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## Background and purpose of this guidance

1. In 2016, the Competition and Markets Authority (CMA) [carried out a market study into the supply of legal services in England and Wales](#). The study concluded that “competition in the legal services sector for consumers and small businesses is not working well” and that information issues “weaken the ability of consumers and small businesses to drive competition through making informed purchasing decisions”. Amongst the CMA’s recommendations was improving “upfront” transparency on price and services for consumers.
2. The CMA reviewed the implementation of its recommendations in 2020 and published a [report of its findings](#). The CMA found that although progress had been made, more needed to be done to help consumers choose between providers, and that regulators should aim to improve the clarity and comparability of information by promoting good practice amongst regulated lawyers.
3. This guidance note explains the kind of price and service information that Costs Lawyers should make available for individual consumers or small businesses (with up to ten employees), as these were the particular focus of the CMA’s market study and review. It relates to information that is provided before a lawyer is formally engaged (that is, before a client care letter is issued), in order to help consumers choose a service provider that is right for them.
4. This guidance note therefore aims to:
  - Promote good practice in the provision of upfront information to consumers by Costs Lawyers through websites and other promotional material.
  - Assist Costs Lawyers in meeting their obligation under principle 4.6 of the [Code of Conduct](#) to ensure that clients (including prospective 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).

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- Assist Costs Lawyers to attract clients by transparent promotion of their services. Clients will be more willing to approach you or your firm if they are clear about the services that you provide and what they will cost.
  - Reduce misunderstandings and prevent possible complaints later on when clients do instruct you.
5. The information that you need to provide a client at the point of engagement (once the client has chosen to instruct you) can be found in our separate guidance note on client care letters in the [Costs Lawyer Handbook](#). Some of the suggestions in that guidance note, particularly relating to price and service information, could be used by Costs Lawyers to also improve their websites and promotional material.

## Who does this guidance apply to?

6. This guidance applies to you if you are:
- (i) A sole practitioner Costs Lawyer who has a website or issues promotional material.
  - (ii) A Costs Lawyer working in a costs law firm or other unauthorised organisation where that organisation has a website or issues promotional material and where your position in the organisation gives you some control or influence over those media.
7. This guidance does not apply to you if you are:
- (i) A Costs Lawyer working in an organisation authorised by another regulator under the Legal Services Act 2007. In particular, for Costs Lawyers working in an organisation regulated by the Solicitors Regulation Authority (SRA), the SRA's rules on price transparency for the entity prevail.
  - (ii) A Costs Lawyer working only in-house (for example, in a bank, corporate or government department) and not offering services direct to the public.

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## Information on price

8. Your first duty is to ensure that information you provide is not misleading or inaccurate when you publicise your business or yourself as a Costs Lawyer (Code of Conduct principle 1.4).
9. Whilst transparency in relation to price and services generally will help your business and reduce complaints, the recommendations in this guidance relate to the services you offer to individual consumers and those small businesses that will not have any specialist knowledge in this area.
10. When you promote services for individuals and small businesses, whether on your website or otherwise, you should include price information about those services as follows:
  - State the total cost of the service, where known (for example, if you charge a fixed fee).
  - Where you cannot give a total cost, you can give an indicative cost. This could be a range of likely total costs. You might also choose to provide a typical or average cost for the type of service, particularly if the range is quite large.
  - If the price is not fixed, give the basis for charges, including hourly rates (by grade of staff where applicable). If feasible, provide an indicative number of hours or a range of hours needed for different services.
  - If the price is by stage, then provide details on that basis. If it would not be obvious to a consumer what a stage of the service is, provide a short explanation.
  - If there will a consultation fee for an initial meeting, this should be made clear to the consumer before the appointment for the initial meeting is made.
  - If you offer a free initial consultation, you should make clear what length this will be, if time over and above this is chargeable, and if so, what the charge would be.
  - Be clear about any VAT chargeable.

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- Indicate the amount of any disbursements that are likely to be incurred (such as court fees) and when they are likely to be incurred. Again, you might need to give a range.
  - Where possible, you should give a breakdown of disbursements. This does not mean that you need to itemise every single disbursement, but that they should be set out in a way that will be meaningful to your client. An estimate that simply says 'disbursements' with an overall cost against it is unlikely to be considered sufficient by the Legal Ombudsman in the event of a complaint.
  - All possible third-party costs that will be incurred during the case, for example, insurance premiums, barrister fees, surveyor costs and searches, and where practicable, a rough estimate of the costs of these.
  - Any factors that mean the price may exceed your fixed fee, or the range or estimate of fees that you have given. This could include, for example, the need to complete the work with urgency or factors such as complexity or an exceptionally high volume of material. While consumers understandably want certainty on price, we appreciate that it might not be possible to give this certainty in many situations. Being as clear as you can as to the circumstances in which extra costs are likely to be incurred will help prevent your pricing information from being unintentionally misleading. It will also reduce complaints later on.
  - If you offer conditional fee agreements (CFAs), then set out the circumstances in which clients might have to make any payments themselves, such as disbursements. If there is a cost to the client of the assessment for suitability for a CFA, this should be set out.
  - In cases where costs are recoverable from another party, you should ensure your client understands how costs recovery works, if there is a risk that their costs could exceed the sums that can be recovered, and what this means for them – for example, whether they will have to meet any shortfall. This is equally important in cases that are subject to fixed costs.

