

Application by the Costs Lawyer Standards Board (CLSB) for approval by the LSB of alterations to regulatory arrangements under Part 3 of Schedule 4 to the Legal Services Act 2007

Relating to: Proposed amendments to the CLSB's Disciplinary Rules & Procedure

Date: 23 October 2026

- This application uses the pro forma template published by the LSB to help regulatory bodies comply with its Applications to Alter Regulatory Arrangements Rules 2021 (Rules). In preparing this application, consideration has been given to the Rules as well as the LSB's statutory guidance on the Rules ('the Guidance').
- Paragraph 95 of the Guidance provides that the LSB is likely to give pre-application feedback only in relation to "complex, high-risk proposals or those that may have a significant impact on the regulatory objectives". We do not believe the proposals in this application meet those criteria; rather, we consider this application to be relatively straightforward. As such, and in accordance with the Guidance, we have not sought feedback on a draft version of this application. However, the LSB has been kept informed of our progress with this project on an ongoing basis through regular relationship management meetings and communications.
- The contact person for this application is the CEO of the CLSB, Paul Mosson. The proposals detailed in this application were scrutinised and approved by the CLSB's board at its meeting on 23 April 2026 and the board was informed of the outcome of the subsequent consultation at its meeting on 22 October 2026.
- This application was submitted by email on 23 October 2026.

I. Summary and overview

Briefly summarise the application

- This application requests that the LSB approves changes to the CLSB's Disciplinary Rules & Procedure ('the DR&P'), [last amended in 2024](#). The changes will update and improve the DR&P by bringing them up to date and ensuring they are robust and stand up to scrutiny.
- From January 2026, the CLSB carried out a review of its regulatory arrangements, identifying changes needed to the DR&P along with the Practising Rules (which is subject to a separate application at the same time as this application).
- The current DR&P are based on those which came into effect in 2024. Each year the CLSB reviews complaints in the previous practising year and looks at whether improvements can be made to the DR&P for the benefit of all involved. Unintentional ambiguity is not considered helpful and we have determined that the DR&P could be improved to increase understanding and simplify language. We are not aware of any need to change the fundamentals of the DR&P but have identified a key public protection improvement at Rules 1.1 and 1.2. These proposed changes are summarised below:

Jurisdiction

- Removal of a condition to hold a practising certificate at the time a complaint is made to the CLSB (Rule 1.1). This ensures that a Costs Lawyer cannot surrender their Practising Certificate to circumnavigate the complaints process and avoid any necessary investigation; the result of which could be important when assessing future applications to be reinstated to the CLSB Register. The change to Rule 1.2 supports this amendment.

Time limits

- Making clear that extending the time limits for making a complaint will only apply in **exceptional** circumstances.

Process for submitting a conduct complaint

- Following consultation feedback, explained in further detail within the application, we propose deleting existing Rule 1.6 entirely, removing the need for complainants to first make a complaint about a Costs Lawyers' conduct prior to submitting a complaint to the CLSB. This would bring the CLSB in line with the process found with other frontline legal regulators.

New evidence in existing investigations

- Allowing the CLSB greater discretion to introduce new evidence into an existing complaint that leads to a new line of investigation. This will speed up the process and reduce costs compared with opening a new independent investigation case, as is currently the case.

Increased costs orders

- Increasing the financial amounts of fixed costs orders and introducing a new variable costs order to replace the former financial penalty; neither of which can be imposed unless a complaint has been upheld. This is common practice across regulation and ensures that a Costs Lawyer who has a complaint against them upheld meets the costs of the investigation (often referred to as "polluter pays"). This avoids the regulated community picking up the costs of poor behaviour and leaves it only covering the costs of complaints that are not upheld.

Clarifying the appeals process

- New, clearer language that specifies what stages of the disciplinary process can and cannot be appealed, and where the final route of appeal ends.

Other considerations

- We have also taken into account
 - the CLSB's other updated regulatory arrangements (including the concurrent application to alter the Practising Rules);
 - LSB expectations and promotion of the regulatory objectives in the Legal Services Act 2007;
 - the Better Regulation Principles, in particular ensuring that the DR&P does not impose unnecessarily broad regulatory burdens; and
 - evidence of good practice from across the legal and professional services sectors.

- The LSB is asked to approve the updated Rules attached at Annex A to this application. We also attach a document tracking the changes between the current and the revised DR&P, and setting out in detail the rationale for each change, at Annex B.

II. Regulatory objectives and better regulation principles (rule 9)

Provide details on the impact of the proposals on the regulatory objectives, including assessment of potential benefits and detriments against those objectives, having regard to the better regulation principles. Where there are negative impacts, how the alterations nonetheless comply with and thus promote the regulatory objectives overall and are in the public interest. Please focus on those regulatory objectives that are meaningfully engaged by the proposals.

- A summary of the impact of the proposals on the regulatory objectives is provided in the table below. We do not anticipate the proposals having a negative effect on any of the regulatory objectives.

