



**Application made by the Council for Licensed Conveyancers
to the Legal Services Board
to approve amendments to the CLC Regulatory Arrangements to take account of
the CMA's proposals regarding price and service transparency**

A. Introduction

1. The Council for Licensed Conveyancer's (CLC) is seeking approval on the proposed changes to its Regulatory Arrangements in order to implement the Competition and Markets Authority's (CMA) recommendations set out in its Legal Services Market Study¹ regarding price and service transparency.
2. The application applies to proposed amendments to the CLC Code of Conduct, Estimates and Terms of Engagement Code and the Complaints Code as seen at **Annex A, B and C. Annex D** contains amendments to the glossary.
3. The changes aim to provide better transparency and more information for consumers to empower them to make more informed decisions about their choice of legal service provider.
4. The new requirements should also foster innovation and competition in the legal services market whilst having minimal impact on the regulatory burden on the profession.
5. The CLC proposes that CLC Practices will be:
 - a. required to provide information on costs on their websites ('Costs Information')
 - b. required to make available on their websites standard information about:
 - the services that they provide;
 - key stages in the delivery of those services; and
 - indicative timescales(together 'Service Information').
 - c. required to make available on their websites standard information about:
 - how to make a complaint;
 - client protection arrangements (details of PII arrangements and access to the CLC Compensation Fund); and
 - regulatory status(together 'Regulatory Information').
 - d. encouraged to consider the benefits and risks of third party feedback platforms and price comparison websites for them and their clients.

B. Chronology

6. The CMA published its Legal Services Market Study on 15 December 2016 following a year-long study. The CMA investigation into the market encompassed the work of all legal professions and found that there were problems of transparency of price and quality, and that consumers did not have the information they needed before employing a lawyer.
7. The CMA report contains recommendations that they said are designed to make sure consumers can be confident about the price and service they can expect when they hire a lawyer.

¹ [Legal Services Market Study: Final Report, Competition and Markets Authority, 15th December 2016](#)

8. The CLC Action Plan² sets out the detail of what we will do in response to the CMA's recommendations. Actions have been built in to our business plan for 2018-2022³ and have already begun.
9. The CLC's Action Plan was developed in close cooperation with other regulators through the Remedies Programme Implementation Group that is chaired by the Chief Executive of the CLC, Sheila Kumar.
10. We published a 12 week consultation⁴ in October 2017 which included detailed proposals based on the CMA recommendations, including estimate generator templates, measures of quality and changes to our rules.
11. We received 17 responses⁵ which helped to develop the proposals we decided to take forward.
12. We published a second consultation⁶ in May 2018, asking for views on the specific changes we propose to make to the Regulatory Arrangements in order to implement recommendations made by the CMA.
13. The feedback we received from the 24 responses⁷ and other stakeholder feedback have helped to inform the proposed changes to the Regulatory Arrangements contained in this application.
14. In July 2018 the CLC Council agreed the amended Regulatory Arrangements subject to the approval of the LSB.

C. Nature and effect of the current regulatory requirements

15. Currently, the requirements in the amended rules do not exist. However CLC practices are required to notify clients at the outset of instructions and where appropriate during the course of a transaction, of the terms and conditions on which instructions are accepted and what steps they should take if they are dissatisfied with a service.

Price and service

16. We currently require CLC Practices to give their clients full and accurate cost estimates, including details of any referral fee that may be paid before accepting instruction in the letter of engagement.
17. CLC Practices are also required to provide information about the individual and the identity of the team, if applicable, having day-to-day conduct of the matter at the point of engagement.

Regulatory status and redress

18. CLC Practices are required to show that they are regulated by the CLC on their website, printed materials and letterhead.
19. Our online register provides full details of CLC regulated practices and individuals that clients and others can use to check their regulatory status.

² [Action Plan to implement the CMA's recommendations on information remedies, CLC, 29th June 2017](#)

³ [CLC Strategy 2018-2022](#)

⁴ [Helping consumers choose their lawyer consultation, CLC, October 2017](#)

⁵ [Summary of responses to Helping consumers choose their lawyer consultation, CLC, April 2018](#)

⁶ [Implementation of CMA transparency recommendations consultation, CLC, May 2018](#)

⁷ [Summary of responses to Implementation of CMA transparency recommendations, CLC, July 2018](#)

20. Details of regulatory actions taken against CLC Practices and individuals are also published on our website in accordance with our Publication Policy⁸.
21. In 2017, we launched a secure badge scheme for the websites of CLC Practices which gives consumers added assurance about the regulatory status of those practices. This takes the form of a 'regulated by the CLC' badge that is displayed on the practice's website as a unique piece of code which cannot be copied and used elsewhere without being traced. All CLC Practices with a website/online presence were expected to have installed the secure badge on their websites by 1 November 2017.

