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# Supervision Framework

## Complaints procedures

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21 April 2021 (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 adoption and use of appropriate complaints procedures.
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 have in place, individually or through their organisations, an internal procedure for handling complaints from clients or members of the public. Principle 3.2 of the [Costs Lawyer Code of Conduct](#) states that Costs Lawyers must “provide for an effective complaints procedure (first-tier complaints handling procedure) which is simple and transparent and ensures that a complaint can be made by any reasonable means and which takes into account the individual needs of clients (in particular the needs of vulnerable clients)”.
4. Costs Lawyers who work in unregulated organisations (such as costs law firms) or as sole practitioners must submit their complaints procedure with their annual application for a practising certificate. Costs Lawyers are notified that those complaints procedures are subject to audit.
5. The main purpose of the audit is to improve the quality of Costs Lawyers' complaints procedures and ensure they are fair, transparent and provide effective safeguards. This helps to give consumers of Costs Lawyers' services justified confidence that any complaints will be handled appropriately.
6. The [Costs Lawyer Handbook](#) contains a model complaints procedure Costs Lawyers can adapt for their own use.

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## Audit criteria and process

7. The Costs Lawyer Handbook contains a [Guidance Note](#) intended to help Costs Lawyers produce an effective procedure for handling first-tier complaints. The guidance details requirements for a complaints procedure, and those requirements form the basis of the audit.
8. An audit of approximately 20 complaints procedures is undertaken annually. Costs Lawyers whose procedures are to be audited are selected from the pool of Costs Lawyers required to submit their procedure in the previous year.<sup>1</sup>
9. Recognising that complaints procedures 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.
10. Complaints procedures are audited against the checklist at Annex A. A checklist is completed for each complaints procedure that is audited. The completed checklist is stored against the relevant Costs Lawyer's record in the internal database.
11. 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.
12. 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 complaints procedure without a reasonable explanation could result in disciplinary action being taken against a Costs Lawyer under the Disciplinary Rules and Procedures.

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<sup>1</sup> In 2021, selection of complaints procedures for audit will not be random but will target procedures that were identified during the 2020 practising certificate renewal process as not complying with the guidance. If necessary, randomly selected complaints procedures will be added to give a total of 20.

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## Audit outcomes

13. Where a complaints procedure is found to comply with the guidance, the Costs Lawyer will be notified of the outcome by email.
14. Where a complaints procedure is found to be non-compliant, the Costs Lawyer will be informed and asked to bring the complaints procedure into compliance as soon as possible.
15. If the complaints procedure 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.
16. The Costs Lawyer will be advised that the complaints procedure they submit with their next application for a practising certificate will be checked at the start of the new practising year. If, at that time, no change has been made to the complaints procedure since the audit outcome was communicated, then an explanation will be sought from the Costs Lawyer and disciplinary action may be instigated where appropriate. If changes have been made, but the revised complaints procedure still does not comply with the guidance, this will be communicated to the Costs Lawyer and further changes will be requested within a specified timeframe.
17. Organisations are offered the opportunity to submit their revised complaints procedures for review as soon as they are ready.
18. The audit will take place in the first half of the practising year, to allow organisations sufficient time to develop and implement revised complaints procedures (where necessary) prior to the practising certificate renewal window opening.
19. No organisation's complaints procedure will be audited more than once in three years, other than by way of follow-up in instances of non-compliance. If the random

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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



## Complaints Procedure Audit

### A. Introduction

1. The [Costs Lawyer Code of Conduct](#) provides that Costs Lawyers must have in place an effective first-tier complaints procedure which is simple and transparent, ensures that a complaint can be made by any reasonable means, and takes into account the individual needs of clients (in particular the needs of vulnerable clients) (Principle 3.2).
2. As part of its supervision activities, the CLSB undertakes a random audit of complaints procedures. This helps to ensure that Costs Lawyers' clients have confidence that any complaints will be handled appropriately.
3. To carry out the audit, we assess complaints procedures against the criteria in the checklist below. This is based on the [Guidance Note on Complaints Procedures](#) in the Costs Lawyer Handbook.
4. The CLSB will work with you to help you put a fair and compliant complaints procedure in place. Please do not hesitate to contact Jacqui Connelly ([enquiries@clsb.info](mailto:enquiries@clsb.info)) if you need support or advice during this audit process.
5. The [Costs Lawyer Handbook](#) contains a model complaints procedure that Costs Lawyers can adapt for their own use.

### B. Audit checklist

<b>Name and CL number of Costs Lawyer</b>		
<b>Name of organisation (if relevant)</b>		
<b>Section A: Requirements</b>		<b>Complies?</b>
1	State date effective or last updated	
2	Be clear and simple with as few steps as possible	

3	Identify the person to whom the complaint should be made (where possible this should be someone not involved in the matter leading to the complaint, and someone with the appropriate seniority, training and understanding to provide a good complaint handling process)	
4	Be reasonable, fair, proportionate and responsive	
5	Encourage complaints to be made as soon as possible, and set out the time limits for raising unresolved complaints with CLSB and the Legal Ombudsman (with CLSB this is ordinarily within 12 months of the date on which the matters giving rise to the complaint occurred or the date on which the complainant first became aware that they had grounds for the complaint. This period can be extended in exceptional circumstances. With the Legal Ombudsman this is within six months of the Costs Lawyer providing a final response to the complaint at first-tier, and no more than six years from the date of the matter giving rise to the complaint, or no more than three years from when the complainant should reasonably have known there was cause for complaint)	
6	State clearly the timeframe for a complaint to be resolved (this should be within eight weeks of receipt of the complaint)	
7	Advise that if the complainant is not satisfied with the outcome of the complaint under the complaints procedure, or the complaint has not been resolved within eight weeks, then the complainant has the right to refer a service complaint to the Legal Ombudsman, or refer a conduct complaint to the CLSB, and provide the timeframes for referral	
8	Provide contact details for the Legal Ombudsman and CLSB	
9	Advise the complainant of an approved alternative dispute resolution (ADR) body and state whether you agree to use that body's services (see paragraphs 18 and 19 of the <a href="#">Guidance Note</a> for further details of the requirements)	
<b>Section B: Recommendation</b>		
10	Complaints procedure published on website (as recommended by the Competition and Markets Authority)	
<b>Section C: Other comments or commentary on areas of non-compliance</b>		
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## C. Next steps

1. Please revise your complaints procedure as soon as possible, in liaison with others in your organisation where necessary, to address any areas of non-compliance identified above. Please ensure the revised complaints procedure is communicated to and used by all Costs Lawyers in your organisation.
2. The CLSB will review the complaints procedure you submit with your next application for a practising certificate to check that appropriate amendments have been made. You do not need to submit your revised complaints procedure prior to this time, but if you wish to submit it in advance we will be pleased to offer advice on compliance.
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](mailto:enquires@clsb.info) if you have any queries or need support or further guidance.

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