Table 1 – The Regulatory Objectives

The Regulatory Objectives (ROs)	The impact of the changes on the ROs
Protecting and promoting the public interest	The current DR&P are not sufficiently clear on definitions and language risking either the public and/or the regulated community finding them confusing. There are numerous text revisions which are not in themselves amendments but simply language corrections. It is not in the public interest that a regulated legal professional could avoid disciplinary proceedings simply by surrendering their practising certificate. While there is no evidence that this has happened, the risk is clear and it would be contrary to the wider public interest for a regulator's jurisdiction to be curtailed in this manner. We seek to close this gap. (Rule 1); and By removing the overly prescriptive reasonable adjustments policy from the DR&P and referencing as standalone policy that can be updated more easily, the DR&P becomes more accessible for all those involved. Rule 1.9.
Supporting the constitutional principle of the rule of law	The DR&P changes align more clearly with the principles of natural justice for all involved in an ongoing disciplinary investigation process. (Rules 1, 5 & 7).
Improving access to justice	The changes are neutral with regards to this regulatory objective.
Protecting and promoting the interests of consumers	The revised DR&P protects and promotes the interests of consumers in several ways. - They remove the ability of a Costs Lawyer to evade a disciplinary investigation which would otherwise prejudice the complainant. While enforcing a sanction in the event of an upheld complaint where a

	Costs Lawyer no longer holds a practising certificate could be challenging, there will remain a record on the individual's file that can be taken into account should they seek to be reinstated to the Register of Costs Lawyers. (Rule 1); - Removing the need to first make a conduct complaint to the Costs Lawyer themselves before the CLSB will accept a complaint. (Rule 1); - Restricting the number of appeals a Costs Lawyer can make against an Interim Suspension Order will enable the full disciplinary process to proceed without unnecessary delay. (Rule 4); - Removing the ability of a Costs Lawyer to appeal a decision to convene a Conduct Committee in a disciplinary matter enables the CLSB to refer serious cases at Level One. The ability to appeal that outcome could be used as a deliberate attempt to avoid the more serious implications that only a Conduct Committee can consider, running contrary to the protection of the consumer/client and principles of natural justice (Rule 5); and - The revised variable costs orders will seek only to recover the costs incurred in an upheld conduct complaint. Costs Lawyers are therefore encouraged to avoid this stage altogether and seek earlier resolution with the complainant, but where that is not possible, it also encourages cooperation to keep costs down. This benefits the consumer with swifter resolution of their concerns. (Rules 5,6 & 7).	
Promoting competition in the provision of legal services	The changes are neutral with regards to this regulatory objective.	
Encouraging an independent, strong, diverse and effective legal profession	Under the existing DR&P, the wider regulated Costs Lawyer community funds, through their practising fees, the costs of upheld disciplinary investigations and is not comparable with other regulators within and outside of the legal sector. The CLSB seeks to rebalance this so that the individual Costs Lawyer, who has a conduct complaint against them upheld, covers the costs involved, reducing the burden on the well-behaved profession. (Rules 5,6 & 7).	
Increasing public understanding of the citizen's legal rights and duties	The changes to language are intended to make it easy for all who need to understand the DR&P.	

Promoting and maintaining adherence to the professional principles	The DR&P, taken together with the other regulatory rules including the concurrent application to alter the Practising Rules, are designed to encourage adherence to professional principles. This is especially so with the introduction of variable costs orders which will both avoid the majority well-behaved profession subsidising the CLSB's work investigating the minority poorly behaved, and should also encourage earlier dispute resolution aligning well with the ambitions of the Legal Ombudsman.
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Statement on the Better Regulation Principles

- A summary of how the proposals meet the Better Regulation Principles is provided in the table below. In our view, the proposals are fully in line with each of the Principles.

Table 2: The Better Regulation Principles

The Better Regulation Principles	How the changes support the Principles
Transparent	The revised DR&P will be published in the Costs Lawyer Handbook on the CLSB website, providing continued transparency regarding the regulatory arrangements for Costs Lawyers and the public. The publication of updated guidance and FAQs on the CLSB website will also improve transparency in relation to how the DR&P should be applied.
Accountable	The transparent publication of the DR&P and related guidance (set out above) will ensure the CLSB continues to be accountable to the profession, interested stakeholders and the public for the regulatory arrangements that apply to Costs Lawyers.
Proportionate	We believe the changes will lead to fairer funding of this part of the CLSB's activity, should have the effect of encouraging swifter resolution of complaints, and refine the process in a way that means it cannot easily be abused.
Consistent	The revised DR&P incorporate changes intended to align the DR&P with how other approved regulators address complaints. This will help promote consistency of regulation across the sector.
Targeted	As can be seen from Annex B, each change we propose to make to the DR&P is targeted at a specific, explicit outcome or aims to solve a particular problem that has been identified through learning from our work. Each change is aligned to an objective, which in some cases is evidenced by experience and others are from the Board's horizon and risk scanning.

III. Alterations detail of each proposed alteration (rule 10)

This must provide full details on, and explanation of each alteration, including any regulatory arrangements they will amend. This can include a schedule of changes, a track change word document or any other method the approved regulator considers appropriate. Details must include: (a) the rationale, intent, purpose, and effect of each alteration; (b) if applicable, the gap or defect in existing regulatory arrangements that the alteration is intended to remedy; (c) how and when the alterations will be implemented; (d) assessment of whether the alterations impact on the regulation of regulated persons by another approved regulator or approved regulators, and where there is impact details of consultation with the affected approved regulator(s), any regulatory conflict and how it will be resolved; and (e) the details in (d) applies to any conflict with an external regulatory body and include measures to prevent unnecessary duplication of regulatory provisions.

