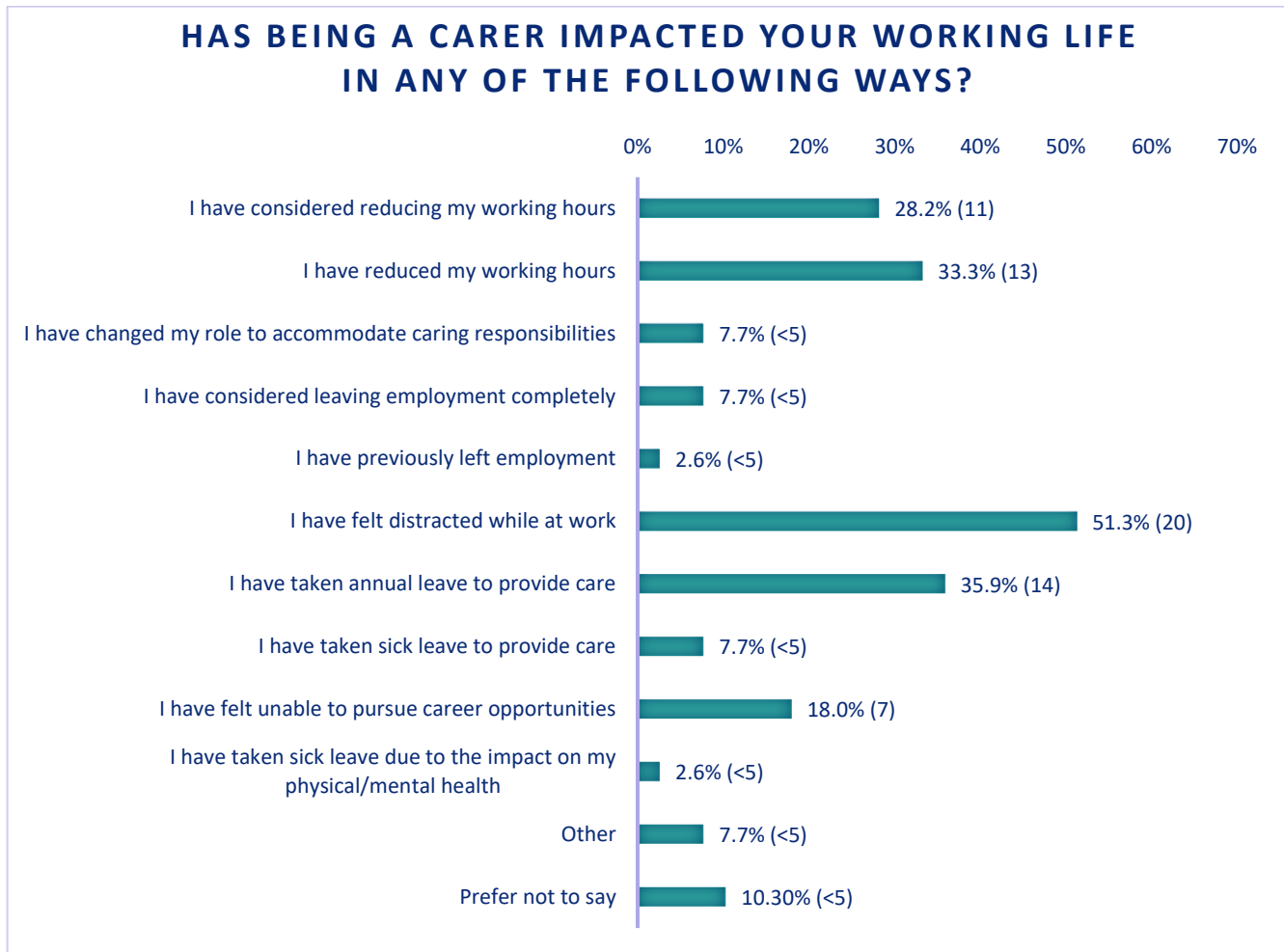
Concerns about the wider impact of caring responsibilities on the carer's professional and personal lives were also reported. 42.5% of respondents (17 individuals) were concerned about the impact of their caring responsibilities on their life outside of work, and 35% of respondents

(14 individuals) were concerned about the impact on their professional life. 17.5% of respondents (7 individuals) were concerned about the impact of caring responsibilities on their earnings and 15.0% (6 individuals) about the impact on how they might be perceived by their clients, colleagues or managers. 10% of respondents (fewer than 5 individuals) were concerned about the impact on their career progression.

Fewer than 5 respondents answered 'other' (2.5%) and fewer than 5 respondents preferred not to say (2.5%).

5. Impact on carers' working life

Chart 5



Respondents with caring responsibilities were asked how being a carer has impacted their working life. They were able to select all options that applied.

51.3% of respondents (20 individuals) said that their caring responsibilities had led to them feeling distracted while at work.

The majority of respondents had altered their working hours or used annual leave to accommodate caring responsibilities (69.2%, 27 individuals). 35.9% of respondents (14 individuals) had taken annual leave in order to provide care. 33.3% of respondents (13 individuals) had actually reduced their working hours to accommodate caring responsibilities,

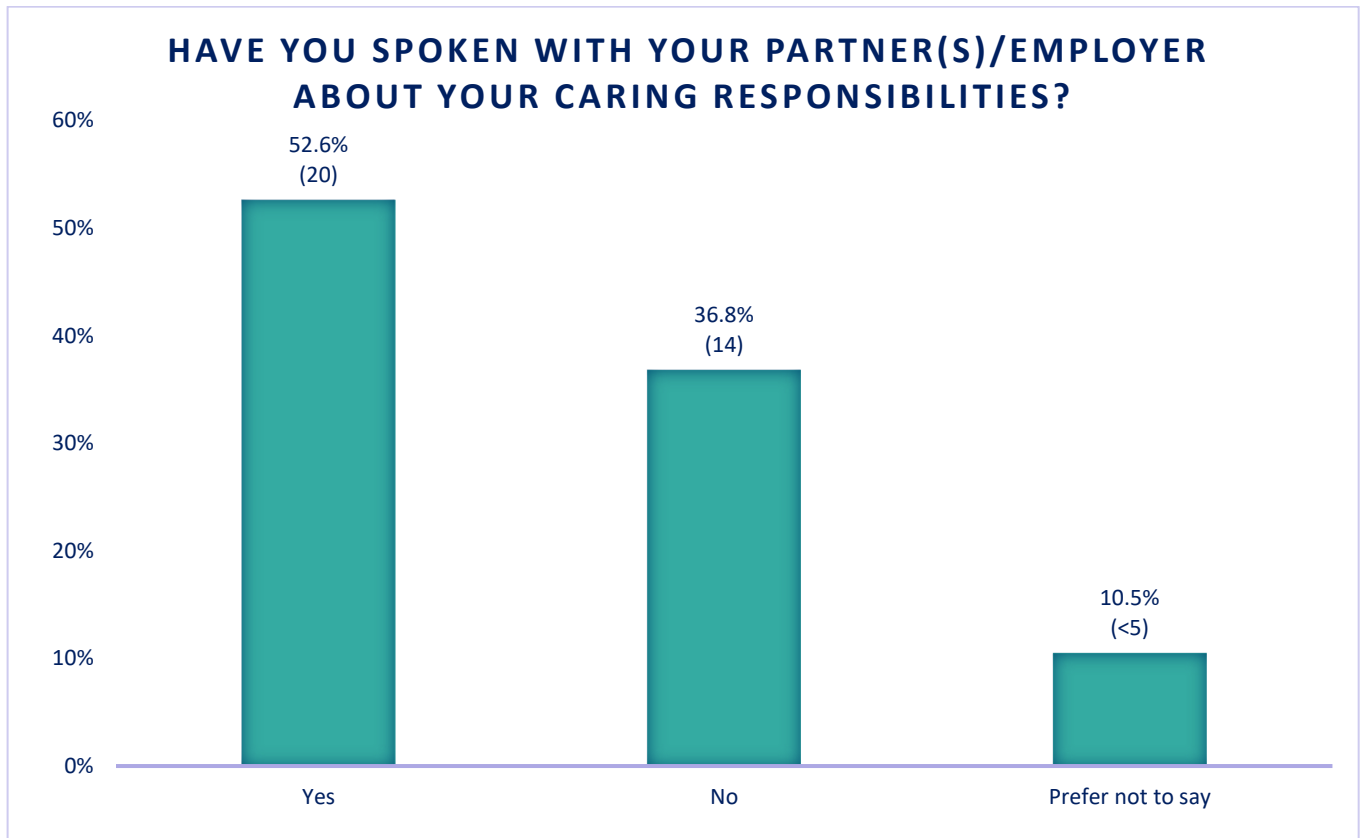
while 28% (11 individuals) had considered doing so. 7.7% of respondents (fewer than five individuals) had taken sick leave to provide care for a loved one.

Some respondents had changed role, considered leaving their role, or left employment completely to accommodate caring responsibilities (7.7%, 7.7% and 2.6% respectively, and fewer than five individuals in each case).

Fewer than five respondents preferred not to say how their caring responsibilities had impacted their working life (10.3%).