D. Nature and effect of the proposed changes

22. The new rules will require CLC Practices to publish cost and service information on their websites⁹. CLC Practices that do not have a website will need to provide the same information on request.
23. The amendments to the Regulatory Arrangements, specifically the Code of Conduct, Complaints Code and Estimates and Terms of Engagement Code are set out in **Annex A**, and are due to come into effect in December 2018.
24. The CLC Handbook¹⁰ takes a principles based and outcomes focused approach to regulation.
25. The scope of these changes covers only those legal services regulated by the CLC: conveyancing and probate services.
26. Working with other regulators, we hope that transparency requirements will cover the whole of the conveyancing and probate regulated markets.
27. Whilst promoting appropriate levels of consumer protection, the CLC's aim in reviewing the Regulatory Arrangements is to:
 - a. Ensure minimal impact on the regulatory burden.
 - b. Provide greater flexibility for CLC Lawyers and Practices to participate in a diverse legal market, increasing access for the public and quality of legal services.
 - c. Provide greater clarity for CLC Lawyers and Practices so that the CLC's expectations are clear.
28. We are aware that some practices are concerned about the burden of publishing this information. We are developing guidance for practices to help them implement the changes, including practical tips and price publication templates.

Cost information

29. As an extension of the existing requirement to provide estimate of costs in the letter of engagement, CLC Practices will be required to make 'Cost Information' on their website or by other reasonable means on request. 'Cost Information' is to be defined in the glossary (**Annex D**) as:
 - a. the total cost of the service or, where not practicable, the average cost or range of costs;
 - b. a description of the service offered;

⁸ [CLC Publication Policy](#)

⁹ 85% of CLC regulated-practices have a website - [CLC's Annual Regulatory Return Analysis 2016](#)

¹⁰ [Council for Licensed Conveyancers Handbook](#)

- c. your fee, or where not practicable your average fee or range of fees
 - d. whether your fees are determined as a fixed sum or by reference to hourly rates;
 - e. a description and the value of disbursements, including Land Tax. Where the actual cost of a disbursement is not known, a range of the likely cost of that disbursement;
 - f. whether VAT is payable on your fees or disbursements and if so in each case the amount of VAT payable;
 - g. whether you have referral arrangements with third parties, whether a referral fee is paid and, if so, the fee or average referral fee payable.
30. We do not intend to prescribe how Cost Information is presented but our guidance will outline best practice with cost estimate templates.
31. Whilst not specifically required, CLC Practices may wish to consider providing an instant online quote generator on their website or on a third party website. They may also consider providing an explanation about when any estimate provided may be changed.
32. We believe that transparency around pricing will encourage competition between practices.

Service information

33. Conveyancers, as well as other stakeholders, have expressed concerns about a race to the bottom if consumers focus on price alone when selecting their legal service provider.
34. To help consumers take other important factors into account when choosing a conveyancer, we propose that CLC Practices should provide service quality information alongside price information on the practice website or otherwise made available on request. This will increase the opportunity for CLC Practices to differentiate themselves from competitors and appeal to clients on grounds other than just price.
35. The service information CLC Practices will be required to provide on their website includes:
- (i) a description of services that they provide;
 - (ii) key stages in the delivery of those services¹¹; and
 - (iii) indicative timescales.
36. Whilst not prescribed, CLC Practices may also wish to include:
- information about the staff mix and their qualifications;
 - mode of delivering the service (eg. face-to-face or online);
 - specific areas of expertise or focus (eg first title registration, leasehold, remortgage);
 - the practice's typical client profile (eg first time buyers);
 - feedback from clients (on third party platforms eg. Trustpilot);
- to provide further transparency to consumers when choosing their legal service.

Complaints and redress

37. CLC Practices are currently required to provide clients with details of their complaints process and information about the Legal Ombudsman (LeO) at the outset of a matter. However recent

¹¹ Only 55% of respondents remembered being given details of the legal process, Table 5.1, page 35, [Understanding consumer experiences of conveyancing services, SRA, March 2018](#)

research found that only 31% of consumers were likely to remember receiving information about how to complain¹².

38. CLC Practices are also required to notify clients in prescribed terms of their entitlement to make an application for a grant out of the Compensation Fund administered by the CLC.
39. There is currently no specific requirement to provide information to the client about the professional indemnity insurance (PII) arrangement the CLC Practice has in place (although legal services cannot be provided unless PII cover is in place).
40. The amended rules will require practices to publish complaints, redress and PII information on their website and otherwise make this information available on request.

Regulatory status

41. Changes to the rules will require CLC Practices to embed the CLC secure badge on their website. We will continue to develop the secure badge landing site as a resource for consumers which includes details about PII cover, the CLC's Compensation Fund, the complaints process and access to LeO.