(a) Rationale, intent, purpose, and effect of proposed alterations

This section should include information and evidence setting out:

why the approved regulator is making the alteration or alterations.

what defects are intended to be remedied.

what the intent, purpose and effect of the alteration or alterations will be.

what impact the proposals are anticipated to have on the regulatory objectives.

(b) The gap or defect in existing regulatory arrangements that the alteration is intended to remedy

- **Annex B** sets out the specific revisions made to the DR&P and provides an explanation for each change in detail. For this reason, we have not set out each alteration individually in this section of our application; rather, in this section we have explained the overall approach taken and the rationale for that approach. We emphasise that **Annex B** is central to our application in providing the detail of each proposed alteration in line with the LSB's requirements.

Current position

- The DR&P, like the Practising Rules, are central to the regulatory arrangements for Costs Lawyers. Alongside the Code of Conduct, they set out how the CLSB will respond when concerns are raised over the professional conduct, behaviour and competency of all Costs Lawyers. This is essential to maintaining public confidence in individual practitioners and the profession as a whole.
- The present DR&P are contained within the [Costs Lawyer Handbook](#) on CLSB website. The Handbook contains the core regulatory rules that apply to all Costs Lawyers, and guidance notes covering a variety of topics.

Proposed changes and rationale

- The DR&P were last amended in 2024, and govern how the jurisdiction and process applied by the CLSB when considering complaints about the conduct of Costs Lawyers. The [current version of the DR&P](#) is available on our website.
- During the early part of 2026, the CLSB undertook a review of the DR&P as a result of monitoring complaints. We determined that some changes were needed to introduce clearer

language, as well as protect the consumer, the subject of a complaint and the wider Costs Lawyer profession.

- There were also some minor amendments needed to language to make the DR&P easier to understand.
- Further amendments were required to add in some new definitions in order to be clear and consistent with other regulatory documents. For example, the inclusion of a definition of a First and Second-tier complaint was deemed necessary in order to support wider activity by the CLSB and Legal Ombudsman aimed at improving the handling of complaints.
- The majority of the Rules were found to be meeting their objectives and the changes are limited to the following:
 - Amending definitions
 - Amending the jurisdiction to avoid evasion
 - Clarifying when time limits will be extended
 - Removing the need to first make a **conduct** complaint to the Costs Lawyer involved
 - Discretion to include additional evidence in an ongoing complaint; and
 - Introducing new variable costs order.
- The details of how these changes impact the DR&P are contained in this application form and at **Annex B**.
- The proposed amendments to DR&P Rules seek to enhance consumer protection, fund the cost of upheld conduct complaints more fairly, and improve the clarity of the DR&P.
- We have also made amendments based on the valuable and helpful feedback from our regulated community and others in response to our consultation earlier this year. We suggest the LSB consider the application alongside our other application to vary the [Practising Rules](#) as taken together they complete the picture, and respond to some feedback. On 22 June 2026 we held an online drop in session exclusively for Costs Lawyers to ask us questions or offer feedback. Only two Costs Lawyers joined and the meeting could be summarised as very positive. We answered some questions about how the proposals would apply, but to quote one individual, *“the changes all seem perfectly sensible to Costs Lawyers I’ve spoken to which probably explains why so few are here today.”* That has been the general sentiment but there is more on our consultation at section IV.
- As a result of the consultation, there is an additional change not consulted upon. At Rule 1.6 of the DR&P, we now propose deleting entirely the requirement for a complaint about conduct to first be raised with the Costs Lawyer (first-tier). The Legal Services Consumer Panel (‘LSCP’) identified that this is inconsistent with other frontline legal regulators, and our own research substantiated this. By asking a complaint to first be raised at first-tier, the CLSB could delay learning about something that requires immediate action, such as an Interim Suspension Order (‘ISO’), something we have issued twice (once 2025 and again in 2026) because of the severity of the concerns. We do not believe we need to consult again on this further amendment as it is largely procedural, is aligned with other frontline regulators and is clearly in the public interest. We are mindful of not placing the CLSB and its stakeholders in an endless consultation loop, and

believe that the point of a meaningful consultation is being prepared to act on feedback, which is what we are doing here. - These details of our amendments are set out in Annex A and Annex B, and so are not repeated here.
(c) Implementation <i>Detail setting out how and when the alteration or alterations will be implemented.</i>
- Subject to LSB approval, we intend to implement the changes to the DR&P in the first quarter of 2027. - We will also need to update guidance, policy statements and other published materials that cross-refer to the DR&P. We will begin this process of review once we know the outcome of this application and have a final version of the DR&P to work with. The updated supporting materials will be implemented at the same time as the introduction of the revised DR&P. - We will (as usual) notify Costs Lawyers of the date for implementation of the revised DR&P well in advance directly by email, supported by social media and reminders in our regular newsletters. - The changes will apply from the date of implementation. We do not believe that transitional provisions are necessary as we are not considering any live matters that could be impacted by the changes (such as conduct issues), but in any event such matters would be considered under the version of the DR&P that applied at the time the issue arose.
(d) and (e) Impact on other regulated persons/approved regulators <i>Provide an assessment of whether the alteration or alterations impact on the regulation of regulated persons by another approved regulator(s) and/or external regulatory bodies. If there is impact please provide detail of any consultation or engagement with the affected regulator and details of any regulatory conflict and how such conflict will be addressed, as is reasonably practicable.</i>
- We do not believe there will be any direct impact on the regulation of authorised persons by other approved regulators and/or external regulatory bodies, and none responded to our consultation. As referred to elsewhere in this application, the proposed changes will improve consistency across legal services regulation, given that the changes are intended to ensure that the revised DR&P are better aligned with those of other approved regulators insofar as possible.
IV. Consultation and Engagement (rule 11) Provide detail of the consultation and engagement process undertaken when developing the proposals leading to the alterations. This must include detail of any responses/feedback along with information on your consideration of that, and any consequential changes to the alterations. This section must also provide an explanation of why the approach taken to consultation and engagement was proportionate in the circumstances.