6. Discussions with work partners and/or employers

Chart 6

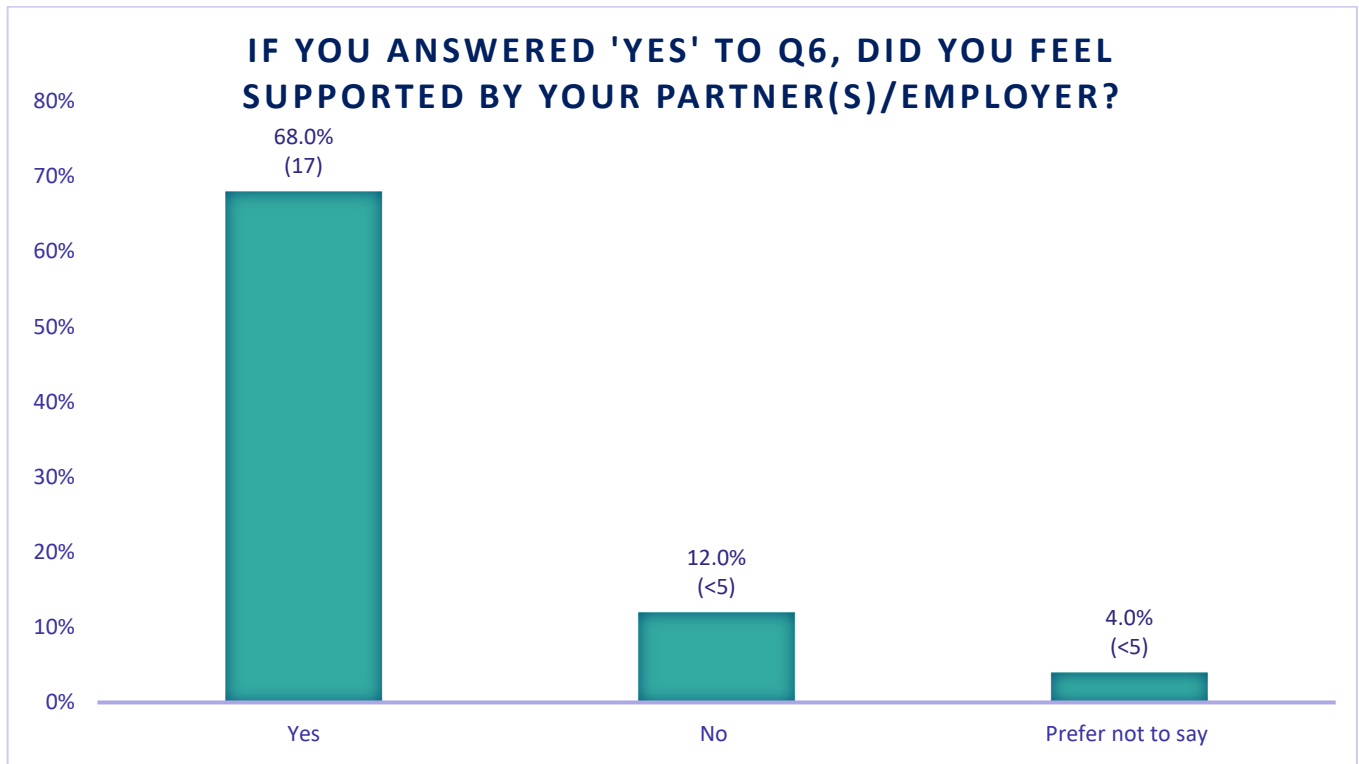


Respondents were asked whether they had discussed their caring responsibilities with their work partner(s) or employer, for example with their manager, or their firm's HR team.

The majority of respondents with caring responsibilities had spoken with their work partners or employers about them (52.6%, 20 individuals). Over a third of respondents with caring responsibilities had **not** discussed their caring role with their work partners or employer (36.8%, 14 individuals). Fewer than 5 respondents preferred not to answer this question (10.5%).

7. Support provided by work partners and/or employers

Chart 7



Respondents were asked whether they felt supported when they had discussed their caring responsibilities with their employer or their partners at work.

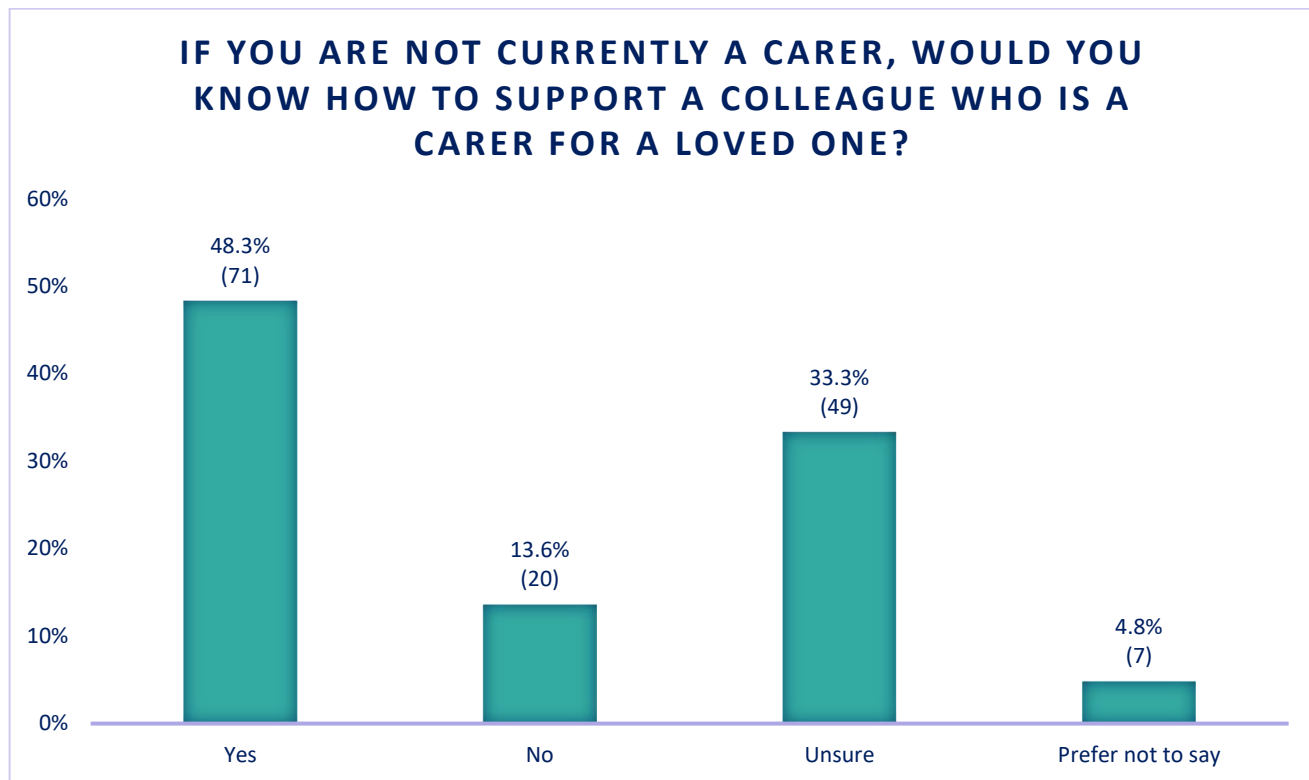
The majority of respondents said they had felt supported by their partners or employer (68.0%, 17 individuals).

12.% of respondents said that they did not feel supported by their partners or employer, and 4.0% preferred not to answer this question (fewer than five individuals in each case).

Respondents were asked to say how their employer had supported them in their role as a carer. Fourteen respondents gave examples, the majority of which referred to employers allowing them to work flexibly in some way to accommodate their caring responsibilities.

8. Understanding how to support colleagues who are carers

Chart 8



Respondents who were not currently carers were asked whether they would know how to support a colleague who is a carer for a loved one.

