

One page practice note: LeO Guidance on costs information

Date: 20th May 2019 – this note is correct at this date

Overview

The Legal Ombudsman (LeO) has provided [guidance](#) in relation to what it considers to be a good costs service given that costs are a common feature in complaints received.

What you need to do

LeO has helpfully broken it down into the different stages at which information is shared with the client and the questions they would look to be addressed.

Pre-engagement

1. Ensure that the general information/marketing material available to the public is accurate and consistent with the service actually provided.
2. Clarify before an initial appointment whether there will be any charges or conditions for an initial consultation.
3. Explain the charging structure used for each case eg. fixed fee, hourly rates
4. Provide client with all reasonable case progression by way of a comprehensive cost benefit analysis on an ongoing basis.
5. Ensure that a reasonable estimate of the costs is provided and client is updated as to adherence to that estimate.
6. Provide a clear breakdown and explanation of potential disbursements, VAT etc
7. Ensure case funding arrangements are fully discussed with the client

Engagement

1. Terms and conditions must be expressed clearly in the client care and TOBs eg course of action; work that will or will not be undertaken; timescales; costs estimates; explanation as to any variation from website information.

Delivery of Service

1. Consult the customer on any changes to the case that may incur additional costs
2. Adhere to any price cap agreement (of applicable)
3. Ensure the final overall cost fair and transparent for the service received
4. Provide a bill clear, transparent and reasonable?
5. Maintain proper records of all financial transactions and confirm client payment

Enforcement

1. Ensure any enforcement action re. unpaid bills is reasonable.

How does this affect firms

LeO is clearly placing great significance upon transparency and sees this as an essential means by which customer satisfaction will be achieved. The guidance is an insight into how LeO will approach and resolve costs complaints. Implementation of the guidance may prevent costs issues and unwelcome referrals being made to LeO in the first place.