- We issued a consultation on the proposed changes to both the [Costs Lawyer Practising Rules](#) and [Disciplinary Rules and Procedure](#) on 14 May 2026 (a copy of the email is at **Annex C**) running for 12 weeks. The original email was followed up with reminders on social media, in the CLSB newsletter, the Association of Costs Lawyers' newsletter, and in some cases direct contact. We also held an event exclusively for Costs Lawyers on 22 June 2026 but only two Costs Lawyers attended. We set out the feedback at this session in paragraph 13 above. We adopted a longer consultation period due to running two consultations concurrently and to allow time for any debate had such arisen, which it did not.
- We received a full and valuable response from the Legal Services Consumer Panel ('LSCP') that encouraged the changes but made some further helpful suggestions (many, but not all, have been adopted). The Association of Costs Lawyers ('ACL') policy team reviewed the proposals and reached the decision not to respond as a collective ACL, but instead encouraged the membership to respond.
- We received 10 responses from individual Costs Lawyers, with 8 in favour of the changes and only two who were not, but only one offered reasons; these were not necessarily in opposition but rather added a different perspective.
- A [consultation outcome report](#) was published on 23 October 2026 and is attached at **Annex D** to this application. This report sets out the responses received, any specific changes that we made to the DR&P in response to feedback, and the rationale for the changes in detail. For this reason, we have not set out each change made as a result of feedback individually in this section. Instead, general themes in the feedback are summarised below, and full details provided in **Annex D**.
- The individual online respondents were on the whole supportive (8 out of 10) of the proposed changes. Only one respondent gave reasons for their objections and we have set out our response in **Annex D**. And one who responded in favour of the changes commented, *"At present unqualified costs persons who are being supervised by, and employed by Costs Lawyers, are exempt, and the CL supervisor is not liable under the code for their subordinates falling short. CLs should be liable for the work product and conduct of those in their employ and who they are supervising such that the public can have confidence that the DR&P cannot be circumvented by CLs by simply avoiding being the person (eg drafter of bill) which gives rise to a complaint."* The CLSB agrees that this is a concern but it is fully addressed with the proposals for change to the Practising Rules and requires no further action in the DR&P. The two Costs Lawyers who attended the session on 22 June 2026 also pledged their support and were clear they had not responded online. There were no observations and suggestions expressed regarding the wording of some of the Rules.

V. & VI. Impact Assessment (rule 12)

a) Equality impact assessment: Provide an assessment of the impact of the alterations on persons with protected characteristics as defined by section 4 of the Equality Act 2010. Please include in this section details of any positive impacts as well as any adverse impacts, measures that will be implemented to mitigate any adverse impacts, and on why any remaining adverse impact is proportionate, reasonable, and not prejudicial to the regulatory objectives overall. To include details on the consideration given to how the alterations advance equality of opportunity between persons who share protected characteristics and persons who do not and support the aim of dismantle barriers to a diverse and inclusive profession where relevant.

b) Impact on regulated persons, consumers and the public interest

Provide an assessment of the impact of the alteration or alterations on the conduct of legal services by regulated persons, consumers and the public interest. Please include in this section details of any measures to mitigate any adverse impacts. Where adverse impact remains, an explanation of why this is proportionate, reasonable and will not be prejudicial to the regulatory objectives overall.

Where significant alterations to the regulatory framework are proposed, an approved regulator must undertake a proportionately more detailed assessment of the potential impact on the regulated persons, consumers and the public interest.

Equality impact assessment

- In our May 2026 consultation we published an [initial Equality Impact Assessment \(EIA\)](#), we asked: “Do you foresee any reason why the proposed changes could have a harmful impact on persons with a protected characteristic under the Equality Act 2010
- The LSCP responded to this question and agreed with the CLSB’s assessment.
- Only one of the individual online respondents foresaw any reason why the proposed changes could have a harmful impact on persons with a protected characteristic under the Equality Act 2010. The respondent noted, “*One point, and I have no data to offer with it. The exceptional circumstances bar in rule 5.1.3 will bear harder on practitioners whose disability or health condition is the cause of the delay. The rule, or guidance under it, should say that where an extension request arises from disability it is dealt with under the Reasonable Adjustment Policy rather than against the exceptional circumstances bar.*” The CLSB sees this as unnecessary as Rule 5.1.3 does not override our obligations under the Reasonable Adjustments Policy, and we are reluctant to place the Reasonable Adjustments Policy in the DR&P as that restricts our ability to be agile in updating it as lessons are learned and we stay ahead of best practice.
- **Annex D** sets out the CLSB’s specific response to each point of feedback.