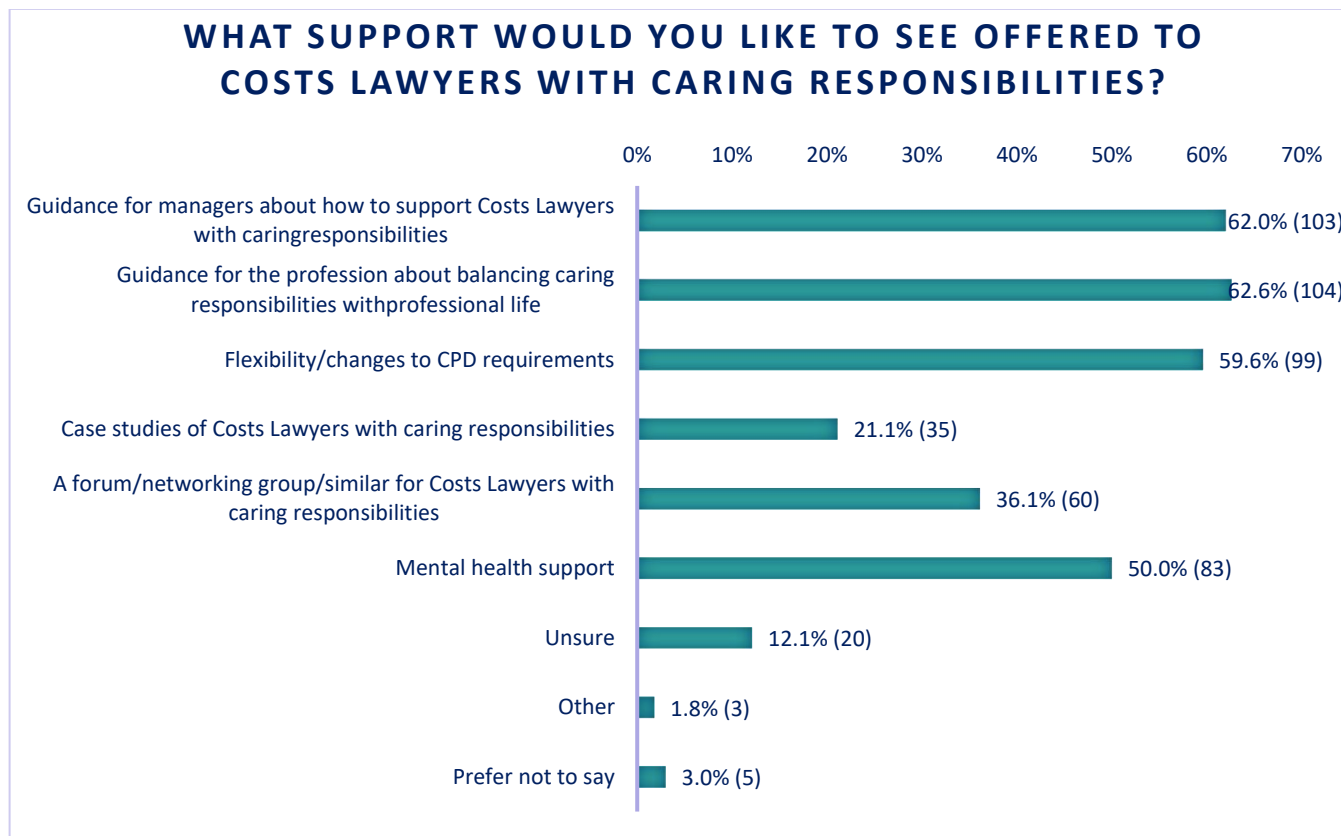
Just under half of respondents answered 'yes' to this question (48.3%, 71 individuals), whilst 13.6% (20 individuals) answered 'no'.

Over a third of respondents were unsure about whether they would know how to support a colleague who is a carer for a loved one (33.3%, 49 individuals).

4.8% of respondents (7 individuals) preferred not to answer this question.

9. Support for Costs Lawyers with caring responsibilities

Chart 9



Respondents were asked what support they would like to see offered to Costs Lawyers with caring responsibilities.

Over 60% of respondents wanted to see more guidance for managers about how to support Costs Lawyers with caring responsibilities (62.0%, 103 individuals), and more guidance for the profession about balancing caring responsibilities with professional life (62.6%, 104 individuals). Respondents also felt that more flexibility in, or changes to, CPD requirements for Costs Lawyers with caring responsibilities would be helpful (59.6%, 99 individuals).

Half of respondents wanted to see mental health support for Costs Lawyers with caring responsibilities (50.0%, 83 individuals). Over a third of respondents felt that a forum or networking group for Costs Lawyers with caring responsibilities would be beneficial (36.1%, 60 individuals).

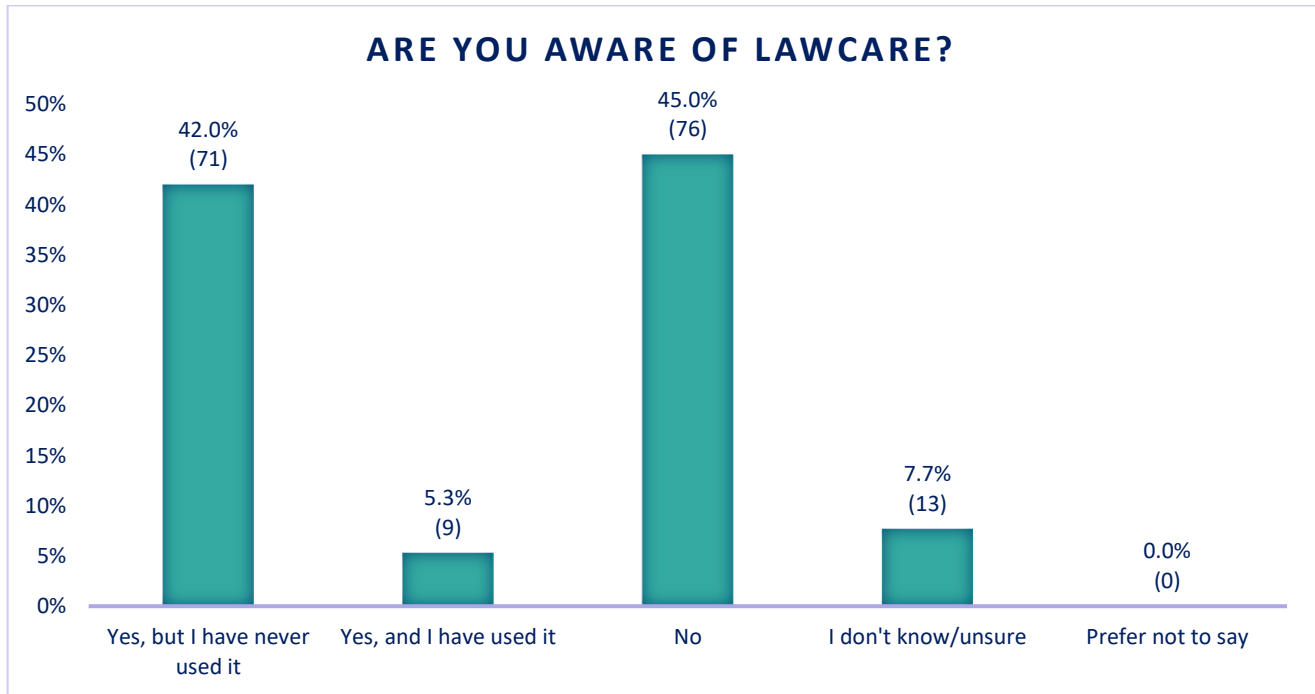
Just over a fifth of respondents thought that case studies of Costs Lawyers with caring responsibilities would be a helpful type of support (21.1%, 35 individuals).

Other types of support that respondents suggested included guidance for Costs Lawyers on how to approach their employers and their rights in this area, and that flexible working principles should be applied by the courts in order to assist Costs Lawyers with caring responsibilities working in courtroom settings.

12.1% of respondents (20 individuals) were unsure about what support they would like to see offered to Costs Lawyers with caring responsibilities, and 3.0% (5 individuals) preferred not to answer this question.

10. Awareness of LawCare

Chart 10



Respondents were asked if they were aware of LawCare. LawCare is the mental health charity for the legal sector that offers free, confidential emotional support, peer support, and information for people working in legal sector in the UK, the Channel Islands, and the Isle of Man.

Just under half of respondents were aware of LawCare (47.3%, 80 individuals). Of respondents who were aware of LawCare, 5.3% (9 individuals) had used the services provided by the organisation. 42.0% of respondents (71 individuals) had not used LawCare’s services even though they were aware of it.

Just under half of respondents were not aware of LawCare (45.0%, 76 individuals). 7.7% of respondents (13 individuals) were unsure or did not know whether they were aware of LawCare. No respondents selected ‘prefer not to say’ for this question.

Paul Mosson
CEO
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By email to: ceo@clsb.info



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1 April 2026

Dear Paul

Re CILEX and others v Mazur and others

I write following the Court of Appeal judgment in the above matter which was handed down yesterday.

We welcome the clarity provided by the Court of Appeal on how the reserved legal activity of the conduct of litigation under the Legal Services Act should be interpreted and applied in practice. We are now in the process of reviewing the implications of this judgment for the regulatory framework. However, given the importance of ensuring a rapid, effective and coordinated response, I wanted to write promptly to share our expectations regarding next steps.

As you will be aware, the judgment concludes that an unauthorised person may lawfully conduct litigation if they do so under the supervision of an authorised individual. As such, the court found that it is lawful for an unauthorised person to act for and on behalf of an authorised individual so as to conduct litigation under their supervision, provided the authorised individual puts in place appropriate arrangements for the supervision of and delegation to the unauthorised person. The judgment further concludes that the delegation of tasks by the authorised individual to the unauthorised person requires proper management supervision and control, the details of which are a matter for the regulators.

