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# The Costs Lawyer profession in 2021

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**Data to December 2021**

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**Costs Lawyer Standards Board**



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# Introduction

The CLSB holds various types of data about the Costs Lawyer profession. We collect and analyse this data for a variety of purposes, such as:

- understanding the nature of our regulated community, including the service that Costs Lawyers provide, the challenges they face and how they interact with consumers and the public
- identifying areas of risk so that we can tailor our regulatory interventions accordingly
- monitoring the diversity of the profession and barriers to entry, promotion or inclusion
- supervising compliance with our regulatory rules
- sharing intelligence with other organisations, such as the Association of Costs Lawyers, to help with initiatives for the benefit of Costs Lawyers and the public.

Data we collect includes:

- information about the nature of Costs Lawyers' practice as part of their annual application for a practising certificate (the regulatory return)
- diversity statistics
- supervision and disciplinary information
- ad hoc information to help us fulfil our statutory obligations, such as opinions, feedback and predictions about market impacts.

The data we hold is [available on our website](#) or by [contacting us](#). This report provides an annual summary.

Throughout this report, data is presented in a series of tables. Unless otherwise indicated, the figures in the tables show the percentage of Costs Lawyers that fall into each relevant category. By way of example, in the table on the next page that provides statistics on the age profile of the profession, the figures indicate that 8.5% of Costs Lawyers were aged between 20 and 29 in 2017. If you have any questions about interpreting the data, please [contact us](#).

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# About Costs Lawyers

## Age

2021 appears to show a stabilisation of the gradual increase in the average age of Costs Lawyers seen over the last few years (due to the route of entry into the profession being closed in 2017 to 2019). An increase in the number of Costs Lawyers who chose not to provide their age in 2021 has impacted on the figures; data collected over the next few years will indicate whether there is a sustained downward trend in the average age.

Year	20-29	30-39	40-49	50-59	60+	Age not given
2017	8.5	37	26	18	8	2.5
2018	9.5	36.8	27.1	16.6	8.5	1.5
2019	7.4	37.3	27.2	18.2	9.2	1.5
2020	4.3	37.7	29	18.9	9	1
2021	4.1	35.6	28.2	18.5	7.6	5

## Diversity

Data relating to the diversity of the Costs Lawyer profession is [available on our website](#). An analysis of the data from our 2021 Diversity Survey, which focused on differences in pay and earnings between men and women, will be published later this year.

# About Costs Lawyers' practice

## Organisation type

Since 2011, the number of Costs Lawyers in each type of practice has fluctuated year on year. Overall, the proportions of Costs Lawyers working for costs law firms and as sole practitioners have fallen, while the number working in firms regulated by the Solicitors Regulation Authority (SRA) has increased. Since 2018, more Costs Lawyers have been working in SRA regulated firms than any other type of organisation. In 2020, just under half of all Costs Lawyers worked in SRA regulated firms.

Year	Unregulated costs law firm	Sole practitioner	SRA regulated firm	In-house
2011	53.8	16.1	26.5	
2012	48.2	17.4	31.0	
2013	42.0	19.4	29.2	
2014	44.0	17.8	34.3	
2015	41.0	15.8	33.7	
2016	38.0	17.7	37.2	
2017	43.1	14.5	37.8	
2018	39.6	14.1	41.0	
2019	39.7	11.8	41.2	
2020	35.4	13.6	47.0	3.0
2021	39.3	12.2	44.8	3.7

Note: In-house data is not available prior to 2020. Figures do not always total 100% because prior to 2020 data was not recorded for Costs Lawyers not working exclusively in one of the first three categories, and it was not obligatory for practitioners to provide this information.

## Insurance

The CLSB collects data relating to the professional indemnity insurance policies held by Costs Lawyers working as sole practitioners or for costs law firms not regulated by the SRA. The minimum level of cover prescribed in the Practising Rules is £100,000.

Since 2014, the percentage of Costs Lawyers with higher levels of cover has been increasing. The percentage with the highest level of cover (£2m or more) has almost doubled between 2014 and 2021. Since 2016, more Costs Lawyers have the highest level of cover than any other range.

Cover level	2014	2015	2016	2017	2018	2020	2021
£100,000	22.1	17.5	18.6	16.0	10.6	10.1	9.8
£100,001-£999,999	32.0	28.9	26.6	23.7	23.3	24.6	23.6
£1,000,000-£1,999,999	24.9	25.8	25.1	26.5	29.4	26.5	27.0
£2,000,000 or over	20.4	28.0	29.5	33.9	37.1	38.8	39.7

Note: This data was not collected in 2019.

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To improve our understanding of the risk profile across the profession the CLSB carried out a project to look at the risk of under-insurance in 2021. In a sample of Costs Lawyers we looked at in more detail, the vast majority appeared to have adequate insurance in terms of monetary cover per claim, but this more detailed look also suggested that it is possible that very few Costs Lawyers have obtained specific insurance against cyber risks. Whether or not this is of concern depends on the risks of each particular lawyer; that is, whether their clients are in any event covered by insurance held by a firm the lawyer is working in or for, and what safeguards they have in place.

In 2021, we began working with the National Cyber Security Centre – a government agency that provides cyber security guidance and support – to raise awareness of cyber risks within our regulated community and promote free online training for small businesses. We will continue this work in 2022.

