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The purpose and scope of this guidance

1. This guidance aims to help Costs Lawyers understand the importance of information in their client care letter (CCL). You should refer to this guidance when drafting, modifying or updating your CCL.
2. If you work for an organisation that is authorised by another legal services regulator, such as the Solicitors Regulation Authority, that regulator’s rules and guidance will apply to your organisation’s CCL. However, you should check that your organisation’s CCL is sufficient to meet your individual obligations as a Costs Lawyer in the Code of Conduct.
3. A CCL forms the basis of the relationship between you and your client, and provides an opportunity to set out your standard or case-specific terms and conditions. By ensuring this information is communicated to your client at the outset of an instruction, you establish clarity and certainty for both parties, and your client is appropriately protected.
4. This guidance uses the term CCL to refer to this type of contractual document, but you might also use terms such as “engagement letter” or “confirmation of instructions”. This guidance applies in the same way regardless of the words you use to describe your CCL.

Your obligations

5. Under paragraph 3.4 of the Code of Conduct, you must advise new clients in writing when instructions are first received of:
 - an estimate of fees / details of charging structure, and where that estimate subsequently becomes inaccurate or that charging structure changes, an updated estimate / notice of revised charges;
 - the client’s right to complain;
 - how to complain (that is, your first-tier complaints handling procedure);

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- if applicable, the client’s right to refer their complaint to the Legal Ombudsman in certain circumstances.
6. Under paragraph 4.6 of the Code of Conduct you must ensure that clients are able to make informed decisions about the work being undertaken on their behalf throughout the lifetime of the 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).
 7. You also have obligations to provide information under consumer protection law. The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 require legal services providers, including Costs Lawyers, to provide certain clients with certain specified pre-contract information. For example, the main characteristics of the service, the best possible information about the overall cost of the matter, whether there are likely to be any disbursements, contact details of your regulator and the right to cancel within 14 days where a contract is made “off premises” or “at a distance”. This applies to instructions from “consumers”, which are defined in the legislation as individuals acting for purposes which are wholly or mainly outside their trade, business, craft or profession. For more information, see the separate [guidance note](#) on dealing with consumers.
 8. Under the Provision of Services Regulations 2009, you must provide clients with the contact details of your professional indemnity insurance provider and the territorial coverage of that insurance.
 9. The General Data Protection Regulation (GDPR) requires you to provide certain information to clients about how their data is used, such as how long it is kept for, who it will be shared with and their data protection rights.
 10. These obligations do not necessarily all need to be met through the CCL, but you need to be aware of them and meet them in some way.

Key principles to encourage engagement with the client

11. In 2016, the approved regulators jointly commissioned research to understand how clients engage with CCLs with a view to improving their effectiveness. It was found that “the perceived complexity of legal services communications is a major barrier to engagement, particularly for more vulnerable consumers” and that, while “there are limitations in terms of how CCLs can be made visually appealing without detracting from perceived professionalism, the consensus is that CCLs can be seen as impenetrable, with limited signposting and an emphasis on generic rather than personalised information”.
12. Eight key principles were identified from the 2016 research to encourage client engagement with CCLs and the information provided within them:
 - i. **Show a clear purpose** – provide a clear rationale as to the role of the CCL and the importance of reading it upfront. Consider the title you use. For example, “Instruction Confirmation Letter” might have more resonance with certain clients than “Client Care Letter”.
 - ii. **Keep it concise** – recognise that the ideal length would be one to two pages. If this is not feasible, break information down into smaller sections and use a short, to the point sentence structure. The research evidenced that headings are a good tool to engage the client’s attention. Consider whether some of the information would be better conveyed in a separate document such as a client care leaflet.
 - iii. **Use plain language** – seek to avoid using legal terms, or archaic or complex language. Minimise the use of vague and/or heavily caveated sentences. Remember that accessible language is key to ensuring that all clients can understand CCLs regardless of their background.
 - iv. **Prioritise information** – focus on the information which is perceived to be most relevant to your client and ensure a logical flow. Avoid putting generic

information such as terms of business or complaints procedures on the first page of a CCL.