E. Rationale for amendments

42. There is an imbalance of knowledge and understanding of legal services between legal service providers and consumers, usually placing consumers at a disadvantage. We have considered whether regulatory intervention is appropriate to correct the imbalance.
43. We agree with the CMA recommendation of regulatory intervention to ensure the market works better for consumers. We believe that the changes to our Regulatory Arrangements will benefit consumers by ensuring they have the necessary information, at the right time, to make an informed decision about the choice of legal service provider.
44. Only 27 percent of consumers shop around when purchasing legal services¹³. Part of the reason for this is that there is very little information easily available. Only 18 percent of firms publish price information. This is despite the fact that 83 percent of firms have a website and 6 percent are in the process of developing one¹⁴.
45. Publishing service information and protections available to consumers will help them to choose the legal service provider that best suits their needs based on balancing the cost of that service with other factors that are important to them.
46. Better transparency could help to increase competition between legal service providers. Consumers will be able to more easily shop around and those practices that charge higher fees will be able to compete by explaining the additional value they provide.
47. Consumers have said that reputation is more important than price when choosing a provider.¹⁵ This highlights the need for practices to improve the standard of services they provide.

¹² Para 5.9, page 37, [Understanding consumer experiences of conveyancing services, SRA, March 2018](#)

¹³ Legal Services Consumer Panel, [Tracker Survey](#), 2017, p.1

¹⁴ Solicitors Regulation Authority, [Price transparency in the legal services market – firm perspective](#), 2017, p.4.

¹⁵ [Legal Services Consumer Panel Tracker Survey 2017](#), p.2-3

F. Statement in respect of the Regulatory Objectives

48. We believe that the proposed changes will promote or have a neutral impact on the Regulatory Objectives.

Protecting and promoting the public interest

49. The changes proposed will protect and promote the public interest by assisting in the further development of a properly regulated legal services market compatible with the regulatory objectives and maintaining confidence in the legal system.

Improving access to justice

50. To the extent that conveyancing and probate services impact on access to justice, better price transparency will improve awareness of the likely cost of legal services and help consumers to find a provider that offers services that they can afford. See paragraphs 44-45.

Protecting and promoting the interests of consumers

51. It is important that consumers are provided with services that meet their needs based on informed decision making and that they obtain value for money. The changes to the CLC Regulatory Arrangements will provide consumers with more information to enable them to make a more informed decision about their choice of legal service provider. The changes to our Regulatory Arrangements will empower consumers by giving them better information to make informed choices and find the provider offering the best service for their needs. See paragraphs 44-47.

Promoting competition in the provision of legal services

52. Increasing transparency will promote competition on both price and quality which will help to drive up standards across the conveyancing and probate sectors. See paragraphs 46-47.

Encouraging an independent, strong, diverse and effective legal profession

53. The new requirements for the provision of increased service information to consumers will be an incentive to practices to raise professional standards. See paragraph 47.

Increasing public understanding of the citizen's legal rights and duties

54. Consumers will benefit from being better informed about the cost and service offered before instructing a lawyer and will have more easily accessible information about their entitlement to complain and obtain redress, if things go wrong. See paragraphs 45-47.

G. Statement in respect of the better regulation principles

55. The CLC believes that the proposed amendments fulfil our obligation under section 28 of the Legal Services Act 2007 (LSA) to have regard to the Better Regulation Principles.

56. The changes to our Regulatory Arrangements are targeted and align with the better regulation principles of transparency and proportionality.

57. We believe that our changes are proportionate in response to the issues faced by consumers in the legal services market as highlighted by various research findings and the conclusions of the CMA.

58. Whilst we will require practices to publish cost information, we do not expect practices to change their approach to pricing. They will continue to be able to determine and present their fee information in a variety of ways.

59. The updated rules will consistently apply to all CLC Practices and we believe that the changes proposed are in line with those of other legal service regulators.
60. We have acted transparently and engaged with a range stakeholders in developing our proposals.

H. Desired outcome

61. We believe that the changes will provide better transparency for consumers and foster innovation and competition in the legal services market whilst having minimal impact on the regulatory burden on the profession.
62. We will review the impact of our changes on an ongoing basis and will monitor impacts for any unintended consequences and consider if any action needs to be taken.

I. Stakeholder engagement

63. We have engaged with a wide range of stakeholders including consumers, consumer representative bodies, comparison websites and CLC Practices, from sole practitioners to large practices.
64. The two CLC consultations were published on the CLC website with further reminders in the CLC newsletter and social media signposting to the consultation. We received a total of 41 responses to our two consultations.
65. We have engaged with stakeholders through the CLC annual conference, CLC national roadshows, focus groups with consumers and other events.
66. We have engaged with comparison websites and other technology providers who present opportunities to share better information to consumers of legal services. We will continue to engage with them as the new rules are implemented and embedded.
67. We have received mixed feedback on our proposals which we have carefully considered in deciding which amendments to take forward.
68. One of the main concerns raised in response to our proposals was that price publication alone will drive a race to the bottom. Research shows that only a small minority of consumers choose the cheapest provider¹⁶. Whilst price is an important factor, consumers look for other factors such as reputation and protections which is why we have included requirements for service and redress information to be published.

J. Statement in relation to impact on other Approved Regulators

69. We do not believe our proposals give rise to any conflict between any of the approved regulators.
70. As the CMA made recommendations to all legal services regulators, there has been ongoing work to coordinate and collaborate with other regulators through the Remedies Programme Implementation Group that is chaired by the Chief Executive of the CLC, Sheila Kumar. There

¹⁶ Economic Insight Ltd, Price transparency in the conveyancing market – [A report for the Solicitors Regulation Authority](#), October 2017, p. 42.

has also been other engagement between approved regulators at both executive director and policy level.