Impact on regulated persons, consumers and the public interest

- As set out in this application, the changes will have a positive impact on regulated persons, consumers and the public interest. The changes will close the gap in the CLSB’s jurisdiction and prevent mischievous avoidance of the disciplinary process.
- The proposed amendments will also reinforce the CLSB’s ability to recover the costs of upheld complaints from those responsible.
- The revised DR&P enhance consumer confidence and strengthen confidence in Costs Lawyers and the overall reputation of legal services at home and abroad by making the process clearer and encouraging earlier resolution.

VII. Evaluation and monitoring

Provide full details on the evaluation and monitoring the approved regulator will undertake to assess the impact of the alterations once they have been implemented. This should include specific plans and timescales for carrying out the monitoring and evaluation work.

- We do not consider the proposed changes to the DR&P to require a full review of the new DR&P after a specified time period as the nature of the changes are primarily to clarify and update, not make apply fundamental changes. Rather, we carry out a routine review of the DR&P alongside complaints and disciplinary data on a live basis, reporting annually to the CLSB Board. We assess whether further updates are required, or if new evidence suggests that more wholesale reforms might (by that stage) be warranted.
- In effect, the DR&P are in a continuous process of stress testing and the CLSB is committed to responding quickly to any identified inadequacy. We will continue to track enquiries and gather feedback on the DR&P as it is used by complainants and practitioners. We will also continue to gather evidence on the operation of the DR&P ourselves and monitor regulatory developments in the wider sector. We do not intend to wait for a routine periodic review of the DR&P before acting on any evidence, as is clear from this application which was not featured in the CLSB's 2026 business plan, but became necessary. We will also make adjustments and improvements in real time wherever possible by adding to our online guidance, [Ethics Hub](#) and website content to reflect key themes in any issues raised and broader developments in the sector.
- We will, of course, keep the LSB updated on progress and implementation through the relevant oversight mechanisms.

VIII. Any draft guide or policy that will support implementation of the alterations

These documents can give necessary context to how the alterations will work in practice which may be important in assessing their impact on the regulatory objectives, and against the refusal conditions. It also may be the case that these documents may fall within the meaning of regulatory arrangements and having them enclosed with an application will assist in determining this.

- As noted above, we will update all our guidance, policy statements and other published materials that cross-refer to the DR&P once we know the outcome of this application. The updated supporting materials will be implemented at the same time as the introduction of the revised DR&P, in line with feedback from our Advisory Panel (a panel of volunteer Costs Lawyers who advise on proposed changes and guidance to ensure they make sense).
- We will make adjustments and improvements in real time wherever possible by adding to our online guidance and website content (such as FAQs) to reflect key themes in any issues raised and broader developments in the sector.

Complete version of proposed new DR&P

Costs Lawyer Standards Board



Complete version of proposed new DR&P

Definitions

The definitions below form part of these Disciplinary Rules and Procedures.

ACL	Association of Costs Lawyers (named in the LSA as the Association of Law Costs Draftsmen).
Case Manager	Person appointed by the CLSB to assist in the administration of a disciplinary matter at level two or three, who may be a person employed by the CLSB or a third party.
CLSB	Costs Lawyer Standards Board, acting as an approved regulator under the LSA following delegated authority by the ACL on 31 October 2011.
CoC	Costs Lawyer Code of Conduct effective at the time a Principle might have been breached.
Complaint	Information established by the CLSB under its supervision arrangements or information received from a third party (natural, legal or commercial) which relates to a potential breach of a Principle by a Costs Lawyer.
Complainant	The CLSB, or a person (natural, legal or commercial) who brings information to the attention of the CLSB that a Principle might have been breached by a Costs Lawyer.
Conduct Committee	Committee established by the CLSB to consider Costs Lawyer conduct matters, as defined in the Disciplinary Rules and Procedures
Costs Lawyer	A Costs Lawyer authorised and regulated by the CLSB.
DR&P	These Disciplinary Rules and Procedures.
First-tier Complaint	Complaints that are made directly to a provider of legal services are referred to as “first-tier complaints”.

Fixed Cost Order	A costs order determined by the relevant rule required to be paid by a Costs Lawyer when a complaint is upheld. This is distinct from and in addition to a 'variable costs order'.
Lay Person / Non-Lay Person	As defined in Schedule 1 paragraph 2(4) of the LSA.
LSA	Legal Services Act 2007.
Panel Member	An individual appointed by the CLSB (including on an ad hoc basis) to serve on a Conduct Committee or Conduct Appeal Committee who: • is independent of the CLSB; • has been neither an ACL Council member nor a non-executive director of the CLSB for a period of two years before being appointed as a Panel Member; and • has agreed in writing to adhere to the terms of the CLSB's Panel Member Code of Conduct and any procedural guidance that the CLSB may issue for Panel Members from time to time.
Principle	Any one or more of the seven principles a Costs Lawyer must comply with under the CoC, namely: 1. Act with honesty and integrity and maintain your independence 2. Comply with your duty to the court and promote the proper administration of justice 3. Act in the best interests of your client 4. Provide a good quality of work and service to your client 5. Deal with the regulators and Legal Ombudsman in an open and co-operative way 6. Treat everyone fairly and equitably, and with dignity and respect 7. Keep the affairs of your client confidential