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- It can be helpful to link to external information (for example, to the relevant section of gov.uk for court fees) when this will assist the consumer's understanding.
  - If the type of service you are promoting involves a risk that the client will have to pay costs to the other side, you should indicate this and make it clear that this is additional to your fees.

11. In providing price information, you might not be able to cover all of the different services that you or your organisation offers, but you should look to cover the most common. In [An ombudsman's view of good costs service](#), the Legal Ombudsman states:

*“We recognise that your website won't be able to cover all the different circumstances that could affect the cost of a piece of work, but you might want to make it clear what the expected costs would be for a typical instruction and some typical examples of things that would affect the price.*

*It will also be useful to keep a record of the information displayed on your website, and when and how it changes. If a client makes a complaint in the future about your initial costs information, this record will be useful to demonstrate what they would have seen at the time.”*

12. An illustrative example of information on the price of a Costs Lawyer acting for a client challenging a solicitor's bill is at Annex 1.

## Information on services

13. For price information to be meaningful, consumers also need information about the services you are offering and what is included. Price information will not mean much unless the consumer knows what they are getting for that price.
14. Therefore, we recommend that you set out, in as much detail as you can, what services will be provided for each price or range indicated. Where possible, you

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should include key stages for the work. The client might not understand what the key stages are so you will need to explain them in simple language.

15. You should inform clients if anything that could reasonably be expected to be included in the price is not.
16. To be able to make an informed choice, consumers will want to know some contextual information. Therefore, we also recommend that you set out:
  - Typical timescales for the work. This might be by key stages, as above. Where the timescale is out of your control (for example, it depends on the court or other side) you might need to give a general estimate, for example: “If the matter is not settled by agreement, cases of this kind typically take 6 to 9 months for the court to resolve, assuming there is no appeal”.
  - The qualifications and experience of those who will be providing the particular service. For example, the number of years they have been qualified as a Costs Lawyer, specialisms that they have, and the type or range of matters that they advise on.
17. If you will be making a Conditional Fee Agreement (CFA) or Damages Based Agreement (DBA) with your client when dealing with contentious work, or if your remuneration includes a success fee element, you should refer to the CLSB’s Contingency Retainers guidance note. This provides further detail about the pricing information that should be provided to clients where a CFA or DBA will be made, and where your remuneration includes a success fee.

## Presenting the information

18. The target audience for the information is individual consumers and small businesses. They will need information presented differently from professional clients, who will be more familiar with legal processes and terminology and are more likely to have an idea of competitive pricing.

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19. It will help to:
- Keep information concise and sentences short.
  - Break up the text with headings, diagrams and tables, and set out any processes in stages.
  - Use plain language where possible, and if you do have to use a technical term then give an explanation.
  - Think of it from the consumer's point of view and focus on the information that they need.
  - Provide anonymised examples of typical cases that you have dealt with in order to bring the information to life.
  - Consider providing information in different languages where this will meet consumer need.
20. It is good practice to provide cost information in writing, and to keep records of the costs information you provide to clients. This will help to ensure that clients understand how they will be charged at the outset, and can help to avoid disputes over what was discussed later on. It can also help you to show that information was provided to enable clients to make an informed decision. If providing information in writing is not suitable (for example, because your client is unable to read), then you should record the information you provided about costs, including how and when it was provided. It is also good practice to keep records of payments made to, and received from, clients. See our [guidance on dealing with consumers](#) for more details.
21. Where you have a website, display the information in a way and place that is easily accessible – for example, not buried away in a terms and conditions link at the bottom of the page. A website that is easy to read and navigate will boost interest in your business and inform and attract consumers. You will also want to consider that many people now access websites using mobile devices, and therefore make your website mobile friendly.

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22. Tips on website accessibility are available from the [Website Accessibility Initiative](#).