71. We have worked closely with both the Solicitors Regulatory Authority and CILEx Regulation, sharing drafts of rules and guidance. Wherever possible, we have sought to develop consistent requirements so that the anticipated benefits to consumers are realised across the whole of the conveyancing and probate legal service markets. In particular, we have worked jointly with the Solicitors Regulation Authority to develop a template for an online quote generator for residential conveyancing.

K. Implementation timetable

72. We are developing guidance that will help practices to comply with the new requirements. This includes templates for publishing price information which practices can choose to use if they wish to. Our intention is to provide support to practices in understanding and meeting the new requirements and suggesting best practice.

Changes to the CLC's regulatory arrangements approved by the LSB	August 2018
Publication of rules on CLC website	September 2018
CLC rules come into effect	December 2018

L. CLC contact for matters relating to this application

73. If you have any queries in relation to this application, please contact:

Simon Blandy

Director of Regulatory Standards

Council for Licensed Conveyancers

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Annex A



Code of Conduct

This **Code of Conduct** was made in accordance with s.20 of the **Administration of Justice Act 1985; s.53 of the Courts and Legal Services Act 1990**; and s.83 of the **Legal Services Act 2007**.

All individuals and bodies regulated by the **CLC** must comply with this Code and its associated **regulatory arrangements**. In this Code “you” refers to individuals and bodies (and the **employees** and **managers** within them) regulated by the **CLC**. You must not permit anyone else to act or fail to act in such a way as to amount to a breach of this Code. Your main driver should be the delivery of positive **client outcomes**. The Code comprises **principles** and **specific requirements**, which taken together deliver positive **Outcomes** for your **Clients** and, particularly in relation to **Overriding Principle 6**, for others you deal with.

To effectively secure the protection of, and the provision of choice for, the consumer of legal services, you must at all times comply with the following **Overriding Principles**:

1. Act with independence and integrity;
2. Maintain high standards of work;
3. Act in the best interests of your **Clients**;
4. Comply with your duty to the court;
5. Deal with regulators and ombudsmen in an open and co-operative way;
6. Promote equality of access and service.

These are underpinned by **principles** of behaviour which must be demonstrated and **specific requirements** which must be complied with in order that the **Overriding Principles** are supported.

Disciplinary proceedings may be taken against you if the **CLC** believes there has been a breach of this Code, meaning that **clients** do not receive the standard of legal services they should reasonably expect to receive. The **CLC**'s response will be informed by the **CLC**'s Regulatory and **Enforcement** Policies.

In exceptional circumstances the **CLC** may waive a provision, or provisions, of the **regulatory arrangements** for an individual, body or circumstance for a particular purpose, or purposes, and with the **conditions** specified in the waiver.

Overriding Principle 1. Act with independence and integrity

Outcomes – you must deliver the following **Outcomes**:

- 1.1 **Clients** receive good quality independent information, representation and advice;
- 1.2 **Clients** receive an honest and lawful service;

1.3 **Client money** is kept separately and safely.

Principles - delivery of these **Outcomes** requires you to act in a principled way:

- a) You do not allow your independence to be compromised.
- b) You act honestly, professionally and decently.
- c) You do not conduct yourself in a manner which may result in a breach of the law nor in any other manner which may bring the legal profession into disrepute.
- d) You **carry on Reserved Legal Activity** only through a person entitled to **carry on** that activity.
- e) You do not give false or misleading information relating to the provision of **Regulated Services**.
- f) You do not allow fee arrangements to prejudice your independence or professional judgement.
- g) You do not conduct business under a misleading name.
- h) You keep **Client money** safe.
- i) You do not publicise your business through unsolicited communications in person or by telephone.
- j) Your advertising is clear, accurate and fair.
- k) You keep **Client money** entirely separate from your money or the money of the entity.
- l) You do not take unfair advantage of any person, whether or not a **Client** of the business.

Specific Requirements - you must also comply with the following **specific requirements**:

- m) You comply with **anti-money laundering and prevention of financing terrorism legislation**.
- n) When acting as a **CLC** licensee, you accept instructions only to act in a matter which is regulated by the **CLC**.
- o) All business **communications**, websites and office premises display information confirming the entity is regulated by the **CLC**, and the practice licence number, and the names of the **Managers** (identifying those who are **Authorised Persons**).
- p) You display the CLC secure badge in a prominent place on your website.
- q) You provide cost information on your website and by other reasonable means on request.

Overriding Principle 2. Maintain high standards of work

Outcomes – you must deliver the following **Outcomes**:

- 2.1 **Clients** are provided with a high standard of legal services;
- 2.2 **Client** matters are dealt with using care, skill and diligence;

2.3 Appropriate **arrangements**, resources, procedures, skills and commitment are in place to ensure **Clients** always receive a high standard of service.

