
The Costs Lawyer profession in 2022



Data to December 2022

Costs Lawyer Standards Board

CLSB
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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 of core metrics.

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](#).

About Costs Lawyers

Age

The stabilisation in 2021 of the gradual increase in the average age of Costs Lawyers (due to the route of entry into the profession being closed in 2017 to 2019) has not continued, and the upward trend in the average age has resumed. The changes to the Costs Lawyer Qualification being introduced in 2023 should help address this trend.

Year	20-29	30-39	40-49	50-59	60+	Age not given/prefer not to say
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
2022	1.7	34.8	31.5	19.8	10.4	1.8

Diversity

Data relating to the diversity of the Costs Lawyer profession is [available on our website](#). An analysis of the data from our 2022 Diversity Survey, which focused on social mobility, 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.

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
2022	40.2	11.3	44.5	3.9

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.

In 2022, we began asking Costs Lawyers to provide us with details of all the organisations in which they work, rather than just their primary place of practice, as well as the types of costs services they provide (their practice areas). This information is now available in the [Register of Costs Lawyers](#) and next year we will begin publishing comparative data for both areas in this summary report.

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 these Costs Lawyers with higher levels of cover has been increasing. The percentage with cover of £2m or more has more than doubled between 2014 and 2022, with a significant rise in the last year. Almost half of all Costs Lawyers now have this level of cover.

Cover level	2014	2015	2016	2017	2018	2020	2021	2022
£100,000	22.1	17.5	18.6	16.0	10.6	10.1	9.8	9.4
£100,001-£999,999	32.0	28.9	26.6	23.7	23.3	24.6	23.6	22.9
£1,000,000-£1,999,999	24.9	25.8	25.1	26.5	29.4	26.5	27.0	21.1
£2,000,000 or over	20.4	28.0	29.5	33.9	37.1	38.8	39.7	46.6

Note: This data was not collected in 2019.

The CLSB works 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.

Other legal regulation

Since 2021 the CLSB has asked Costs Lawyers whether they hold a current practising certificate from any other legal regulator.

Number regulated as	2021	2022
Chartered legal executive	13	16
Solicitor	13	15
Other	1	1
Total	27	32

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

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
2022	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 and hybrid complaints (which relate to both service quality and conduct)).

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
2022	1	0

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	2022	2020	2021	2022	2020	2021	2022
0%	80.77	80.79	79.73	22.34	26.54	18.91	71.75	72.87	65.51
1-10%	15.68	15.10	16.34	2.22	1.91	2.87	8.14	7.77	10.44
11-25%	1.78	1.76	1.82	1.48	1.47	1.21	2.66	2.64	4.24
26-50%	1.18	1.17	0.61	3.40	3.23	3.18	3.40	3.37	4.08
51-75%	0.00	0.00	0.30	2.66	2.64	2.72	1.18	1.03	1.06
76-90%	0.15	0.15	0.15	6.66	6.30	10.14	1.48	1.32	1.82
91-99%	0.30	0.29	0.00	10.50	10.26	9.83	1.92	1.76	1.06
100%	0.74	0.73	1.06	50.74	47.65	51.13	9.47	9.24	11.8

Over half of all Costs Lawyers were instructed exclusively by other legal services providers, such as solicitors or barristers, and this proportion is increasing. The proportion doing no work at all for other legal services providers appears to be falling.

Only around 20% of Costs Lawyers received some instructions from lay (individual) clients in the last three years, and only about 15% do more than 10% of their total workload for lay clients. However, a small number of Costs Lawyers receive instructions only from lay clients.

The 2022 data suggests that the percentage of Costs Lawyers receiving some instructions from corporate clients may be increasing, but almost two thirds of Costs Lawyers still received no corporate instructions at all.

In 2023 the CLSB will be further interrogating the number and nature of lay client instructions received by Costs Lawyers to help us develop a bespoke regulatory framework for Costs Lawyers who act directly for lay clients. We have been capturing new data to facilitate this work, which will be published throughout the year.

Legal aid

Between 2012 and 2020 the proportion of the profession undertaking exclusively legal aid work doubled from 2.5% to 5%. The figure has fallen from this high point in the last two years. The number of Costs Lawyers who do not undertake any legal aid work has increased in the period and is now relatively stable at around 70%, almost doubling since 2012. This is likely to be driven by reforms and other pressures on legal aid more broadly.

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
2022	70.2	17.9	2.9	2.3	2.9	3.9

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 three years.

Proportion of workload comprising pro bono cases	% of the profession		
	2020	2021	2022
0%	97.2	97.2	97.1
1-25%	2.7	2.6	2.7
26-50%	0	0	0
51-75%	0	0	0
76-100%	0.2	0.2	0.2

We encourage Costs Lawyers to engage with pro bono work and to consult our [guidance for Costs Lawyers](#) which was published in 2021.

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 all three years, 95% of one Costs Lawyer's clients were vulnerable, but no other Costs Lawyer reported more than 50% of their clients having vulnerabilities. The nature of vulnerabilities in 2022 included clients under the court of deputies, protected parties, litigants in person, language difficulties, as well as clients with mental health issues.

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

Proportion of vulnerable clients	% of the profession		
	2020	2021	2022
0%	98.5	98.5	97.7
1 – 25%	1.0	1.0	1.7
26 – 50%	0.3	0.3	0.5
51 – 75%	0.0	0.0	0.0
76 -100%	0.2	0.2	0.2