## Keeping the consumer updated

23. It is important that the consumer is made aware of any changes to the cost of the case as it progresses, so that they have an opportunity to try to control the costs being incurred. This is a matter of good consumer service and professional courtesy, and part of your duty under Principles 3.4 and 4.6 of the Code of Conduct. Keeping the client informed also helps to avoid complaints later on; many complaints arise because lawyers did not keep their client informed about changes to costs through the case.
24. Where costs are going to increase, you should explain the reason for this clearly to your client and explain what the impact will be. You should also provide them with an updated estimate of costs.
25. You should consult your client about how to manage potential increases and what course to take, if new options become available during the course of the matter. You should not make assumptions about how your client would want to proceed or make decisions on their behalf without consulting them.
26. It is not unusual for cases to become more complex and costly as they progress, and this can be financially challenging for clients. If your client raises concerns about the costs of a matter, you should see if there are ways of managing the cost – for example, by spreading payments over a period of time. In this situation, it will also be helpful for you to discuss with the client how much work needs to be done, what this will mean for them in terms of costs, and how they wish to proceed.
27. Where your arrangement with your client includes a price cap or fixed fee, you should ensure that your client understands what this will cover. If the circumstances of the case change, you should tell your client about what has

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changed, and the reasons for the change in good time, and explain what impact – if any – this has on your initial agreement.

## Seeking feedback

28. The most important thing is that the consumer or small business actually understands how much they might pay for your services, so they can make a meaningful comparison, and ultimately an informed decision on who to instruct. Once you have taken steps to include appropriate price and service information on your website and in your promotional materials, the next step is to seek feedback on your efforts to check whether they are achieving their purpose.
29. There are many different ways you could do this. For example, you could ask new clients (during the client onboarding process) whether they looked at the information, whether they understood it and whether they relied on it in making their decision. You could track the questions you are asked by clients and see whether those questions could be more clearly addressed in your promotional material. Or you could ask users of your website whether they found information helpful by using a survey pop-up.
30. Testing whether the information you provide is having the desired effect is an important part of ensuring you meet your transparency obligations. The CLSB would also be interested in any data or learnings from the testing that you carry out; please [contact us](#) if you have information to share.

## Further guidance

- The pre-engagement chapter of [An ombudsman’s view of good costs service](#), published by the Legal Ombudsman, contains advice on price transparency based on common problems and complaints from consumers. It also sets out how the Legal Ombudsman will approach consumer complaints that relate to costs.
- The CLSB’s guidance note on client care letters in the [Costs Lawyer Handbook](#) contains further suggestions for presenting information to clients.

## ANNEX 1

Price information (illustrative example for website or promotional material)

Acting for a consumer who wants to dispute a solicitor's bill

Explanation	Stage in the case	Hourly rate (price you pay per hour of [our] time)	Likely cost of each stage (estimate)	Disbursements (costs you have to pay to other people)
We will advise you whether you are within the time limits to challenge your solicitor's bill and whether you might have good grounds to do so.	Initial advice	£x	£x - £x	
To challenge the bill, we will need to issue an application to court for an assessment on your behalf.	Issuing proceedings for assessment of your bill, and providing advice on your solicitor's response	£x	£x - £x	Court issue fee of £55. See: <a href="#">Civil and Family Court fees</a>
If the solicitor does not accept that there should be an assessment, there will need to be an initial hearing for the court to decide whether it will allow the assessment. We will represent you at this hearing.	Representation at an initial hearing (this will only be required if your solicitor opposes your request for an assessment)	£x	£x - £x	
If either your solicitor agrees that there should be an assessment or the court orders one after the initial hearing, an assessment hearing will then take place. We will represent you at this hearing.	Preparing for, and representing you at, a detailed assessment hearing	£x	£x - £x	Court fees depend on the amount of the solicitor's bill and start at £369 where the solicitor's fees are £15,000 or less. See: <a href="#">Civil and Family Court fees</a>
Once a detailed assessment has been made, we will review the decision and	Advising on next steps	£x	£x - £x	

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provide advice on what you should do next.				
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**Please note that:**

- *While we have done what we can to ensure accuracy, these are estimates only and the actual amount charged to you will depend on the circumstances of your matter and how much work you ask us to do.*
- *For example, these fees may be exceeded in cases of particular complexity or where many parts of your solicitor's bill are disputed for different reasons. Equally, a hearing might be adjourned and it could be necessary to attend court twice.*
- *Fees might be less than the range given where agreement is reached with your solicitor early on; for example, without the need for a detailed assessment hearing or where you only ask us to assist with elements of the case.*
- *Court fees are subject to change by the Courts and Tribunals Service.*

**The cost estimates do NOT include:**

- *The costs of any appeal or enforcement proceedings.*
- *Any costs of the assessment proceedings that you are ordered by the court to pay the solicitor. This will happen if, for example, the solicitor has made a reasonable offer to settle which you do not accept or if you fail to have the bill reduced by at least 20%.*
- *If the court orders the solicitor to pay all or part of your costs of having the bill assessed, you might be reimbursed for your costs but your liability to pay our fees remains.*
- *Other disbursements or exceptional costs as follows [list]:*

For more information about the process for challenging a solicitor's bill, see [Challenge your solicitor's bill: How to apply](#) on the gov.uk website.

**END**