## Other legal regulation

In 2021, the CLSB asked Costs Lawyers for the first time whether they held a current practising certificate from any other legal regulator. The number of such Costs Lawyers is shown below.

Number regulated as	2021
Chartered legal executive	13
Solicitor	13
Other	1
Total	27

Note: The one practitioner in the “other” category is a Costs Lawyer also regulated as a foreign lawyer by the Law Society of Scotland.

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## 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 or a lack of awareness about how to complain. To mitigate against the possibility that a lack of understanding is a barrier to complaints, in 2021 we introduced a [supervision framework](#) for auditing Costs Lawyers' complaints procedures.

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
2020	3
2021	4

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).

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
2020	0	0
2021	0	0

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# About Costs Lawyers' clients

## Sources of instructions

From 2020, we began to ask Costs Lawyers about the sources of their instructions as a proportion of total work. (Although we had asked questions about number of cases from different sources in the past this data is not directly comparable.)

Proportion of instructions from each client type	Lay clients		Legal services providers		Corporate	
	2020	2021	2020	2021	2020	2021
0%	80.77	80.79	22.34	26.54	71.75	72.87
1-10%	15.68	15.10	2.22	1.91	8.14	7.77
11-25%	1.78	1.76	1.48	1.47	2.66	2.64
26-50%	1.18	1.17	3.40	3.23	3.40	3.37
51-75%	0.00	0.00	2.66	2.64	1.18	1.03
76-90%	0.15	0.15	6.66	6.30	1.48	1.32
91-99%	0.30	0.29	10.50	10.26	1.92	1.76
100%	0.74	0.73	50.74	47.65	9.47	9.24

In both 2020 and 2021 around half of all Costs Lawyers were instructed exclusively by other legal services providers, such as solicitors or barristers. That is, they received instructions from a fellow practitioner on behalf of, or for the benefit of, an underlying client. However, there was a 3% drop in this figure between the two years. In the same period the number of Costs Lawyers receiving no instructions from other legal service providers was up 4%. In both years less than 20% of Costs Lawyers received any instructions at all from lay (individual) clients, and less than 5% received more than 10% of their instructions from lay clients. Less than 30% of the profession received instructions directly from corporate clients.



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## Legal aid

Between 2012 and 2020 the proportion of the profession undertaking exclusively legal aid work doubled from 2.5% to 5%. This has dropped slightly in 2021 to 4.7%. The number of Costs Lawyers who do not undertake any legal aid work has continued to increase in 2021, almost doubling since 2012, from 38.8% to 71.4%. This might suggest that legal aid work is becoming increasingly specialist. Evidence from our [coronavirus impact surveys](#) carried out in 2020 and 2021 suggests that Costs Lawyers specialising in legal aid are more concerned about the future viability of their practice than practitioners specialising in other areas (such as commercial litigation costs or personal injury / clinical negligence costs).

Year	Proportion of workload comprising legal aid work					
	0%	1-25%	26-50%	51-75%	76-99%	100%
2012	38.8	28.7	5.2	8.9	9.9	2.5
2013	46.7	23.4	4.7	7.9	8.3	2.9
2014	49.1	27.4	3.4	6.6	6.7	3.2
2015	49.8	23.7	5	1.6	6.3	4.1
2016	50.3	15.6	1.4	3.5	2.6	3.8
2017	56.1	20.8	3.4	2.4	5.9	2.1
2018	55.2	24.0	2.8	3.2	5.1	2.8
2019	51.3	22.3	3.0	3.1	4.3	3.7
2020	70.2	17.3	2.4	2.8	1.9	5.0
2021	71.4	16.7	2.3	2.2	0.7	4.7

Note: Where years do not total 100%, some Costs Lawyers did not provide this information.

## Pro bono work

The number of pro bono cases undertaken by Costs Lawyers rose between 2015 and 2019. In 2019 there were 97 pro bono cases in total, and 45 of these were dealt with by one Costs Lawyer; 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

To better capture how the trend may be changing over time, from 2020 we asked Costs Lawyers to report on the percentage of their instructions that were pro bono. The figures are almost identical for the two years.

Proportion of workload comprising pro bono cases	% of the profession	
	2020	2021
0%	97.2	97.2
1-25%	2.7	2.6
26-50%	0	0
51-75%	0	0
76-100%	0.2	0.2

To promote engagement with pro bono work, in 2021 we introduced new [guidance for Costs Lawyers](#) and engaged with other organisations – such as LawWorks and The Access to Justice Foundation – to publish relevant materials for the regulated community.

## Vulnerable clients

This data has been collected since 2016. Generally Costs Lawyers deal with very few vulnerable clients, which reflects the low number of instructions received directly from lay (individual) clients.

From 2020 the data has been collected as a percentage of total instructions rather than an absolute number of instructions to improve comparability. In 2020 and 2021, 95% of one Costs Lawyer’s clients were vulnerable, but no other Costs Lawyer reported more than 30% of their clients having vulnerabilities. The nature of vulnerabilities in 2021 included clients who were protected parties, patients, elderly, litigants in person, as well as clients with mental health issues.

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Year	Number of vulnerable clients
2016	2
2017	4
2018	16
2019	13

Proportion of vulnerable clients	% of the profession	
	2020	2021
0%	98.5	98.5
1 – 25%	1.0	1.0
26 – 50%	0.3	0.3
51 – 75%	0.0	0.0
76 -100%	0.2	0.2