
Regulatory return monitoring report



Data to December 2019

Costs Lawyer Standards Board

CLSB
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The regulatory return

Since the CLSB became the approved regulator of Costs Lawyers in 2011, it has monitored data about the composition and nature of the profession. One way of collecting data is through the CLSB's regulatory return, which all Costs Lawyers must complete when applying for a practising certificate for the following year.

This report highlights trends identified in the data collected through the regulatory return in the following areas:

- Gender
- Age
- Type of practice
- Part-time working
- Legal aid work
- Diversification
- Pro bono work
- Insurance
- Complaints

Data

Gender

Since 2012, we have seen an increase in the number of women entering the profession. There has been an overall increase of 7.2% since 2012, but no change at all between 2018 and 2019.

2019	% of profession
Male	58
Female	42

Age

An increasing proportion of the profession is aged over 50. With the route of entry into the profession having been closed from 2017 to 2019, we expect the regulated community to contract over the next two years due to natural attrition being greater than the number of new qualifiers.

%	20-29	30-39	40-49	50-59	60+
2017	8.5	9.5	26	18	8
2018	37	36.8	27.1	16.6	8.5
2019	6.7	37.9	27.6	18.5	9.3

Type of practice

Since 2011 numbers of Costs Lawyers in each type of practice have fluctuated each year. Overall, the number of Costs Lawyers working for costs law firms, and as sole practitioners has fallen, and the number working in SRA regulated firms has increased.

%	Costs law practice	Sole practitioner	SRA regulated firm
2011	53.8	16.1	26.5
2012	48.2	17.4	31
2013	42	19.4	29.2
2014	44	17.8	34.3
2015	41	15.8	33.7
2016	38	17.7	37.2
2017	43.1	14.5	37.8
2018	39.6	14.1	41
2019	39.7	11.8	41.2

Note: Figures do not always total 100% because other Costs Lawyers work in-house (2% in 2019), in mixed practice, or (in very few cases) do not provide this information.

Part-time working

Since 2015, part-time working in the profession has remained relatively static in the region of 10%.

Year	% full-time	% part-time
2015	89.4	10.6
2016	88	12
2017	89.1	10.9
2018	89.8	10.2
2019	89.9	10.1

In 2018 and 2019 those who work part-time work predominantly 3 or 4 days a week.

%	2018	2019
3-day week	33.3	42.6
4-day week	49.3	47.1

Legal aid

In 2019 there was a marked increase in the proportion of the profession that undertook 100% legal aid work.

Year	% of profession
2012	2.5
2018	2.8
2019	3.6

There has been an increase in the proportion of Costs Lawyers who do not undertake any legal aid work since 2012, but this fell slightly in 2019.

Year	% of profession
2012	38.8
2018	55.2
2019	51.3

Pro-bono work

Increases in the number of pro-bono cases undertaken by Costs Lawyers have continued, although of the 97 cases in 2019 45 of these were dealt with by one Costs Lawyer, and the next largest number of cases was just 6. The overall trend is likely to be explained by the changing nature of traditional work areas and the rise in litigants in person using the justice system generally.

Year	Number of cases
2015	0
2016	4
2017	77
2018	61
2019	97

Insurance

Analysis of professional indemnity insurance policies held by Costs Lawyers working as sole practitioners or by their employers where they work for a costs law firm (not a firm of solicitors) has evidenced a welcome year on year decrease in policies for £1 million or less in cover. In 2018, only 10.6% of policies were for the minimum level of professional indemnity insurance prescribed by the CLSB (£100,000), suggesting that Costs Lawyers are giving proper consideration to their individual practising arrangements and their clients' needs when procuring insurance cover.

%	2013	2014	2015	2016	2017	2018
Policies of £1 million or less	80.4	77.8	70.4	69.7	65.8	62.7

This data was not collected in 2019.

Complaints

The number of complaints made at first tier remains low, which could be explained by a variety of factors such as strong client satisfaction, high levels of informal resolution, a

lack of awareness about how to complain, or a reluctance to resolve complaints in clients' favour.

Year	Number of first-tier complaints made
2011	7
2012	Not collected
2013	Not collected
2014	Not collected
2015	6
2016	1
2017	3
2018	3
2019	5

Similarly low levels of complaints are formally escalated to the second tier (namely the CLSB in relation to conduct complaints and the Legal Ombudsman in relation to service quality complaints). While second-tier complaints data is not derived from the regulatory return, it is included below for completeness. The low levels may be driven by similar factors to those described above in relation to first-tier complaints.

Year	Number of second-tier complaints upheld	
	CLSB (Conduct)	Legal Ombudsman (Service)
2011	0	0
2012	2	1
2013	0	1
2014	1	0
2015	0	1
2016	0	0
2017	0	0
2018	2	0
2019	1	0

Number of vulnerable clients

This data has been collected since 2016. In addition to the data reported below in 2019 one Costs Lawyer reported 50% of their clients were adults with learning disabilities or children, and another reported 20% of their clients were vulnerable. The nature of the vulnerabilities included lack of capacity, emotional vulnerability and mental health.

Year	
2016	2
2017	4
2018	16
2019	13

Number of years in the profession

This data has been collected since 2017. The fall in the percentage of Costs Lawyers in the profession for up to 5 years over the period reflects the route of entry into the profession having been closed from 2017 to 2019. We expect this to rise as new Costs Lawyers qualify in future.

%	Up to 5	6-15	16-25	26-40	Over 40
2017	8	36	32	21	2
2018	7	39	33	19	2
2019	3	39	33	20	2