As you know, the [interim report](#) from our review of advice and guidance provided to the profession on the conduct of litigation found that the availability of clear and consistent advice and guidance differed across parts of the regulated sector. It is particularly important, therefore, that action is now taken in a coordinated way to ensure that lessons are learned from the past, and that clear and consistent advice and guidance is put in place to reflect the clarity provided by the judgment'. This is critical to ensuring that consumers and the public are protected. The LSB therefore expects that:

- all regulatory bodies and approved regulators will rapidly review the judgment and its implications for their regulated communities.
- all regulatory bodies and approved regulators will adopt a collaborative approach when considering, and ultimately implementing, any necessary response to this judgment. This will be important in ensuring a coherent, comprehensive and consistent response is provided across the sector and will send a clear message to the consumer and wider public that regulators will act effectively to ensure that legal

professionals can and will continue to conduct litigation with the correct supervision and guidance in place.

- all regulatory bodies that authorise conduct of litigation will swiftly consider any necessary amendments to their guidance, regulatory arrangements and other supporting information to provide clarity to their regulated communities. The LSB stands ready to engage in discussion on any proposals to alter regulatory arrangements which you consider are necessary as a result of the judgment.
- that your review of this judgment and any necessary actions should be taken at pace, whilst noting that the judgment may be subject to further appeal and final implementation timelines may be impacted by this accordingly.

We will shortly convene a further meeting of the regulatory bodies and approved regulators group that we established following the Mazur High Court judgment last year to ensure that the LSB is informed about actions underway and to be assured that effective collaboration across the regulators is taking place.

Finally, by the end of April I would be grateful if you could please provide, Angela Latta, Head, Performance and Oversight (Angela.Latta@legalservicesboard.org.uk), with an update of any initial actions identified following the judgment. Should you wish to discuss any proposed amendments to regulatory arrangements, including a discussion on draft applications, please get in touch with our statutory decisions team, led by Vibeke Bjornfors (Vibeke.Bjornfors@legalservicesboard.org.uk).

I have written in similar terms to the other relevant approved regulators and regulatory bodies. I am grateful for your prompt attention to this matter.

Yours sincerely



Richard Orpin
CEO

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Consultation response

Legal Services Board consultation: Policy statement on ‘Encouraging a diverse legal profession’

26 February 2026

Introduction

1. The Costs Lawyer Standards Board (“CLSB”) is the regulator of Costs Lawyers in England and Wales. We exist to serve the public interest by setting and maintaining the standards of professional conduct by which Costs Lawyers must abide. Our mission is to “provide effective, proportionate regulation of Costs Lawyers in a way that promotes consumer choice and understanding, and engenders justified public trust.”
2. The CLSB is pleased to respond to the LSB’s consultation on its draft policy statement on ‘Encouraging a diverse legal profession’.

Introductory remarks

3. The CLSB agrees with the general aim of the proposals set out in the LSB’s consultation i.e. to address barriers and encourage a diverse and inclusive legal profession. As the consultation paper explains, despite ongoing efforts by legal regulators and representative bodies, significant inequalities and underrepresentation persist across the legal profession as a whole.
4. The CLSB believes that fostering equality and embracing diversity is more than just a legal requirement: it is a fundamental part of building a fair, inclusive, and effective profession and society. We see our regulatory role as a powerful lever for positive change, and we aim to lead by example in our commitment to cultivating a working and regulatory culture where every individual is valued, where equality of opportunity thrives, and where discrimination, victimisation, and harassment have no place.
5. However, it is important to recognise that some causes of inequality, and lack of diversity and inclusion in the professions, are systemic and longstanding. They will take time to change, even with dedicated efforts across the professions. Some factors contributing to underrepresentation and lack of diversity are outside of the remit of legal regulators to influence, and regulators do not have sufficient levers to change them. For example, we know that tuition fees are a barrier to people going to university, particularly individuals from lower socio-economic backgrounds for whom the barrier can also include the need to earn an income to support themselves, and possibly dependents. While regulators can work to

provide alternative routes into the professions, they have limited levers to change the costs of university education.

6. As the LSB acknowledges, many of the barriers to greater diversity and inclusion are systemic and longstanding. They will need sustained and collaborative effort to change, and it may not be possible to remove those barriers quickly. Whilst the CLSB would like to see swift and sustained progress towards a more diverse and inclusive profession, realistically it will take time to achieve the successful outcomes that the LSB wishes to see, because of the constraints that regulators themselves face, and because of the various extraneous factors that impact progress in this important area. We hope that the LSB will recognise this, and that individual regulators will not be taken to task for not making rapid progress in an area where change may take time to become apparent. Additionally, whilst the CLSB acknowledges that there is still plenty of work for individual legal regulators to do to address barriers to diversity and inclusion, we believe there is a role for the LSB, as the oversight regulator, to lead on addressing overarching barriers that affect all the legal professions.

Q1a. Do you agree that these proposed outcomes will help to address the barriers to encouraging a diverse legal profession? Are there any further, or alternative, outcomes we should consider?

7. The CLSB agrees that the four proposed outcomes will help to address some of the barriers to greater diversity and inclusion in the legal profession.

Q1b. Do you agree that the proposed outcomes should be pursued by regulators through a set of specific expectations?

8. The CLSB considers that guidance on how regulators should meet the outcomes would be welcomed. This would help to encourage consistency across the professions when it comes to achieving the outcomes.
9. We note that, as currently drafted, the core expectations are phrased as ‘regulators must,’ whereas the enhanced expectations are phrased as ‘regulators should also consider...’
10. The use of ‘must’ in this context gives the impression that the expectations are, in fact, requirements (and therefore mandatory), not expectations. If the LSB’s intention is to have expectations with a degree of flexibility, ‘must’ needs to be replaced with ‘should’ or ‘regulators are expected to’.

Q1c. Do you agree that the proposed structure of core and enhanced expectations under the general outcomes offers an effective way to set a clear minimum standard for all regulators, while also encouraging regulators to consider additional steps, where appropriate?

11. The CLSB considers the core expectations and enhanced expectations to be broadly helpful as ideas for what regulators could do to meet the outcomes. However, as set out in our answer to Q1b above, the core expectations are phrased in such a way that they appear to be requirements, not expectations, which makes them less helpful and gives regulators less

flexibility about how they achieve the outcomes. Each regulated profession faces different challenges and opportunities, and each regulator will therefore need some flexibility in how they prioritise objectives.

12. The consultation paper does not set out an indicative timescale for when regulators should consider moving to address the enhanced expectations. Paragraph 27 of Annex A states that: *“In circumstances where a regulator has taken steps to meet the core expectations, yet barriers to a diverse legal profession persist, then it should consider meeting the enhanced expectations.”*
13. As set out in paragraph 5 above, some of the causes of inequality, and lack of diversity and inclusion in the professions are systemic and longstanding. Even with dedicated efforts across the professions, it may necessarily take some time before positive change becomes apparent. It may be some time before regulators can robustly assess whether actions they have taken to meet the proposed core expectations have been successful or not, and because some of the factors that are causing inequalities in the first place are not within regulators’ remit to control, it is likely that barriers will continue to exist, even with sustained and focussed regulatory action to mitigate them. Additionally, even if action taken under the core expectations did overcome the barriers, there may still be a case for regulators to pursue the enhanced expectations. The CLSB would therefore suggest that the LSB clarifies the timescales and/or factors that it would expect regulators to consider when determining whether to begin meeting enhanced expectations.

Q2a. Do you agree with the proposed Outcome 1?

14. The CLSB broadly agrees with proposed Outcome 1. However, we strongly feel that the word ‘inclusive’ should be added, so that the outcome is *“Regulators should take strategic, evidence-based and collaborative actions to encourage a diverse and inclusive legal profession.”* Greater diversity on its own does not automatically lead to greater inclusion, or fairer professional environments. This is borne out by the evidence provided by the LSB in Annex B to the consultation document.
15. Whilst we recognise the regulatory objective relating to diversity in the Legal Services Act 2007 does not refer to inclusion (it refers to ‘Encouraging an independent, strong, diverse and effective legal profession’) we would argue that inclusion is inextricably linked to this objective. Diversity and inclusion are interdependent, but not interchangeable. For example, an organisation may have a diverse staff base, but that does not automatically mean that the organisation has an inclusive culture. An inclusive culture in which everyone feels valued and able to be themselves, and in which difference is both recognised and valued, is an important factor for innovation and business success. An inclusive culture means recognising, respecting, and celebrating the unique experiences and perspectives that individuals bring, and creating environments where everyone feels they belong and can do their best work. A diverse and inclusive profession that reflects the wide range of communities and clients it serves, enhances public confidence and access to justice. A

legal profession that is more diverse, but not more inclusive, is less strong and less effective.

16. The CLSB agrees that regulators should work collaboratively to address barriers to equality, diversity and inclusion ('EDI') in the professions. This is particularly important given the number of authorised persons who are regulated by one body, but work in firms regulated by another. For example, many Costs Lawyers are regulated by the CLSB but work in SRA-regulated firms.
17. The CLSB also agrees that all work in this area should be strategic and evidence-based.

Q2b. Do you agree that the proposed expectations will help regulators to pursue Outcome 1? Are there any further expectations beyond those we have included that would support regulators to pursue this outcome?

