
Supervision Framework

Client Care Letters



17 September 2025 (version 1)

Costs Lawyer Standards Board

CLSB
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Introduction

1. This framework sets out how the CLSB supervises compliance by Costs Lawyers with regulatory requirements relating to the contractual information they provide to clients. This framework uses the term “client care letter” (CCL) to refer to this contractual information, but applies in the same way to whatever words you use to describe these contractual arrangements.
2. This framework forms part of a wider supervision programme, which involves the use of similar frameworks for other supervision activities such as auditing CPD attainment and compliance with the Accredited Costs Lawyer Rules. It should be read in conjunction with the CLSB’s [Supervision Policy](#).

Regulatory context

3. Costs Lawyers who are regulated by the CLSB must provide clients, individually or through their organisations, with certain contractual information. Principle 3.4 of the [Costs Lawyer Code of Conduct](#) states that Costs Lawyers must advise new clients in writing 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);
 - if applicable, the client’s right to refer their complaint to the Legal Ombudsman in certain circumstances.
4. 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).

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5. In addition to the regulatory obligations, when dealing with consumers you have a number of legal obligations under consumer protection law. While our guidance seeks to assist you with this, it is your responsibility to ensure you comply with the latest prevailing legislation. This includes requiring that all your contract terms are fair, and that you draft all your terms in such a way that consumers can be expected to understand the potential consequences to them of entering a contract with you. We suggest that these requirements are met through a terms of business generic document that sits alongside your CCL. For more information see our [Guidance Notes](#) on Dealing with Consumers and Client Care Letters in the Costs Lawyer Handbook.
 6. If you work for an organisation that is authorised by another legal services regulator, such as the Solicitors Regulation Authority, your CCL must comply with that regulator's rules and guidance. 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.
 7. The main purpose of the audit is to improve the quality of Costs Lawyers' CCLs to establish clarity and certainty for both them and their clients.

Audit criteria and process

8. The Costs Lawyer Handbook contains a [Guidance Note](#) intended to help Costs Lawyers and their organisations produce effective CCLs. The guidance details requirements for a CCL, and those requirements form the basis of the audit.
9. An audit of approximately 10 CCLs is undertaken annually.
10. Recognising that CCLs are usually adopted organisation-wide rather than by individual Costs Lawyers (other than sole practitioners), we only select one Costs Lawyer per organisation for audit in any given year.

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11. Costs Lawyers whose CCLs are selected for audit will be notified and asked to provide a recent, specific CCL (redacted only where necessary to protect the identity of the client if appropriate), or the current template CCL (if this is sufficient to demonstrate compliance or otherwise with the requirements) within a specified timeframe.
 12. CCLs are audited against the checklist at Annex A. A checklist is completed for each CCL that is audited. The completed checklist is stored against the relevant Costs Lawyer's record in the CLSB's internal database.
 13. 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.
 14. The audit is undertaken in a manner which makes clear that the CLSB's intention is to support rather than castigate individual Costs Lawyers and organisations, in order to facilitate better client outcomes. However, failure to cooperate with the audit or to make necessary changes to a CCL without a reasonable explanation could result in disciplinary action being taken against a Costs Lawyer under the Disciplinary Rules and Procedures.

Audit outcomes

15. Where a CCL is found to comply with the guidance, the Costs Lawyer will be notified of the outcome by email.
16. Where a CCL procedure is found to be non-compliant, the Costs Lawyer will be informed and asked to bring the CCL into compliance as soon as possible.
17. If the CCL 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.

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18. The Costs Lawyer will be asked to submit their revised CCL, following liaison with others in the organisation where appropriate, within a specified timeframe.
 19. No organisation's CCL 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.
 20. 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



Client Care Letter Audit

A. Introduction

1. The [Costs Lawyer Code of Conduct](#) provides that Costs Lawyers must provide clients, individually or through their organisations, with certain contractual information (Principle 3.4), 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. As part of its supervision activities, the CLSB undertakes a random audit of CCLs.
3. To carry out the audit, we assess CCLs against the criteria in the checklist below. This is based on the [Guidance Note on Client Care Letters](#) in the Costs Lawyer Handbook. For more information on each of the requirements listed below please refer to this guidance.
4. The CLSB will work with you to help you put a compliant CCL in place. Please do not hesitate to contact Jacqui Connelly (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: Information you need to provide		Complies?
1	You must provide the client with the name and contact details of the primary contact for the instruction as well as an alternative contact.	
2	You must provide an outline of your understanding of the client's instructions and the course of action they have chosen.	

3	You must provide clients with a detailed estimate of fees and any associated costs they will incur. This must include any potential liability for the other side's costs.	
4	You must set out for the client how long you think the work will likely take.	
5	You must be clear about your regulatory status as a Costs Lawyer, including that you are authorised and regulated by the Costs Lawyer Standards Board.	
6	You must refer to the client's right to terminate the agreement and any potential liabilities they face in the event they terminate prior to conclusion of the matter.	
7	You must set out 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.	
8	You must make clear that you cannot accept client money as a Costs Lawyer 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.	
9	[Only required if you provide services to "consumers" as defined by the ADR Regulations ¹] Under the Provision of Service Regulations 2009, you must provide consumers with details of your professional indemnity insurance provider and the territorial coverage of that insurance.	
10	You must explain the arrangements you have in place to ensure compliance with data protection laws, including how you will process and store personal data.	

¹ Regulation 3 of The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 provides that a consumer is an individual acting for purposes which are wholly or mainly outside that individual's trade, business, craft or profession.

Section B: Checklist		
11	<p>Does the CCL show a clear purpose?</p> <p>Is it obvious to the client that the letter should be read up front? Is the title appropriate?</p>	
12	<p>Is the CCL concise?</p> <p>1-2 pages is ideal. If it is longer consider breaking down the information into smaller sections and use sub-headings. Consider moving generic contractual terms into a separate document.</p>	
13	<p>Does the CCL use plain language?</p> <p>Accessible language is key to ensuring that all clients can understand CCLs regardless of their background. Seek to avoid using legal terms, or archaic or complex language.</p>	
14	<p>Does the CCL prioritise information?</p> <p>Costs information should be provided near the start of the CCL. If you choose to keep all the information in one CCL, make sure that generic information is provided towards the end.</p>	
15	<p>Is the letter personalised to your client?</p> <p>The scope of work should be specific to the individual case rather than generic. Exclude information that is irrelevant to the client. Language should also be tailored to the needs of the client.</p>	
16	<p>Is it easy to read?</p> <p>Break down information by using bold text, headers, summary boxes, tables, or diagrams to make it easier for clients to pick out key points. Avoid small font sizes.</p>	
Section C: Other comments or commentary on areas of non-compliance		
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C. Next steps

1. Please revise your CCL as soon as possible, in liaison with others in your organisation where necessary, to address any areas of non-compliance identified above.
2. Submit your revised CCL to the CLSB by the deadline advised. Ensure the revised CCL is 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 Jacqui Connelly enquires@clsb.info if you have any queries or need support or further guidance.

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