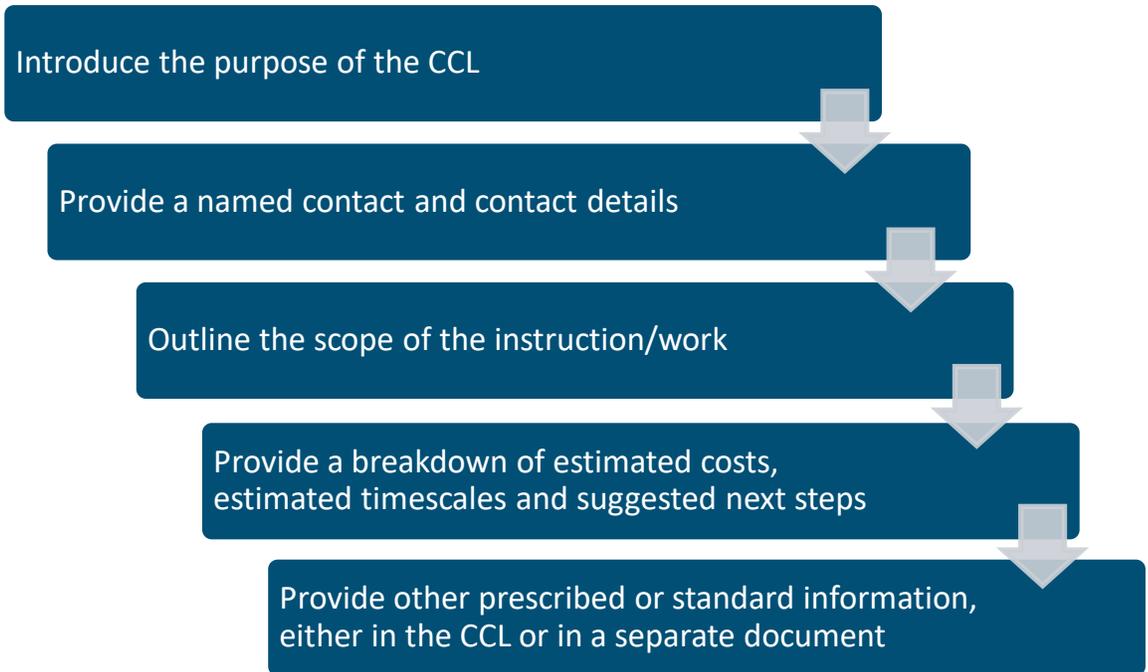
- v. **Personalise information** – using the CCL to demonstrate knowledge and understanding of your client’s case is important to build confidence. Use the CCL to provide details unique to your client’s case and estimated costs. Tailor the CCL so that irrelevant information is excluded. Use personal pronouns so that it is clear you are talking to the individual.
- vi. **Make it easy to read** – use line spacing and avoid small font sizes. Use headings to make the CCL easy to navigate and avoid dense paragraphs. Break down information by using tables or bullet points.
- vii. **Highlight key information** – use visual tools such as bold text, headers, summary boxes, tables, or diagrams to make it easier for clients to pick out key points.
- viii. **Additional opportunities to engage clients** – it has already been suggested that some generic information, such as terms of business and complaints procedures, could be explained in a separate leaflet and referred to in the CCL. Remind your client of this information once your service is being provided when they might be more receptive.

Vulnerable consumers

- 13. Engaging with CCLs may be particularly challenging for certain vulnerable clients. The CLSB has a separate [guidance note](#) on vulnerable consumers which might be useful in this regard.
- 14. It is important to consider each client and whether steps can be taken to improve their experience and engagement depending on their specific vulnerability, for example by adapting information into braille, audio, or easy read format, or offering the opportunity to discuss the content by telephone.