	The Principles are underpinned by CLSB rules, such as Practising Rules and CPD Rules, contained in the CLSB Handbook. A potential breach of a Principle may therefore involve breach of a rule and a potential breach of a rule may indicate the breach of a Principle. For this reason, a reference to a Principle in these DR&P includes a reference to any associated CLSB rule.
Regulatory Objectives	As defined in section 1(1) of the LSA.
Second-tier Complaint	Complaints that are escalated to the CLSB or Legal Ombudsman are known as “second-tier complaints”.
Variable Costs Order	A costs order determined by the relevant rule required to be paid by a Costs Lawyer when a complaint is upheld. This is distinct from a ‘fixed costs order’ and is calculated by assessing the costs incurred by the CLSB during the complaint process, hence it is “variable” by nature. This costs order is not capped but will not exceed the costs incurred by the CLSB.

Background

These DR&P are made pursuant to the LSA, which requires the CLSB to act in a way that it considers most appropriate for the purposes of meeting the Regulatory Objectives. The CoC sets out the Principles that a Costs Lawyer must uphold in order to meet the fundamental professional standards required of a Costs Lawyer. The Principles are underpinned by CLSB rules, such as Practising Rules and CPD Rules. These DR&P establish processes for determining whether a Costs Lawyer has breached a Principle and/or an associated rule, as well as the consequences of any such breach. These DR&P are published in the CLSB Handbook.

Objectives

The main aim of these DR&P is to promote the Regulatory Objectives, in particular:

- protecting and promoting the public interest;
- supporting the constitutional principle of the rule of law;
- protecting and promoting the interests of consumers;
- encouraging an independent, strong, diverse and effective legal profession;
- promoting and maintaining adherence to the professional principles.

These DR&P aim to be fair, consistent, transparent and proportionate procedures for considering the conduct of Costs Lawyers. They also aim to provide a credible deterrent to non-compliance with professional standards.

The desired outcome under these DR&P is that consumers of Costs Lawyers' services, the general public, the regulated community and individual Costs Lawyers are confident that the CLSB takes appropriate action where a Costs Lawyer has acted or continues to act in a way which breaches a Principle.

RULE 1: Jurisdiction

These DR&P come into effect on the effective date above and replace any other disciplinary rules and procedures previously issued by the CLSB. These DR&P govern Complaints received on or after the effective date. The Costs Lawyer need not hold a practising certificate issued by the CLSB at the time the Complaint is made to the CLSB in order for the CLSB to have jurisdiction.

- These DR&P apply where the following criteria are met:
 - (i) there is reason to suspect that a Costs Lawyer has been or is in breach of a Principle; and
 - (ii) the Costs Lawyer held a practising certificate issued by the CLSB at the time the alleged breach of a Principle occurred.

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- Where the Complainant is not the CLSB, for these DR&P to apply a Complaint must be made in writing to the CLSB:
 - (i) within one calendar year from the date on which the matters giving rise to the Complaint occurred; or
 - (ii) within one calendar year from the date on which the Complainant first became aware that a breach of a Principle may have occurred.
 - In the event that a Complaint is made outside of the time limits in rule 1.3 above, then the CLSB may only consider the Complaint if:
 - (i) the Complainant provides a exceptional reason for the delay in making the Complaint and that delay does not cause unfair prejudice to the Costs Lawyer involved; or
 - (ii) if it is otherwise in the public interest to consider the Complaint.
 - The CLSB will not consider a Complaint by a litigant in person or a solicitor on the other side of proceedings involving the Costs Lawyer, whilst those proceedings are ongoing. The court has powers to consider conduct issues in the context of ongoing proceedings.
 - In the event the CLSB accepts jurisdiction to investigate an alleged breach of a Principle, then the CLSB will confine itself to that alleged breach and to documents and witness evidence which relate to that breach. If the CLSB obtains information relating to another potential breach of a Principle in the course of an investigation, the CLSB will, at its discretion, decide whether it forms part of the existing complaint or whether it will treat that information as a fresh Complaint.
 - The CLSB has entered into agreements with other regulatory bodies to govern situations in which more than one regulatory body might have jurisdiction to handle a Complaint. The CLSB will only exercise its jurisdiction under these DR&P in accordance with such agreements. The CLSB will notify a Complainant if a Complaint falls within this rule 1.8.

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- If a person to whom these DR&P apply has a disability, the CLSB will consider a request by that person to make reasonable adjustments as set out in the [Reasonable Adjustment Policy](#).