Principles - delivery of these **Outcomes** requires you to act in a principled way:

- a) You provide the level of service appropriate for, and agreed with, the **Client**.
- b) You keep your skills and legal knowledge up-to-date.
- c) You ensure all individuals within the entity are competent to do their work.
- d) You supervise and regularly check the quality of work in **Client** matters.
- e) You comply fully with any undertaking given by you.
- f) You **systematically** identify and mitigate risks to the business and to **Clients**.
- g) You promote ethical practice and compliance with regulatory requirements.
- h) You enable staff to raise concerns which are acted on appropriately.
- i) You maintain proper governance, management, supervision, financial, and risk management **arrangements** and **controls**.
- j) You administer oaths, affirmations and declarations properly.
- k) You deliver services in accordance with timetables reasonably agreed with the **Client**.

Specific Requirements - you must also comply with the following **specific requirements**:

- l) **Control** of an entity is from a permanent fixed address in England or Wales.
- m) A **Manager** who is an **Authorised Person** is responsible for ensuring that all of the entity's **employees** are properly supervised.
- n) You make provision for alternative supervision **arrangements** in case of illness, accident or other unforeseen event.
- o) You maintain proper records to evidence your **arrangements** and **controls** and how they are applied.

Overriding Principle 3. Act in the best interests of your Clients

Outcomes – you must deliver the following **Outcomes**:

- 3.1 Each **Client's** best interests are served;
- 3.2 **Clients** receive advice appropriate to their circumstances;
- 3.3 **Clients** have the information they need to make informed decisions;
- 3.4 **Clients** are aware of any referral arrangements and that they are consistent with your responsibilities both to them and to the **CLC**;

3.5 **Clients** are aware of any limitation or any condition resulting from your relationship with another party;

3.6 **Clients'** affairs are treated confidentially (except as required or permitted by law or with the **Client's** consent).

Principles - delivery of these **Outcomes** requires you to act in a principled way:

- a) You only accept instructions and act in relation to matters which are within your professional competence.
- b) You keep the interests of the **Client** paramount (except as required by the law or the **CLC's regulatory arrangements**).
- c) You do not act for a **Client** where you judge it is not in their best interests for you to do so.
- d) You do not accept instructions from a person nor continue to act for a **Client** whose interests conflict directly with your own, the entity's, or another **Client**.
- e) You disclose **client** information only as the **Client** has instructed (or as required by the **CLC's regulatory arrangements** or by law), keeping effective records of any disclosures you make.
- f) You only recommend a particular person, business or product when it is in the best interests of the **Client**.
- g) You cease acting in a matter if the **Client** so instructs or, in the absence of such instructions where it is reasonable to do so.
- h) You provide the **Client** with information which is accurate, useful and appropriate to the particular **Client**.
- i) You only provide **Regulated Services** whilst you have **CLC**-approved **professional indemnity insurance** in force.
- j) You provide the **Client** with all relevant information relating to any fee arrangements or fee changes.
- k) You advise **Clients** of the name and status of the person dealing with their matter and the name of the person responsible for overall supervision.
- l) You consult **Clients** on key decisions in a timely way.
- m) You **promptly** advise **Clients** of any significant changes to projected **costs**, timelines and strategies.

Specific Requirements- you must also comply with the following **specific requirements**:

- n) Where the entity represents parties with different interests in any transaction each party is at all times represented by different **Authorised Persons** conducting themselves in the matter as though they were members of different entities.
- o) You ensure there are adequate indemnity arrangements in respect of **claims** made against you for work carried out by you before you have ceased to practice by **purchasing professional**

indemnity insurance for a minimum of 6 years from the expiry of the period of **professional indemnity insurance** stated in your evidence of insurance or policy document.

- p) If you seek to exclude or limit liability, you do so only to the extent that such exclusion or limitation is above the minimum level of cover provided by **CLC**-approved **professional indemnity insurance**; you must obtain the written informed consent of the **Client** for such exclusion or limitation to be effective.
- q) When offering and providing services which are not regulated by the **CLC**, you advise your **Client** of this and inform them in writing that the activity is not covered by **CLC** approved **professional indemnity insurance** or the **CLC**-administered **Compensation Fund**.
- r) Before or when accepting instructions, you inform **Clients** in writing of the terms on which the instructions are accepted, a complete, accurate estimate of fees and **disbursements** to be charged and if and when they are likely to change.
- s) You **promptly** inform the **Client** in writing of the existence and amount of any sum payable (whether directly or indirectly) as a result of receipt of that **Client's** instructions.
- t) With the exception of **disbursements**, you do not delay completion because fees are outstanding to you.
- u) You discuss and agree with the **Client** how **costs** will be paid, whether directly by the **Client**, by public funding, through an insurance policy or otherwise.

Overriding Principle 4. Comply with your duty to the court

Note: this Principle will only be applicable if the CLC's application to regulate advocacy and litigation services is successful

Outcomes - you must deliver the following **Outcomes**:

- 4.1 You act in the interests of justice;
- 4.2 You act in good faith towards **Clients**.