Essential information to be provided in a CCL

15. A suggested order for the provision of information in a CCL is shown below.



Contact details

16. You should provide the name and contact details of the client’s primary contact for the instruction, as well as an alternative contact in case the primary contact becomes unavailable.
17. You should explain your regulatory status as a Costs Lawyer, including that you are authorised and regulated by the Costs Lawyer Standards Board. If your work on the matter is being supervised by another person, the CCL should also provide their name and contact details.
18. Where the CCL is issued in the name of your organisation, such that the client is contracting with your firm or company rather than you as an individual, the CCL

should make clear the regulatory status of the organisation and any other individuals that will be working on the matter.

Scope of work

19. The CCL should include:
- an outline of your understanding of the client’s instructions;
 - a description of the work you will and will not do for the client;
 - details of the information or other assistance you will need from the client;
 - a description of what will happen next.
20. This information should be clear and specific to the individual case, rather than generic. The language and presentation used should be tailored to the needs of the client. For example, it might be appropriate to use technical legal terminology when preparing a CCL for a client who is a fellow legal professional, while plain language is likely to be preferable for an individual client without legal training.

Fees

21. It is helpful to present a clear, concise breakdown of the likely costs of a matter toward the beginning of the CCL. If fees are to be charged on the basis of an hourly rate, you should indicate both the rate and the number of hours you expect to spend working on the matter, as well as factors that might impact your estimate. Any known or likely disbursements should also be included.
22. Below are two simple examples of approaches you could take, as appropriate:

Example 1:	<i>Our professional fees</i>	<i>£750</i>
	<i>Court fees</i>	<i>£500</i>
	<i>VAT</i>	<i>£250</i>
	<i>Total fixed fee</i>	<i>£1,500</i>

Example 2: *Based on the information you have provided to me, I estimate that your total bill for dealing with this matter will be between £750 and £1,250 plus*

VAT, in addition to disbursements of between £300 and £500 plus VAT. The final cost will depend upon the volume of material I will need to review before I can provide my advice and whether specialist advice will be needed on the tax issue arising from your instructions. I will be able to confirm the costs more precisely as the matter progresses.

23. For guidance on entering into contingency retainers (conditional fee agreements and damages based agreements), see our separate [guidance note](#).

Likely timescale

24. Whilst this can be difficult to estimate, due to factors outside of your control, there are average timescales for dealing with different types matters and clients would like to know what these are. We suggest that your CCL sets out the average timescales and, if necessary, also sets out examples of why this might not apply in their case, for example delay by the other side or delay by the client in providing documents.

Provision of other required information

25. Some types of information are seen by clients as less relevant than others at the beginning of the legal process. These include terms and conditions of business, complaint information, data protection information and regulatory information. However, such information still needs to be provided upfront for a number of reasons. One important reason is that, in relation to clients who are lay individuals, the Consumer Rights Act 2015 creates a presumption that a contract term is unfair (and thus unenforceable) if it purports to bind a consumer to terms with which the consumer had no real opportunity of becoming acquainted before the contract was concluded. Another reason is that, at the moment when the client needs the information, the relationship with their adviser might have broken down.
26. While such information should be provided upfront to allow you to comply with your obligations and ensure the client understands all your contractual terms, in

order to engage the client more successfully with the information in the CCL, it is recommended that this information is either placed at the end of the CCL or provided in a separate leaflet which is referred to in the CCL. The latter option provides the client with a reference document that can be referred to at a later date, when the information might be more relevant. It is open to you to use the CCL to draw your client's attention to, or highlight, certain aspects of the leaflet.

Service levels

27. Your CCL should explain that you will communicate (and, if relevant, how and when you will communicate):
- progress on the matter;
 - changes to cost estimates and timescales;
 - important changes in the law that affect the matter; and
 - reasonably foreseeable risks that could affect the outcome.