18. The CLSB agrees with the expectation that regulators should have effective, high-quality data monitoring processes in place to support a clear and thorough understanding of the diversity profile of the regulated community and to identify where barriers exist. The CLSB is pleased to see that this expectation states that the collection and publication of diversity data should be undertaken at an appropriate frequency determined by each regulator. Each regulated community is different, and this flexibility will enable each regulator to develop a data-gathering approach and frequency that is appropriate for its own regulated community. This is particularly important for smaller regulated communities where the number of entrants to the profession increases at a consistent, but relatively small, rate such that the diversity profile of the profession does not change substantially year on year.
19. The CLSB agrees in principle with the expectation that regulators should undertake additional appropriate but proportionate steps (beyond data gathering) to identify barriers and opportunities to encouraging diversity in the regulated community. Quantitative data can provide a picture of where underrepresentation or barriers exist, but it cannot explain the causal factors or identify what action would help to overcome those barriers or address underrepresentation.
20. However, the CLSB is concerned that this expectation explicitly refers to, "*by undertaking research and/or further quantitative and qualitative data collection and targeted engagement with the profession and other relevant groups.*" Whilst we would agree that qualitative research and direct engagement are helpful tools in this area, it is important to recognise that such research projects can be costly. Financial constraints may mean that it is more difficult for smaller regulators to carry out this sort of research compared to their larger counterparts. We are surprised that the LSB's impact assessment does not refer to this. Although footnote 12 of Annex A to the consultation states, "*Where it is not feasible for regulators to undertake their own research and evidence building to meet this expectation, we expect them to consult data and evidence available from other sources, including regulators, representative bodies and any other relevant organisations,*" there will be instances in which other data and evidence may not be available on the relevant point. We

would therefore argue that this expectation should be phrased more flexibly, and that the example of carrying out qualitative research moved to enhanced expectations or separate guidance.

21. The CLSB agrees that regulators should have a strategic action plan to address EDI, however, the minimum requirements for strategic action plans set out in expectation 29 III (a) to (f) as drafted are overly prescriptive and leave little flexibility for regulators to develop a strategic action plan that is appropriately suited to their expertise, available data, evidence and resources. The CLSB feels that expectation 29 (III) should be adjusted to say, *“Produce and implement a strategic action plan that addresses the challenges and opportunities to encouraging a diverse profession within the regulator’s specific regulatory context and regulated community, using an appropriate regulatory framework,”* and that the detail in paragraph (a) to (f) (if retained) should be moved to enhanced expectations.
22. The CLSB agrees with expectation 29 (IV) for the reasons set out in our answer to Q2a. However, we think this expectation should also be amended to include explicit reference to inclusion, for the reasons set out in our answer to Q2a.

Q2c. Are there any enhanced expectations that would be better placed under core expectations under Outcome 1? Are there any core expectations that would be better placed under enhanced expectations under Outcome 1?

23. We note that the summary of proposals on page 17 of the consultation document refers to ‘horizon scanning’ under enhanced expectations, but there is no reference to this in the draft statement of policy. We would expect to see horizon scanning under core expectations, as it is an important part of ensuring that activity in this area is evidence-based. The CLSB has an annual risk outlook that already examines risks relating to EDI, changes to work practices, and other social drivers of risk.

Q3a. Do you agree with the proposed Outcome 2?

24. Yes, the CLSB agrees with the proposed Outcome 2. For the reasons set out in our answer to Q2a, we would suggest amending the wording of this outcome to refer to inclusion, as well as diversity.

Q3b. Do you agree that the proposed expectations will help regulators to pursue Outcome 2? Are there any further expectations beyond those we have included that would support regulators to pursue this outcome?

25. The CLSB agrees with the requirement for regulators to take steps to effectively identify and address impacts on different characteristics that arise from new or updated regulatory policy actions (expectation 31 (I)). The CLSB also agrees with the requirement for regulators to provide equality impact assessments (‘EIAs’) and seek further evidence and insight from stakeholders as appropriate when consulting (expectation 31 (II)). The CLSB already publishes EIAs when carrying out its own consultations and uses its Advisory Group, as well as direct interaction with the profession, to test ideas, proposed regulatory guidance and other policy and regulatory changes. We consider this to be an important part of taking an evidence-based approach to regulation.

26. The CLSB also agrees with expectation 31 (III). We note that, in relation to expectation 31 (III) (d), footnote 18 of the draft statement of policy states:

“This could include, for example, referring complainants and respondents to independent support services, appointing witness liaison officers to support both complainants and respondents, and/or providing regular updates on the progress of cases to both complainants and respondents.”

27. The CLSB agrees with this approach. For smaller regulators who receive very low numbers of complaints, signposting complainants and respondents to independent sources of support will be the most appropriate approach. We are pleased to see the LSB explicitly recognising the variety of approaches that regulators could take to meet this expectation.

Q3c. Are there any enhanced expectations we could set for regulators to pursue Outcome 2?

28. The CLSB has no suggestions for enhanced expectations related to this Outcome.

Q4a. Do you agree with the proposed Outcome 3?

29. Yes, the CLSB agrees with the proposed Outcome 3. For the reasons set out in our answer to Q2a, we would suggest amending the wording of this outcome to refer to inclusion, as well as diversity.

Q4b. Do you agree that the proposed expectations will help regulators to pursue Outcome 3? Are there any further expectations beyond those we have included that would support regulators to pursue this outcome?

30. The CLSB agrees that expectation 32 (I) and (II) will contribute towards this outcome.

31. The CLSB considers that the inclusion of “education” in expectation 32 (III) makes this expectation overly broad. To be helpful and relevant to any potential entrant to the profession, *education* costs would need to include data on the costs of the entire journey to qualification e.g. from university onwards. It would also need to cost out the various routes to qualification e.g. the cost of the Costs Lawyer Apprenticeship versus another route. We suggest that it would be better to remove the word ‘education’ from this expectation, as providing costs on the whole of the educational journey to qualification is outside of regulators’ knowledge and remit. The CLSB would suggest amending this expectation as follows:

“Make information publicly available so that candidates can make informed decisions about their training, qualification, and assessment options, including the cost of training courses and examinations.”

32. Expectation 32 (III) also requires regulators to publish information on qualifying course and examination outcomes as a minimum. For smaller regulators with a comparatively low number of people qualifying each year, publishing this data frequently would not provide meaningful insights – publishing aggregated data at regular intervals may be more useful.

We would suggest moving the expectation to publish information on qualifying course and examination outcomes, if retained, to enhanced expectations.

Q4c. Are there any enhanced expectations that would be better placed under core expectations under Outcome 3? Are there any core expectations that would be better placed under enhanced expectations under Outcome 3?

33. Please see our answer to Q4b above.

Q4d. Are there any additional expectations, either core or enhanced, we should set under Outcome 3 to reduce barriers faced by authorised persons when moving between and/or re-entering the professions (e.g., following a prolonged absence from practice for health, caring or other reasons)?

34. The CLSB has no additional expectations to suggest.

Q5a. Do you agree with the proposed Outcome 4?

35. Yes, the CLSB agrees with the proposed Outcome 4. For the reasons set out in our answer to Q2a, we would suggest amending the wording of this outcome to refer to inclusion, as well as diversity.

Q5b. Do you agree that the proposed expectations will help regulators to pursue Outcome 4? Are there any further expectations beyond those we have included that would support regulators to pursue this outcome?

36. The CLSB broadly agrees with the proposed expectations in principle, and welcomes the intention to achieve more inclusive and fair professional environments.

37. However, we disagree that the expectations relating to this outcome should extend to encouraging 'healthy' professional environments. The LSB has not set out in the consultation document or proposed policy statement what it means by 'healthy' - for example, whether this is intended to refer to physical or mental health, both, or something else entirely. The LSB has not set out how it would expect regulators to assess whether a professional environment is healthy. The CLSB would argue that expanding expectations to cover 'healthy' goes beyond the LSB's remit – and the regulatory objectives of regulators – to encourage a diverse profession. We recognise that we have argued for the addition of the word 'inclusion' into certain outcomes at paragraph 12 of this response, which is because we consider inclusion and diversity to be inextricably linked. Whilst encouraging healthy professional environments is a laudable aim, we consider this to be outside the sphere of diversity and inclusion.

38. We have similar concerns around expectation 34 (VI) which refers to regulators having competence standards relating to 'compassionate' management. Whilst we agree that managers should aim to manage in a way that is fair, inclusive and compassionate, the LSB has not set out what it envisages 'compassionate' to look like in practice, or how it would expect regulators to measure and assess competence in this aspect.

Q5c. Are there any enhanced expectations that would be better placed under core expectations under Outcome 4? Are there any core expectations that would be better placed under enhanced expectations under Outcome 4?

39. The CLSB does not consider that any core expectation under Outcome 4 would be better placed under enhanced expectations, and vice versa.

Q6a. Do you agree our proposed timelines for implementation are achievable?

40. The CLSB considers the proposed timeline for implementation to be acceptable.

Q6b. Are there any reasons why a regulator would not be able to meet these milestones? Please explain your answer.

41. By reason of our answer at Q6a, this is not applicable to the CLSB.

Q6c. Do you have views on whether and how the LSB could take additional steps to support compliance with the proposed statement of policy (e.g., through either formal or informal outputs, such as guidance and/or other relevant resources)?