Principles - delivery of these **Outcomes** requires you to act in a principled way:

- a) You promote and protect the **client's** best interests.
- b) You do not compromise your professional standards or independence.
- c) You assist the court in the administration of justice.
- d) You do not knowingly or recklessly mislead or deceive the court, or allow the court to be misled.
- e) You ensure that the Court is informed of all relevant decisions and legislative provisions (whether this has a favourable or unfavourable effect on the case you are advancing).
- f) You comply with any Court Order (unless an application for a stay is pending or the Order has been revoked by the Court).
- g) You advise your **Client** to comply with Court Orders and of the consequences of failing to do so.

- h) You properly protect sensitive evidence.
- i) You safeguard the well-being of children and other vulnerable persons.

Specific Requirement - you must also comply with the following specific requirement:

- j) You ensure that the court is made aware of any relevant legal or factual matters which are likely to have a material effect on the outcome of the proceedings.

Overriding Principle 5. Deal with regulators and ombudsmen in an open and co-operative way.

Outcome - you must deliver the following **Outcome**:

5.1 You act in accordance with your regulatory responsibilities.

Principles - delivery of these **Outcomes** requires you to act in a principled way:

- a) You are open and honest in your dealings with us.
- b) You comply with the **CLC Code of Conduct** and the **CLC's** other **regulatory arrangements**.
- c) You comply **promptly** and fully with a **CLC** direction or request.
- d) You comply with any **authorisation, permission** or **condition** endorsed on your **licence, Recognised Body Certificate** or **Licensed Body Licence**.
- e) You co-operate with any **CLC** investigation.
- f) You co-operate with any **Legal Ombudsman** investigation.
- g) You comply **promptly** and fully with any **Legal Ombudsman** Order.
- h) You co-operate with other regulators and ombudsmen.

Specific Requirements - you must also comply with the following **specific requirements**:

- i) You make the **Compensation Fund** contribution determined by the **CLC**.
- j) You **systematically** identify, monitor and manage risks to the delivery of this Code's **outcomes**.
- k) You **promptly** notify insurers in writing of any facts or matters which may give rise to a **claim** under **CLC**-approved **professional indemnity insurance**.
- l) You **promptly** notify the **CLC** in writing of any facts or matters which may give rise to a **claim** under its **Compensation Fund**.
- m) As a **CLC** licensee operating in an entity regulated by another regulator you must comply with that regulator's regulations at all times in a way which is reasonably consistent with this Code.
- n) You obtain permission from the **CLC** before offering **Reserved legal activities**:
 - as a new business;

- in an entity regulated by another **Approved Regulator**; or
 - through an entity with a **Manager** who is not a **CLC lawyer**
- o) You notify the **CLC** of any material breach of this Code, whether by you, the entity or any other person.
- p) You notify the **CLC** of a change as set out in the **CLC's** Notification Code.

Overriding Principle 6. Promote equality of access and service.

Outcomes - you must deliver the following **Outcomes**: -

- 6.1 The service is accessible and responsive to the needs of individual **Clients**, including those who are vulnerable;¹
- 6.2 No-one - **Client, employee**, colleague, job applicant, trainee or other party - you deal with feels discriminated² against (whether directly or indirectly), victimised or harassed;
- 6.3 You accept responsibility where the service you provide is not of the expected standard and provide appropriate redress for the **Client** where necessary;
- 6.4 Handling of **complaints** takes proper account of **Clients'** individual needs, including those who are vulnerable;
- 6.5 **Complaints** are dealt with impartially and comprehensively.

Principles - delivery of these **Outcomes** requires you to act in a principled way:

- a) You comply with **Equalities legislation**.
- b) You make reasonable adjustments to prevent persons with disabilities from being placed at a substantial disadvantage.
- c) You provide equal opportunities for all partners, **employees** or applicants in employment and training.
- d) You make all reasonable efforts to ensure your service is accessible and responsive to **Clients**, including those with vulnerabilities.
- e) The **complaints** procedure is clear, well-publicised and free.
- f) You treat **complaints** seriously and provide appropriate redress options.
- g) You deal with **complaints** fairly and within 28 days.
- h) You identify and address systemic **Client Complaints** issues.

Specific Requirements - you must also comply with the following **specific requirements**:

- i) Any allegation of (direct or indirect) discrimination, victimisation and harassment is investigated thoroughly, resulting, where appropriate, in disciplinary action.

- j) From the outset you advise **Clients** in writing of their right to make a **complaint**, how to make it, to whom, and the timeframes involved. You also make this information available on your website and by other reasonable means on request.
- k) You advise **Clients** in writing of their right to have their **complaint** escalated to the **Legal Ombudsman** and provide them with contact details and timeframes of that body. You also make this information available on your website and by other reasonable means on request.
- l) You keep a record of **complaints** received and any action taken as a result.