RULE 2: The Legal Ombudsman

- 2.1 A Complaint about the service provided by a Costs Lawyer falls within the jurisdiction of the [Legal Ombudsman](#). A Complaint about the conduct of a Costs Lawyer (i.e. breach of a Principle) falls within the jurisdiction of both the CLSB and the Legal Ombudsman.
- 2.2 In the event the CLSB receives a Complaint that falls within the jurisdiction of the Legal Ombudsman but **not** the jurisdiction of the CLSB, the CLSB will inform the Complainant of this and provide the Complainant with contact information for the Legal Ombudsman.
- 2.3 In the event a Complaint relates to both the service and conduct of a Costs Lawyer the CLSB will allow the Legal Ombudsman to investigate the Complaint in the first instance, unless the CLSB deems the conduct element so serious in nature that it requires the immediate or earlier attention of the CLSB. Once the Complaint has been determined by the Legal Ombudsman, the CLSB will (where it has the jurisdiction to do so under these DR&P) deal with any matters relating to the conduct element of the Complaint that have not been fully disposed of by the Legal Ombudsman. In doing so, the CLSB will adopt any relevant findings of fact made by the Legal Ombudsman in its determination. For the purposes of rule 1.3, the Complaint will be deemed to have been made to the CLSB on the date the Complaint was made to either the CLSB or Legal Ombudsman, whichever is earlier.

RULE 3: Publication of an outcome

- 3.1 The purposes of publishing a disciplinary outcome are to protect the public and to promote high standards across the Costs Lawyer profession. The CLSB will be guided by these purposes in determining whether and how to publish.

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- 3.2 In the event a breach of a Principle has been established under these DR&P, the finding and any associated disciplinary outcome will be published by the CLSB unless publication would prejudice other proceedings or investigations (whether of a legal or regulatory nature) or would breach Article 8 of the Human Rights Act 1998.
- 3.3 Publication will be on the CLSB website and in any other location that the CLSB deems appropriate for achieving the purposes in rule 3.1, which may include any shared regulatory platform in which the CLSB participates. A note will also appear against the name of the Costs Lawyer on the register of authorised and regulated Costs Lawyers.
- 3.4 Imposition of an interim suspension order under rule 4 will be noted against the name of the Costs Lawyer on the register of authorised and regulated Costs Lawyers, and any other part of the CLSB's website at its discretion, for the period that the interim suspension order is in force. This may also include publication on any shared regulatory information services in which the CLSB participates.
- 3.5 Other than where an interim suspension order has been imposed, publication will only occur where a breach of a Principle has been established against a Costs Lawyer and following expiry of the time for an appeal under these DR&P. In the event the Costs Lawyer appeals, publication of the finding under appeal will be withheld pending the outcome of that appeal.
- 3.6 Publication will be in accordance with the Data Protection Act 2018, as amended from time to time. The CLSB may rely upon any exemptions from general data protection rules relating to the processing of personal data in connection with regulatory activities.

RULE 4: Interim suspension orders

- 4.1 On receipt of a Complaint, the CLSB shall consider whether or not the Costs Lawyer's practising certificate should be subject to an interim suspension order. The effect of an interim suspension order is to impose a condition on the Costs

Lawyer's practising certificate that the Costs Lawyer does not have the right to practice as a Costs Lawyer pursuant to the CLSB's Practising Rules while the interim suspension order has effect.

- 4.2 An interim suspension order must be fair, just and reasonable in all the circumstances, and may only be imposed if the CLSB is satisfied that such a course of action is justified having regard to:
- (i) the risk posed to the public if such an interim suspension order was not implemented; and
 - (ii) the Regulatory Objectives.
- 4.3 If the CLSB is of the view that there are grounds for imposing an interim suspension order, the CLSB will appoint a Lay Person Panel Member to consider the relevant facts and make a recommendation as to whether an interim suspension order should be imposed. The Lay Person Panel Member will consider whether it is appropriate, in all the circumstances, to seek further information from the Costs Lawyer before making the recommendation.
- 4.4 An interim suspension order will:
- (i) be imposed by the CLSB only where recommended by the Lay Person Panel Member appointed under rule 4.3;
 - (ii) be notified in writing to the Costs Lawyer, including reasons why the criteria in rule 4.2 for imposition of an interim suspension order are considered to be met; and
 - (iii) be published in accordance with rule 3.
- 4.5 An interim suspension order shall remain in force until such time as:
- (i) an investigation has been undertaken in accordance with rule 5 and a finding has been made as provided for in rule 5.2, in which case the interim suspension order shall automatically lapse;
 - (ii) the relevant Complaint is fully determined following a finding at level one, level two or level three and the time for any appeal has expired, in which case the CLSB will revoke the interim suspension order and notify the Costs Lawyer in writing; or

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- (iii) the CLSB has reasonable grounds to believe that the criteria in rule 4.2 for imposition of an interim suspension order are no longer met, in which case the CLSB will revoke the interim suspension order and notify the Costs Lawyer in writing.
- 4.6 The Costs Lawyer, or the CLSB, may apply in writing to have an interim suspension order revoked at any time while such an order is in force if new evidence becomes available that is material to the decision. A Lay Person Panel Member, ordinarily the same individual appointed under rule 4.3, will determine the application within 14 calendar days of receipt, taking into account the new evidence provided. The CLSB will notify the Costs Lawyer in writing of the Lay Person Panel Member's determination. If the Lay Person Panel Member determines that the application should be allowed, the CLSB will revoke the interim suspension order.
- 4.7 The Costs Lawyer may, within 14 calendar days of receiving written notification of a determination under rule 4.6, appeal against that determination. The appeal will be considered by a Conduct Appeal Committee appointed under rule 7.2. The Lay Person Panel Member appointed under rule 4.3 shall not be a member of that Conduct Appeal Committee.
- 4.8 An appeal under rule 4.7 must be made in writing, setting out the reasons why the Costs Lawyer believes the interim suspension order should be revoked. The Conduct Appeal Committee will consider the issue afresh. The CLSB will notify the Costs Lawyer in writing of the outcome of the appeal. If the appeal is allowed, the CLSB will revoke the interim suspension order as soon as practicable. There is no further appeal of an outcome at this stage.
- 4.9 There will be no order for costs against the Costs Lawyer in relation to the imposition of an interim suspension order, including in relation to any application to have the interim suspension order revoked or any appeal. This rule does not impact the power to impose fixed costs orders in relation to other aspects of disciplinary proceedings, as set out elsewhere in these DR&P.