42. The CLSB would suggest that the LSB continues to use the Legal Regulators' EDI Forum as a vehicle for regulators to share best practice and experiences in this area, and to encourage collaboration on overcoming barriers to greater inclusion and diversity.

Q7a. Have you identified any equality impacts (both positive and negative), we haven't considered which, in your view, may arise from our proposed statement of policy?

43. As set out in paragraph 20 above, a core expectation that regulators will conduct qualitative research may have a negative financial and resource impact on smaller regulators.

Q7b. Do you have any evidence relating to the potential impact of our proposals on specific groups with certain protected characteristics, and any associated mitigating measures that you think we should consider?

44. The CLSB does not have any additional evidence.

Q7c. Are there any other wider equality issues or impacts that we should take into account and/or any further interventions we should take to address these in our proposed statement of policy?

45. We would refer to our comments at paragraphs 5, 6 and 15 of this response.

Q8. Do you have any comments on the potential impact of the draft statement of policy, including the likely costs and anticipated benefits?

46. As set out in paragraph 20 above, we consider that a core expectation that regulators will conduct qualitative research may have a negative financial and resource cost on smaller regulators.

Q9a. Do you have any comments on how the LSB, either independently and/or in partnership, might develop further measures alongside the proposals set out in the consultation to encourage a diverse profession?

Q9b. Do you have any views on whether the LSB could take additional steps alongside setting expectations for regulators in the draft statement of policy to encourage a diverse profession? If yes, please share your reflections on the most appropriate and potentially effective routes the LSB could take to achieve this.

47. The CLSB is addressing questions 9a and 9b together in this answer.

48. In the CLSB's view, one of the key barriers to greater diversity in the legal profession is lack of awareness of the different career options available, and the different routes into, and through, the various branches of the profession. The CLSB would therefore suggest two further steps that the LSB could take to address this particular barrier, in conjunction with the individual legal regulators:

- a. Work with universities and other education providers to ensure that the full range of career options within the profession is made explicit to students embarking on a legal career.
- b. Develop a careers tool similar to the [Royal Society STEM career roadmap](#) to showcase routes into, between, and through, the professions with case studies, financial information, etc. We consider that the LSB is well placed to do this as the oversight regulator, with appropriate knowledge input from the representative and regulatory bodies.

Q9c. Do you have any further comments on our proposals that you would like to share?

49. We would be happy to discuss this response in more detail, and we look forward to the publication of the LSB's response to the consultation in due course.



Consultation response

Legal Services Board Public Bodies Review: Call for Evidence

9 March 2026

Note: This document sets out the CLSB’s responses to the Ministry of Justice’s Call for Evidence on the Legal Services Board Public Bodies Review, which were submitted online via the Call for Evidence website on 9 March 2026.

1. What is your name?

Lori Frecker – Director of Policy

2. What is your email address?

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3. What organisation are you from?

The Costs Lawyer Standards Board ('CLSB')

4. To what extent do you think the LSB’s statutory objectives reflect the current needs and priorities of the public and the legal services sector? Please provide example of where the LSB’s strategy or activities have supported/or could better support its aims.

- The CLSB considers that the LSB’s statutory objectives adequately reflect the current needs and priorities of the public and the legal services sector. The CLSB shares the nine regulatory objectives with the LSB, which are:
 - Protecting and promoting the public interest
 - Supporting the constitutional principle of the rule of law
 - Improving access to justice
 - Protecting and promoting the interests of consumers of legal services
 - Promoting competition in the provision of legal services
 - Encouraging an independent, strong, diverse and effective legal profession
 - Increasing public understanding of the citizen’s legal rights and duties

- Promoting and maintaining adherence to the professional principles (which are set out in the Act)
- Promoting the prevention and detection of economic crime
- We have provided examples of where the LSB’s strategy or activities have supported/or could better support its aims against these objectives below.

Protecting and promoting the public interest; supporting the constitutional principle of the rule of law; and promoting and maintaining adherence to the professional principles.

- Like all legal professionals, Costs Lawyers have a professional and ethical duty to uphold the rule of law and the proper administration of justice. By upholding the rule of law and acting ethically, Costs Lawyers and other legal professionals help to ensure access to justice, the protection of human rights, the equal application of the law to all, and public trust in the legal system. Conversely, unethical conduct undermines the rule of law and access to justice, and diminishes public trust in the profession as a whole. Recent events such as the Post Office Horizon scandal have increased public scrutiny of lawyers’ conduct, placing even greater emphasis on the importance of the legal profession acting in accordance with their professional and ethical obligations.
- The CLSB therefore welcomed the LSB’s work and 2025 consultation on upholding professional ethical duties. The CLSB believes that the proposed outcomes for regulators that the LSB set out in that consultation highlight the importance of professional ethical conduct, and its centrality to the proper administration of justice, rule of law and consumer protection. We believe the proposed outcomes will contribute to addressing the harms posed by unethical behaviours, and that they highlight the importance of professional ethical conduct to the proper administration of justice, rule of law and consumer protection.

Promoting competition in the provision of legal services

- In our policy statement on good consumer outcomes, the CLSB identified innovation as one of seven key categories of consumer outcomes that are important to us. The outcomes we want to see are that consumers benefit from innovative ways to supply services, and that innovation reduces prices and drives up quality and accessibility. The CLSB therefore welcomed the LSB’s 2024 guidance on promoting technology and innovation to improve access to legal services and to address unmet need, which aims to ensure that regulation

balances the benefits and risks, and the opportunities and costs, of technology and innovation in the interests of the public and consumers.

Increasing public understanding of the citizen's legal rights and duties

- The LSB's State of Legal Services Report 2025 shows that 32% of people had an unmet legal need in 2023, which had increased from 31% in 2019. The challenge of addressing those unmet consumer needs remains. Some of the factors affecting unmet need, such as court backlogs and reduced access to legal aid, are outside of the LSB's remit and control. However, some of the factors, such as consumers' lack of awareness of what counts as a legal issue and how they can effectively seek redress, suggests that there is more for the LSB to do regarding the regulatory objective of increasing public understanding of the citizen's rights and duties. We recognise that the Regulatory Information Service (RIS) was intended to address this, at least in part. However we have concerns about the utility and usability of RIS due to the requirement to combine distinctly different data and regulatory contexts from each regulator. Whilst the aim remains laudable, the product has struggled to progress to launch and we fear it will ultimately not deliver the intended outcome. We also do not feel it will widen general understanding of the different branches of the legal profession, especially for smaller professions like Costs Lawyers.

Promoting competition in the provision of legal services

- A key aim of the Legal Services Act 2007 was to increase competition in the legal services market. One of the ways in which it did this was by enabling different regulators to regulate specific reserved legal activities, thereby promoting competition in regulatory approaches. This means that practitioners have some choice in how they work, and by whom they are regulated.
- The extent to which the legal services market has become more competitive since the introduction of the Legal Services Act 2007 is debated. The performance of the legal services market (and competition within it) has been affected by various factors, including increasing use of fixed fees, increased use of technology and AI, and external investment.
- From the CLSB's perspective, the LSB's focus has tended towards encouraging collaboration between regulators and harmonisation (where possible) in regulatory approaches. Whilst this has market benefits in terms of consistency and coordination, it does not necessarily encourage competition between regulators in terms of regulatory

approaches. However, the CLSB would point to the LSB's recent focus on ensuring that regulation does not discourage the use of technology and innovation in the legal sector as evidence of one way in which the LSB is trying to encourage greater competition in the market.

Encouraging an independent, strong, diverse and effective legal profession

- The CLSB believes that fostering equality and embracing diversity and inclusion is a fundamental part of building a fair, inclusive, and effective profession and society. We see our regulatory role as a powerful lever for positive change, and we aim to lead by example in our commitment to cultivating a working and regulatory culture where every individual is valued, where equality of opportunity thrives, and where discrimination, victimisation, and harassment have no place.
- It is important to recognise that some causes of inequality, and lack of diversity and inclusion, in the professions are systemic and longstanding. They will take time to change, even with dedicated efforts across the professions. Some factors contributing to underrepresentation and lack of diversity are outside of the remit of legal regulators – including the LSB - to influence, and regulators do not have sufficient levers to change them. They will need sustained and collaborative effort to change, and it may not be possible to remove those barriers quickly. Whilst the CLSB would like to see swift and sustained progress towards a more diverse and inclusive profession, realistically it may some time to achieve the successful outcomes that the LSB wishes to achieve in this area, because of the constraints that regulators themselves face, and because of the various extraneous factors that impact progress in this important area.
- Whilst the CLSB acknowledges that there is still plenty of work for individual legal regulators to do to address barriers to diversity and inclusion, we believe there is a greater role for the LSB, as the oversight regulator, to play in addressing some of the overarching barriers that affect all the legal professions. In the CLSB's view, one of the key barriers to greater diversity in the legal profession is lack of awareness of the different career options available, and the different routes into, and through, the various branches of the profession. The CLSB would therefore suggest two steps the LSB could take to address this particular barrier, in conjunction with the individual legal regulators. These are to work with universities and other education providers to ensure that the full range of career options within the profession is made explicit to students embarking on a legal career, and to develop a

careers tool to showcase routes into, between, and through, the professions with case studies, financial information, etc. We consider that the LSB is well placed to do this as the oversight regulator, with appropriate knowledge input from the representative and regulatory bodies.