¹ a **Client** may be vulnerable because of a range of characteristics, including (but not limited to): basic skills: literacy and numeracy; complexity and confusion: difficulty of accessing and understanding large amounts of information; disability or other impairment; mental health issues; distress or sudden change in circumstances e.g. bereavement, divorce, illness or loss of employment; low income; age; caring responsibilities; limited knowledge of, or limited skills in, use of English; balance of power: lack of competition and or choice; or inexperience or lack of knowledge of a particular subject. Vulnerability can only be assessed on a case-by-case basis.

² On the grounds of age, disability, gender reassignment, marital and civil partnership status, pregnancy and maternity, race, religion or faith, sex or sexual orientation.

Annex B



Estimates & Terms of Engagement Code

In this Code 'you' refers to individuals and bodies regulated by the **CLC**; all individuals and bodies regulated by the **CLC** must comply with this Code. You must not permit anyone else to act or fail to act in such a way as to amount to a breach of this Code.

Outcomes-Focused

The **Code of Conduct** requires you to deliver the following **Outcomes**:

- **Clients receive good quality independent information, representation and advice; (Outcome 1.1)**
- **Client matters are dealt with using care, skill and diligence; (Outcome 2.2)**
- **Clients have the information they need to make informed decisions. (Outcome 3.3)**

Providing timely Estimates and **Terms of Engagement** which are easy to understand helps you deliver these **Outcomes** and to act in a principled way:

1. **Act with independence and integrity. (Overriding Principle 1)**
2. **Maintain high standards of work. (Overriding Principle 2)**
3. **Act in the best interests of your Clients. (Overriding Principle 3)**
4. You act honestly, professionally and decently. (CoC P1b)
5. You do not give false or misleading information relating to the provision of **Regulated Services**. (CoC P1e)
6. You **promptly** advise **Clients** of any significant changes to projected **costs**, timelines and strategies. (CoC P3m)
7. Where the entity represents parties with different interests in any transaction each party is at all times represented by different **Authorised Persons** conducting themselves in the matter as though they were members of different entities. (CoC P3n)

You must also comply with the following **specific requirements**:

Estimates

8. Any estimate of **costs** is stored on a **Durable Medium** and states:-
 - 8.1 the name of the **Client**, and the nature of the transaction;
 - 8.2 the basis on which fees for abortive work will be payable;
 - 8.3 the proposed fees and other expenses (such as **bank** transfer fees) payable to you (such fees and other expenses are deemed to be inclusive of VAT unless VAT is separately itemised);
 - 8.4 a description of, and cost of, any disbursement likely to be incurred on the basis of the instructions received (such **disbursements** are deemed to be inclusive of VAT unless VAT is separately itemised). Where applicable, Land Tax should be separately itemised;
 - 8.5 where the total sum payable as estimated under paragraph 8.3 is likely to be exceeded that the Body will advise the **Client** of that fact and provide an explanation and a revised estimate;
 - 8.6 in respect of paragraphs 8.3 and 8.4:
 - 8.6.1 unless otherwise stated fees will be deemed to be inclusive of the costs of post, telephone calls, facsimile communications and email;
 - 8.6.2 unless separately specified, the estimate of proposed fees payable to the body will be deemed to include fees for:-
 - representation of the lender;
 - service of notices on a landlord or management company.
 - 8.6.3 the **Client** is advised where it is not possible to provide an estimate of fees and **disbursements** because the relevant information is not available.
9. If it becomes apparent that the total sum payable as estimated under paragraph 8 is likely to be exceeded or that the relevant information has become available, as soon as practicable you:-
 - 9.1 advise the **Client**; and
 - 9.2 provide the **Client** with a written explanation on a **Durable Medium**.
10. Any fees, expenses, **disbursements** and VAT to be charged in respect of an abortive transaction are notified to the **Client** on a **Durable Medium** as soon as those matters can reasonably be calculated whether or not an invoice is delivered at this time.

Terms of Engagement

11. You provide **Clients** with **Terms of Engagement** with a request that the **Client** confirms their agreement to the terms.

12. The **Terms of Engagement** summarise the nature of instructions and with sufficient clarity so as to be readily understandable to the **Client**.

13. The **Terms of Engagement** include:-

13.1 your name, address, telephone and other contact details;

13.2 if not included in paragraph 13.1, the name of one of your **Managers**;

13.3 the name, **experience and, if applicable, qualifications of the individual** having day-to-day conduct of the matter and, where applicable, of the individual responsible for its overall supervision;

13.4 if the matter is to be conducted by a team, the identity of that team and the name of its leader(s);

13.5 a clear description of the services included in the price, including

13.5.1 the key stages of the transaction

13.5.2 indicative timescales for the transaction

13.5.3 a summary of services included in the price, and

13.5.4 a summary of services which are not included in the price

13.6 the name of the individual to whom any **complaint** should be made;

13.7 an explanation of the procedure to be adopted where the **Client** is dissatisfied with the services or conduct of any of your **Managers** or **employees**. This information must also include the **Client's** right to complain to the **Legal Ombudsman** at the conclusion of the **complaint** process, the time limits for doing so and full details about how to contact the **Legal Ombudsman** (see **Complaints Code**).

