

Guide to Dispute Resolution Costs

The rules relating to costs in a dispute are complex and this explanation is intended to provide a brief overview. This is not intended to replace any legal advice that we may give you and it is not to be considered a complete guide to all likely cost issues. We will provide additional information and guidance as is necessary. When you have read and understood this explanation, you are asked to sign and return the Schedule of Work confirming this.

Our fees and disbursements

You are responsible for our fees irrespective of whether you are successful or unsuccessful in your case or in any litigation or whether there is an order or agreement that the other party must pay our costs. Unless agreed in writing, we do not agree to defer payment of our fees.

In some circumstances, you may be able to obtain a contribution towards our costs from your opponent, we explain this in detail below.

We charge on an hourly basis in 6-minute units and therefore our minimum charge for any work that we undertake is 1 unit or 6 minutes. We will notify you separately of the hourly rate which applies to your matter. VAT is payable on our fees at the prevailing rate.

As part of our instructions, we may incur expenses (such as travel to court) or disbursements which are payments we make on your behalf to pursue your instructions (such as a court fee). We are entitled to ask for a payment on account of these sums.

If we instruct a barrister on your instruction, we are required to have their fees in full on account before they commence work.

You should bear in mind that any form of dispute resolution or other proceedings, such as Land Registry proceedings, particularly where court proceedings are involved is an expensive and unpredictable option and you should always consider this when instructing us to take such a step.

Ways of paying our fees

Unless, we agree with you otherwise, we will bill you monthly for our costs and any expenses or disbursements. This will allow you to budget throughout the litigation process.

There are alternative ways of paying for your costs which we will discuss with you, including:

- You may have a legal expense policy as part of your household, credit cards, or car insurance, or other policy of insurance, which you may be entitled to use. We will not be able to act if you choose this option, unless we can accept the insurer's terms and conditions.
- Some trade union memberships may entitle you to use of a funding scheme. You may be obliged to use the Union's own solicitor.
- Legal Aid may be available to you in some very limited cases. We do not however undertake Legal Aid work.
- In some limited circumstances, we may be able to act on your behalf under a "No Win, No Fee" agreement. We do not as a general rule normally act under such an arrangement.

Guide to Dispute Resolution Costs

- It is possible to obtain 'After the Event' insurance in some circumstances. This covers you for your opponents should you be unsuccessful in court proceedings. You should note that such policies are normally very expensive and are dependent upon a very high assessment of the likelihood of success in any proceedings.
- You may be able to get litigation funding. Litigation funding, also known as third party funding or litigation finance, is where a third party (with no prior connection to the litigation) agrees to finance all or part of the legal costs of the litigation, in return for a fee payable from any proceeds that you recover. We can discuss putting you in touch with a litigation funder and whether this is an option in your case.

Our estimates

We will provide you with an estimate for the initial work that we carry out on your behalf. We will thereafter let you have a further estimate for our approximate total costs should the matter proceed to a trial. Dispute resolution is a very uncertain process, and it is always difficult at the beginning to provide you with an accurate estimate. By billing you on a monthly basis we will keep you informed of the amount and the value of the work we are doing on your behalf. We will provide you with any cost budget that we are required by the court to prepare. Any cost estimate we provide you with, will be in respect of our costs only.

Costs prior to the issue of court proceedings

Where an issue is agreed, without the need to issue court proceedings, there is no obligation for your opponent to contribute towards our legal costs, (nor you theirs) unless the agreement reached with them includes such a provision.

Costs after proceedings

The general rule is that the winner of legal proceedings has a contribution made by the loser towards their legal costs, which is in addition to any damages that are payable and our costs. It is important that you carefully consider how you would fund these should you be unsuccessful. You should assume that your opponents' costs will be at least the amount that we have estimated for our own fees.

Even if you are successful, then the contribution from your opponent will not normally cover the full amount you have to pay us in fees. Even if which you are entirely successful, we would normally expect only 60-70% of our fees to be recovered from your opponent, but it could be less than that. In fact, the court has the power to order that your opponent does not have to pay any of your costs. The court can also order minimal fixed costs. You will remain liable for our fees in full irrespective of the amount of the contribution from your opponent. There are a number of possible reasons why the court may order fixed or no costs :

- The value of the matter, or the nature of the matter, may mean that either fixed or limited fees are payable. In some situations, no fees are payable.
- If a matter is concluded in your favour before it is allocated to a track, then only limited fixed fees will be payable if you are successful.
- The court may limit the costs payable only to part of the proceedings or even refuse to make an order at all.

Guide to Dispute Resolution Costs

You failed to “beat” an offer from the other party. If an offer is made, there are potential costs implications, which we will discuss with you at the time.

- Our fees are capped by a “cost budget”.
- The costs are reduced through a process called “assessment”.

You will remain responsible for our costs in full, irrespective of what amount your opponent pays you, or the court orders you to pay.

Assessment of costs

A court can be asked to decide what costs are payable through a legal process called Assessment. This can involve separate legal proceedings called Detailed Assessment, and like other proceedings, the winner has a contribution paid towards their costs by the loser. Such proceedings can also take time and your opponent may not make a payment on account of their contribution. Our costs in dealing with these proceedings are payable by you in any event.

If you obtain an order that your opponent has to make a contribution towards your legal costs, then you will need to instruct us to take steps to recover these on your behalf. You should bear in mind that the successful recovery of a costs contribution from the other side is dependent upon their financial circumstances, and these may mean that you are not able to receive any damages or cost contribution from your opponent. You should budget for this accordingly.

Where we recover costs on your behalf, we will pay them to you directly, having first deducted any outstanding costs and expenses due to us.

Applications to the court

It is possible that during the course of any proceedings, it becomes necessary to apply to the court for an order, for instance to obtain additional documents from your opponent. We will discuss this with you before such a step is taken. If the application is unsuccessful, then you may be ordered to personally pay your opponent’s costs immediately thereafter. If such an application is successful and your opponent is ordered to pay your costs, then we will offset the amount received against your next invoice.

The Court Record

If we act for you in proceedings, we expect to be on the Court record as formally acting for you. When a firm of solicitors is on the Court record, it is obliged to respond to correspondence from your opponent, comply with Court orders and attend Court hearings. All communications from the Court and/or your opponent will be sent to this firm. We will therefore charge you for such steps, as long as we remain on the court record.