- The CLSB actively participates in the Legal Regulators EDI Forum alongside its fellow regulators and the LSB. The Forum is a vehicle for regulators to share best practice and experiences in this area. The CLSB would suggest that the LSB could take a more proactive role in this area by becoming the chair of this Forum and using it to proactively lead joint efforts in this important area.

Promoting the prevention and detection of economic crime

- In our response to the LSB's 2025 consultation on the new regulatory objective on economic crime, the CLSB welcomed the introduction of guidance that has the potential to reduce risk for consumers and authorised persons alike. We welcomed the outcomes-based approach taken by the LSB in this area, which gives the regulators the flexibility to develop strategies and resources that are designed for their particular regulated communities. We also suggested that the LSB uses its convening power as the oversight regulator to develop knowledge repositories to support regulators in meeting the new regulatory objective, as many of the risks posed by economic crime are common to all approved regulators and regulated communities.
- The CLSB also suggested that the LSB use its convening power to facilitate the development of a forum for regulators to meet to share best practice, discuss issues and hear from experts in the field (similarly to the Legal Regulators' EDI Forum and the Legal Regulators' Technology and Innovation Forum that currently exist). The CLSB considers that, as the risks posed by economic crime are relevant across all legal professions and approved regulators, this presents an excellent opportunity for the LSB and regulators to work collaboratively to ensure that best practice is shared, and risks mitigated, across the sector. Such a forum could also include financial regulators and other organisations who are experts in economic crime, and therefore well-placed to help approved regulators understand emerging risks facing the professions and how best to address them.

5. To what extent do you agree with this statement ‘the LSB is sufficiently focussed on its statutory obligations as set out under the LSA 2007’?

- The CLSB agrees with this statement.
- The CLSB is supportive of the LSB’s proposed objectives and proposed programme of policy work for 2026/27. The LSB’s policy priorities for 2026/27 (professional ethics and the rule of law; encouraging a diverse legal profession; consumer protection; and harnessing technology and innovation to support access to justice and efficiencies in the legal sector) align with the CLSB’s own priorities for the coming year, as set out in our strategy and business plan.

6. In your opinion, how clear and easy are the LSB’s statutory objectives to understand?

- The CLSB considers that the LSB’s statutory objectives are clear for legal regulators to understand. The CLSB shares nine regulatory objectives with the LSB as follows:
 - Protecting and promoting the public interest
 - Supporting the constitutional principle of the rule of law
 - Improving access to justice
 - Protecting and promoting the interests of consumers of legal services
 - Promoting competition in the provision of legal services
 - Encouraging an independent, strong, diverse and effective legal profession
 - Increasing public understanding of the citizen’s legal rights and duties
 - Promoting and maintaining adherence to the professional principles (which are set out in the Act)
 - Promoting the prevention and detection of economic crime
- However, we would query the extent to which the LSB’s statutory objectives are understood by consumers of legal services and the wider public, who are less likely to interact with the LSB directly. The LSB’s objectives may also be less well understood by regulated communities, as those communities will interact much more frequently with their own individual regulator (e.g. the CLSB, SRA, BSB and others) than the LSB.

7. How well do you feel the LSB engages and collaborates with key stakeholders e.g. regulators, professional bodies, and consumer representatives?

- The CLSB considers itself to have a constructive working relationship with the LSB.
- We welcome the LSB’s outcomes-focussed approach to regulation. Each regulated community is different, and an outcomes-focussed approach enables each regulator to

develop guidance that is appropriate, proportionate and sensible for its own regulated community. This approach empowers regulators to design frameworks that meet the existing needs, challenges and opportunities of their own regulated communities, but which are also flexible enough to encompass potential future risks and developments.

- The LSB's general aim of achieving harmonised outcomes enables regulators to develop approaches that are consistent across the sector. This is particularly important for regulated communities that work closely with, or within, other regulated communities, such as Costs Lawyers (who are individually regulated by the CLSB but often work in firms that are regulated by the Solicitors Regulation Authority or another approved regulator).
- The LSB consults widely on proposals for new statutory requirements, policy statements and guidance, usually giving plenty of lead-in time for responses. As a small regulator, we value this approach to consultation periods, which gives us time to develop a considered response without placing undue pressure on our available time and resources. However, there is an increasing number of competing consultations across the legal sector with frequently clashing timelines, which does have an impact on time and resources. Fewer and/or better coordinated consultations/calls for evidence would be welcomed.
- We find the LSB's annual conference to be successful in gathering well-informed speakers from different spheres, and consumer representatives, together to present a range of perspectives and challenge. The Legal Regulators EDI Forum and Legal Regulators Technology Forum convened by the LSB, encourage collaborative and shared best practice.
- As a regulator, we strive to maintain a positive, constructive and open relationship with the Costs Lawyers we regulate. We take an approach whereby Costs Lawyers can contact us to discuss regulatory queries and issues in a 'without prejudice' way. We endeavour to maintain fair, consistent, transparent and proportionate procedures for considering the conduct of Costs Lawyers, whilst also providing a credible deterrent to non-compliance with our professional standards. The CLSB is in a unique situation as a regulator because not all costs advisers are regulated. This means that the CLSB has to foster positive relationships with our regulated community, ensuring compliance with our regulatory rules through understanding, education and support, and using sanction only when required. This means Costs Lawyers come to us when they need regulatory guidance, and can have an open discussion without fear of reprimand. We think the LSB could enhance its interaction

with regulators by providing a similar "safe space" forum to discuss potential innovations or possible issues of concern. This could be via existing regulatory fora or through individual discussions with regulators.

8. How well do you feel the LSB holds frontline regulators to account?

- Please see our answers to questions 10 and 13.

9. What evidence is there that the LSB's oversight has had a positive impact on the sector, or improved outcomes for consumers of legal services? Please give a reason for your answer.

- Under the Legal Services Act 2007, the level of practising fees set by approved regulators, such as the CLSB, must be approved by the LSB. In deciding whether to authorise the level of fee, the LSB checks that each approved regulator has consulted widely with those affected about the level of the fee, among other things.
- Under the Legal Services Act 2007, the LSB must also review, and decide whether to grant or refuse, alterations by regulators (such as the CLSB) to their regulatory arrangements. This helps to ensure that regulators are acting in line with the regulatory objectives set out in the Legal Services 2007, and that they have appropriately considered the impact of the alterations on their regulated community, and where appropriate, consumers.
- The CLSB considers these approval powers to be an important function of the LSB, and strong evidence of positive impact on the regulated sector and consumers. Requiring practising fees to be approved creates accountability and transparency; regulators must be able to justify the level of fee, and demonstrate that they have sufficient funds and financial resilience to operate – and regulate – effectively for the benefit of the professions and consumers. Requiring changes to rules and regulatory arrangements to be approved similarly ensures accountability, transparency and proportionality. These functions therefore provide important reassurance to the regulated community and consumers.

10. To what extent do you feel the LSB demonstrates that its oversight delivers positive outcomes and provides value for money? Please give a reason for your answer.

LSB Budget

- The LSB's budget for 2025/26 was the third consecutive year that the LSB's budget had increased substantially. The proposed increase for 2025/26 followed a 13.9% budget increase the previous year, and 9.1% the year before. Compounded, this represented a 41.66% budget increase over three years. As the LSB recognised, increases in its budget have a direct impact on authorised persons through a resultant rise in practising certificate fees. The CLSB was therefore pleased to see that the LSB's proposed budget for 2026/27 decreased, though we would have hoped for a greater reduction than 0.5%. We are also pleased to note from that consultation paper that the LSB hopes to make further efficiencies in the coming year, and that any unspent funds from the ringfenced litigation budget will be returned to the sector via a levy rebate.
- The LSB recovers its annual operating costs under The Legal Services Act 2007 (Levy) (No. 2) Rules 2010. The contribution payable by the CLSB toward those annual operating costs is determined by the number of regulated Costs Lawyers at 1 April each year. Despite the projected slight budget decrease in 2026/27 referred to above, the LSB levy on the CLSB for the LSB for this year has gone up by 9%. Whilst this is partly due to an increase in the number of Costs Lawyers, the cost per Cost Lawyer has also gone up each year for the last 8 years. Please see: <https://clsb.info/regulatory-matters/cost-of-regulation/> for more details.

Legal Services Consumer Panel

- The Legal Services Consumer Panel was created by the Legal Services Act 2007 and is an independent arm of the Legal Services Board. Its function is to provide evidenced-based advice to the LSB to help it make decisions that consider the needs of users.
- The consumer benefits of regulation can take many forms. In our policy statement on good consumer outcomes, the CLSB identified seven categories of consumer outcomes that are of interest to us in the market for Costs Lawyers' services. We believe that there are many strategic and practical benefits to emphasising consumer outcomes, and whenever we make a regulatory intervention, we aim to have a clear line of sight to the positive difference for consumers that we intend to bring about. Our emphasis on consumer outcomes

commits us to direct our resources and attention towards gaining a better understanding of the impact of our work on consumers, and making sure we use this insight to guide our actions and ensure that the regulation we impose is targeted and proportionate. We are therefore very supportive of the LSB's general approach to improving consumer empowerment in the market for legal services.