13.8 the following wording:-

"If you make a valid **claim** against us for a loss arising out of work for which we are legally responsible, and we are unable to meet our liability in full, you may be entitled to **claim** from the **Compensation Fund** administered by the Council for **Licensed Conveyancers** (from whom details can be obtained").

13.9 Information about the staff mix, their experience and qualifications and the information contained in paragraphs 13.5-13.8 must also be made available on your website and by other reasonable means on request.

You keep a copy of, and any evidence that the **Client** has agreed, the estimate and **Terms of Engagement** on a **Durable Medium**. Should you require information on how to meet your responsibilities under this Code, please see the **CLC's Estimates and Terms of Engagement Guidance**

Annex C



Complaints Code

In this Code 'you' refers to individuals and bodies regulated by the **CLC**; all individuals and bodies regulated by the **CLC** must comply with this Code. You must not permit anyone else to act or fail to act in such a way as to amount to a breach of this Code.

Outcomes-Focused

The **Code of Conduct** requires you to deliver the follow **Outcomes**:

- **You accept responsibility where the service you provide is not of the expected standard and provide appropriate redress for the *Client* where necessary (*Outcome 6.3*);**
- **Handling of *complaints* takes proper account of *Clients'* individual needs, including those who are vulnerable (*Outcome 6.4*);**
- ***Complaints* are dealt with impartially and comprehensively (*Outcome 6.5*).**

Effective handling of **complaints** helps you deliver these **Outcomes** and requires you to act in a principled way:

- 1. Maintain high standards of work. (*Overriding Principle 2*)**
2. Promote equality of access and service. (*Overriding Principle 6*)
3. You make all reasonable efforts to ensure your service is accessible and responsive to **Clients**, including those with vulnerabilities. (**CoC P6d**)
4. The **complaints** procedure is clear, well-publicised and free. (**CoC P6e**)
5. You treat **complaints** seriously and provide appropriate redress options. (**CoC P6f**)
6. You deal with **complaints** fairly and within 28 days. (**CoC P6g**)
7. You identify and address systemic **Client complaints** issues. (**CoC P6h**)
8. You operate a procedure which is appropriate to the needs of **clients** and which allows **complaints** to be made by any reasonable means.
9. You deal with **complaints** constructively and impartially, basing decisions upon a sufficient investigation of the circumstances.

10. Where redress offers are accepted, these are actioned within 28 days.

11. You treat fairly members of staff who are the subject of a **complaint**.

You must also comply with the following **specific requirements**:

12. From the outset you advise **Clients on your website and** in writing of their right to make a **complaint**, how to make it, to whom, and the timeframes involved. (CoC P6j)

13. You advise **Clients on your website and** in writing of their right to have their **complaint** escalated to the **Legal Ombudsman**, and provide them with contact details and timeframes of that body. (CoC P6k)

14. You keep a record of **complaints** received and any action taken as a result. (CoC P6k)

15. **Complaints** are investigated under the supervision of one of your senior **managers**/members.

16. You respond in writing to **complaints** within 7 days. Where a full response cannot be given in this timeframe, you acknowledge receipt of the **complaint**, give the reason for the delay and commit to responding fully within 28 days of receipt of their initial **complaint**.

17. The response includes:

- a clear explanation of your assessment of the **complaint**;
- your decision on it,
- offer of remedial action and/or redress where a **complaint** is upheld;
- information on your **complaint**-handling review procedure (if applicable), its timeframes and how it can be accessed;
- information on the complainant's right to refer the **complaint** to the **Legal Ombudsman**, its timeframes and contact details¹⁷;
- information about a named complaint body approved by The Chartered Trading Standards Institute¹⁸ which is competent to deal with complaints about legal services, if both you and Clients wish to use such a scheme;
- a statement whether you agree to use such a scheme¹⁹.

18. Should your procedure make provision for review of how a **complaint** was handled, the review must be carried out in a timely manner and not inconvenience the complainant.

¹⁷ These requirements are unaffected by the EU Directive on consumer alternative dispute resolution

¹⁸ See the Trading Standards website. Complaints bodies which are currently approved for this purpose are Ombudsman Services, ProMediate and ADR Group.

¹⁹ Although you must provide information about a complaints body, there is no requirement for you to use that complaints body's complaints scheme

Annex D
Additions to CLC Glossary

'Cost information':

- a) the total cost of the service or, where not practicable, the average cost or range of costs;
- b) a description of the service offered;
- c) your fee, or where not practicable your average fee or range of fees
- d) whether your fees are determined as a fixed sum or by reference to hourly rates;
- e) a description and the value of disbursements, including Land Tax. Where the actual cost of a disbursement is not known, a range of the likely cost of that disbursement;
- f) whether VAT is payable on your fees or disbursements and if so in each case the amount of VAT payable;
- g) whether you have referral arrangements with third parties, whether a referral fee is paid and, if so, the fee or average referral fee payable.

'Land Tax': Stamp Duty Land Tax payable in England or Land Transaction Tax payable in Wales.

'Secure badge': A validation logo supplied and controlled by the CLC which enables consumers easily to check that the practice is regulated by the CLC.