Complaints

28. As noted above, the CCL should state your regulatory status and any supervision arrangements in relation to the client's matter. It should also explain what a client can do in the event they have a complaint, including the information prescribed in paragraph 3.4 of the Code of Conduct. You can do this by including your complaints procedure in, or with, your CCL.
29. For guidance on what to include in your complaints procedure, see our separate [guidance note](#).

Execution

30. In order to provide evidence that your client has received and agreed to the terms set out in your CCL, it is good practice to ask them to sign a copy for you to keep on file.

Other information to be provided either within the CCL or by including a separate document

31. Below is a summary of generic information that should be included in, or alongside, the CCL. This is not an exhaustive list and you should consider whether other information needs to be provided for each matter. For example, if you are offering your client after the event (ATE) insurance, you might need to provide additional information as prescribed by the Financial Conduct Authority.

Professional indemnity insurance	Provide contact details of your insurer and the territorial scope of cover. Provide further details on request (for example, the level of cover).
Clauses limiting liability	Set out any limitations on the liability of the professional services provider.
Client money	Make clear that, in accordance with paragraph 3.6 of the Code of Conduct, you cannot accept client money save for incurred disbursements and payment of your invoiced professional fees. If you offer clients the option of using a third party managed account (TPMA), explain how the TPMA works. For further information, see our separate guidance note on client money.
Documents	Notify the client of your right to keep copies of documents for your professional records (subject to the client's data protection rights) and your arrangements in place for the return of originals, if relevant.
Obligations	Explain how you are required to act in accordance with the Costs Lawyer Code of Conduct and other rules issued by the CLSB as your regulator.
Data protection	Explain the arrangements you have in place to ensure compliance with data protection laws, including how you will process and store personal data. There is more information on this in the next section below.
Outsourcing	Advise the client of the scope and relevant terms of any proposed outsourcing arrangements (if applicable).

Contract term and termination	Advise how the instruction may be brought to an end and what liabilities the client might face in the event they terminate the retainer prior to conclusion of the matter.
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A note on data protection

32. Telling the client how their personal data will be collected, stored and used under the General Data Protection Regulation (GDPR), as well as their rights in relation to that data, could be covered in the separate leaflet suggested above or your organisation’s privacy policy. In the CCL itself, it is advisable to refer to this information and identify any third parties that personal data might be shared with, such as the CLSB in the event of a complaint, your auditors or your insurance company in the event of a claim. For further information, please refer to the Information Commissioner’s Office (ICO) [Guide to the UK General Data Protection Regulation \(UK GDPR\)](#).
33. You might need to consider whether you are a “data controller” or a “data processor” in relation to a particular client. If you are dealing with a lay client directly, then you will likely be a data controller in relation to their personal information. However, if you are instructed by a professional firm acting on behalf of an individual client (such as a firm of solicitors) then you might be acting as a data processor in relation to the underlying client’s personal data, with the professional firm being the data controller. The GDPR requires that certain contractual provisions (for example, as to how the data will be processed and the protections that the processor will put in place) are instituted between a data controller and a data processor when personal data is shared. If you believe you will be acting exclusively as a data processor, you should ensure that this arrangement is documented appropriately and that all parties are clear about the extent of your role upfront.
34. This is a complex area. Please refer to ICO guidance such as:
- [Controllers and processors](#)
 - [What needs to be included in the contract?](#)

Pro bono work

35. Where you carry out work for a client on a pro bono basis, this should be made clear in the CCL. The following wording is suggested by the Access to Justice Foundation:

Pursuant to section 194 of the Legal Services Act 2007 and Civil Procedure Rule 46.7, in the event you are successful in this matter or any of its stages, we will seek to recover “pro bono costs” from your opponent. This is a sum of money that represents how much the legal representation would have cost if we had charged for our services and can be ordered by the court or be included in a settlement agreement. When pro bono costs are obtained the legislation requires such costs be paid to the prescribed charity, the Access to Justice Foundation, which supports the provision of free help to yet more people.

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