- However, whilst we recognise and support the aim of ensuring that user needs are considered across the regulatory sphere and in the LSB's decision-making, we would suggest that there are ways in which this could be achieved that represent better value for money and would lead to more focussed, tangible outputs. The LSCP's workshops are often held in person in London, thus limiting the opportunity for participation by smaller regulators such as the CLSB, those located outside of the South East of England, or by individuals with accessibility needs. This approach seems to run contrary to the LSB's and wider sector's goals of increasing inclusivity and accessibility. The tangible benefits of the workshops are unclear as there is minimal output and follow up. We would suggest that, if such workshops are to continue, the LSCP should follow current best practice on inclusivity and accessibility, and take a neuro-affirmative approach, in order to ensure that a wider range of interested parties are able to participate. We would also expect to see clearer communication about the outputs from the workshops, and sustained follow-up. The research outputs from the LSCP have done some helpful work in presenting different perspectives and identifying areas for improvement, but the wider contribution of that research to galvanising change or raising consumers' awareness of their legal rights and routes of redress when something goes wrong are not obvious. Given this, it is not clear that the LSCP's work represents good value for money for the professions and consumers. We would suggest that consideration is given to how this could be improved.
- As set out in our answer to question 1, the LSB, in conjunction with approved regulators, is working towards a Regulatory Information Service (RIS) that will enable information about regulated individuals to be made available to consumers through a joint database. This is a laudable aim that could potentially be beneficial, but will only represent good value for money if the output is workable and optimal for consumers.

11. Do you feel the LSB has a suitable level of independence from both government and the organisations it oversees? Please give a reason for your answer.

- Yes, the CLSB feels the LSB has a suitable level of independence from both government and the organisations it oversees. We have no concerns in this regard.

12. Do you feel there is sufficient clarity about how the LSB's role differs from and complements other bodies in the sector?

- Similarly to our answer to question 6, as one of the legal regulators, we consider that we have sufficient clarity about how the LSB's role differs from, and complements, our own role and those of other bodies in the sector.
- However, we consider that consumers of legal services, and the general public as a whole, is less likely to have sufficient clarity about how the LSB's role differs from, and complements, other bodies in the sector, by virtue of the fact that consumers are less likely to interact directly with the LSB. For example, if a consumer wishes to find out information about one of the individual branches of the legal profession, our experience is that they go to an individual representative body, such as the ACL, Law Society or Bar Council. If a consumer wishes to make a complaint about an authorised person, they will go to the Legal Ombudsman or one of the individual regulators. Whilst the CLSB makes clear on its website that our activities are scrutinised by the LSB as our oversight regulator, we do not have evidence that members of the public have the same level of clarity that other regulators or members of the profession may have about the LSB's role and remit, and how that role interacts with that of other bodies in the sector.
- Similarly, how the LSB's role complements, and differs from, others in the sector may be less well understood by regulated communities, as those communities will interact much more frequently with their own individual regulator than the LSB.

13. To what extent do you agree with the statement 'the LSB has the capacity, skills, and technology needed to deliver its role effectively'?

- The CLSB would consider that the LSB largely has the capacity, skills and technology to deliver its role, however, there are areas where these could be strengthened for the benefit

of the professions and consumers of legal services. An example of this is the circumstances surrounding the High Court's decision in *Mazur v Charles Russell Speechlys* [2025] EWHC 2341 ('*Mazur*').

- The *Mazur* case clarified who may conduct litigation, and importantly who may not. The right to conduct litigation is a reserved legal activity under the Legal Services Act 2007. The court's decision restated the position in the 2007 Act that only an authorised person may conduct litigation, and that non-authorised staff cannot conduct litigation simply by being an employee of an authorised firm. Instead, both the firm and the person carrying on the activity must be authorised. An appeal has been filed, which was heard by the Court of Appeal in February 2026. The Court of Appeal's judgment is awaited.
- The decision in *Mazur* was not about a Costs Lawyer, but it prompted questions about who can do what, where accountability lies, how clients can be assured of professional standards from a regulated individual, who is regulated and who is authorised, and the difference. This has created an atmosphere of uncertainty for some parts of the legal profession, although largely not for the CLSB and Association of Costs Lawyers (ACL) as all of our regulated community are authorised to conduct litigation under the 2007 Act.
- In response to the High Court decision, the LSB issued a statement in October 2025 which noted that, while the judgment does not change the law, it has raised questions about how some in the profession have interpreted the reserved legal activity of conducting litigation under the 2007 Act in practice. The LSB subsequently met with regulators discuss the matter and to understand the perspectives of the profession. The LSB also began a review of how regulatory bodies ensured that information and guidance provided to the profession on conducting litigation was accurate and reliable, in order to learn lessons and maintain clarity and confidence in the regulatory framework.
- We welcome the fact that the LSB reacted promptly to the decision in *Mazur*. However, we would argue that part of the role of an oversight regulator, such as the LSB, is to ensure that situations such as those that gave rise to *Mazur* (i.e. a lack of consistency and certainty in how reserved legal activities are understood and carried out) do not arise in the first place. Whilst it would not have necessarily been the LSB's role to adjudicate on the matter, the LSB could have facilitated discussion among regulators to try to resolve the issue, or – if that were not possible – highlighted the difficulty to the Ministry of Justice. We could consider

this to indicate that in some areas, though not all, the LSB needs to strengthen its capacity and skills.

- One of the LSB's responses was a request under section 55 of the Legal Services Act 2007, which formally requires approved regulators to provide information, documents, or explanations. Issuing a section 55 request to the CLSB seemed disproportionate as the CLSB had not issued conflicting guidance, and its existing guidance was in line with the judgement in *Mazur*. While we could understand the need for the LSB to assure itself that there were no other concerns identified in different branches of the sector, this in itself would have been unnecessary had the LSB recognised and addressed the issue with regulators in the first place.

14. Are there any improvements or future priorities that you feel the LSB should consider to strengthen its performance and adapt to emerging challenges?

- As set out in our answer to question 4, the CLSB considers there is scope for the LSB to take a greater role in providing proactive thought leadership for the sector, and to lead on developing tools and resources to enable regulators to carry out their roles.
- We think there is also scope for the LSB to take a more proactive role in regulatory horizon scanning and contributing to a unified regulatory approach across different sectors through ongoing interaction with other oversight regulators (for example, in financial services). This would benefit the approved regulators of the legal profession and their regulated communities by strengthening regulatory insight and consistency of approach, as well as highlighting emerging challenges and opportunities that the LSB could either address, or – if need be – highlight to government for further action.
- As set out in our answer to question 4, the LSB's State of Legal Services Report 2025 shows that 32% of people had an unmet legal need in 2023, which had increased from 31% in 2019. The challenge of addressing those unmet consumer needs remains. Some of the factors affecting this, such as court backlogs and reduced access to legal aid, are outside of the LSB's remit and control. However, some of the factors, such as consumers' lack of awareness of what counts as a legal issue and how they can effectively seek redress, suggests that there is more for the LSB to do regarding the regulatory objective of increasing public understanding of the citizen's rights and duties.

- As the oversight regulator, the LSB could take a stronger role in addressing challenges and barriers that affect the professions as a whole. For example, as set out in our answer to question 4, we think the LSB could play a stronger role in raising awareness of the variety of legal careers to potential entrants, in line with its statutory objective to encourage a strong, independent and diverse profession.
- The LSB could strengthen its performance by taking the lead on areas where they are potential gaps, or overlaps, in regulatory authority. For example, the LSB could take the lead where an unregulated individual commits a statutory offence in circumstances where it is not clear which regulator may be responsible for pursuing the matter, or where it impacts multiple branches of the profession. For example, an unauthorised individual holding themselves out as having rights of audience or the right to conduct litigation, when they do not. This is an offence, not a regulatory infringement, and no regulator has the power of prosecution over these individuals.
- The LSB could also potentially take a stronger role in establishing protocols for what should happen in situations where a risk emerges that affects multiple regulated communities who work together as individuals (regulated by different regulators) in an entity that is regulated by another. In multi-disciplinary environments where there may be members of several professions working together, effective cooperation between regulators where one regulated community is exposed to risk that may affect the others is vital for protecting the public and other authorised persons. The Framework Memorandum of Understanding that is in place between the approved regulators regarding information sharing and investigations assists with this, but there is arguably a greater role for the LSB to play as oversight regulator here.
- Lastly, the LSB should, by virtue of its unique position, be the body best situated to take a global view of the adequacy, effectiveness and regularity of the provision of legal services across the jurisdiction. It should therefore be able to offer trusted and dispassionate advice to government on legislative and administrative measures to improve legal processes and address deficiencies. In doing so, it would benefit from the experience and knowledge base of individual regulators and the regulated communities with which they work. That in turn would reassure the professions and legal consumers that there is an appropriate avenue to communicate concerns to government for the public good, rather than in any sectional or professional interest.