RULE 5: Level one procedure

5.1 Investigation

5.1.1 In the event the CLSB accepts jurisdiction in respect of a Complaint, it will carry out an investigation in relation to the Complaint. The investigation will be conducted by an investigator, who may be a member of CLSB staff or an external investigator appointed by the CLSB. The CLSB will aim to ensure an investigation is completed within three calendar months from the date an investigator is instructed.

5.1.2 The person carrying out the investigation will at all times:

- (i) act independently;
- (ii) maintain confidentiality; and
- (iii) subject to (i) and (ii) above, make all enquiries and gather all evidence required to enable them to draw accurate conclusions.

5.1.3 The CLSB or investigator will send a copy of the Complaint and any documents to the Costs Lawyer inviting them to provide, within 28 calendar days, a response which sets out concise observations (which may include admissions), supported by evidence relevant to the investigation. The Costs Lawyer may make a written request to the CLSB or investigator for an extension of time for responding, setting out reasons why the extension is required. An extension will only be permitted where the CLSB is satisfied that there are exceptional circumstances, taking into account the public interest in the prompt investigation of Complaints.

5.1.4 The CLSB may consider multiple Complaints, or multiple potential breaches of a Principle, as part of a single investigation so long as this is consistent with rule 5.1.2.

5.1.5 In making a finding and recommending an outcome, the CLSB or the investigator will consider, without limitation:

- (i) whether the alleged facts are disputed by the Costs Lawyer;
- (ii) whether the alleged conduct is isolated or systemic in nature;

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- (iii) the extent of any prejudice or loss caused or likely to be caused because of the alleged conduct;
 - (iv) whether the alleged conduct involved the integrity or honesty of the Costs Lawyer;
 - (v) the Costs Lawyer's standard of care and conduct leading up to the alleged conduct;
 - (vi) whether the Costs Lawyer's handling of the matter under their first-tier complaints handling procedure was reasonable, and what steps, if any, the Costs Lawyer had taken to address the issue;
 - (vii) whether any material harm has been caused to the standing of the Costs Lawyer profession;
 - (viii) the disciplinary record of the Costs Lawyer;
 - (ix) whether it is a case which involves a matter of wider public interest;
 - (x) whether the Costs Lawyer complied with Principle 5 throughout the investigation.

5.1.6 All evidence that is relevant will be admissible in the investigation, unless disclosing it to the CLSB or the investigator would be unlawful. The weight given to any particular evidence or category of evidence will depend on what is fair and reasonable in the circumstances.

5.1.7 At the conclusion of an investigation, the CLSB or the investigator will produce a written report. It will set out the evidence considered as part of the investigation and the investigator's conclusions drawn from the evidence. Conclusions will be reached on the balance of probabilities.

5.1.8 The investigation report will contain one of the following findings:

- (i) no breach of a Principle occurred; or
- (ii) a breach of a Principle occurred.

In the event of a finding that a breach of a Principle occurred, the investigation report will also recommend that the CLSB implements one of the outcomes set out in rule 5.3.1.

5.1.9 If the investigation report was prepared by an external investigator appointed by the CLSB, it will be evaluated by the CLSB to ensure it is thorough and fair. It will be at the discretion of the CLSB as to whether further investigation is carried out before the finding in the investigation report is acted upon. In such event, the Costs Lawyer will be notified that further investigation will be undertaken and completed within a specified period.

5.2 Investigation finding: No breach of a Principle occurred

5.2.1 If the investigation report includes a finding that no breach of a Principle occurred then:

- (i) no further disciplinary action will be taken by the CLSB in relation to the Complaint; and
- (ii) there will be no costs payable by either the Costs Lawyer or the CLSB to the other.

5.2.2 The CLSB will inform the Costs Lawyer and Complainant of the finding in writing as soon as reasonably practicable.

5.3 Investigation finding: Breach of a Principle occurred

5.3.1 If the investigation report includes a finding that a breach of a Principle occurred, the CLSB may implement any of the following outcomes:

- (i) issue a warning letter, specifying conduct that the Costs Lawyer is expected to engage in or avoid in the future;
- (ii) agree a written undertaking with the Costs Lawyer, specifying actions that the Costs Lawyer has agreed to take, or conduct that the Costs Lawyer has agreed to avoid in the future;
- (iii) refer the matter to a Conduct Committee (level two procedure) in accordance with rule 6.

5.3.2 The CLSB will inform the Costs Lawyer and Complainant of the finding and associated outcome in writing as soon as reasonably practicable.

5.3.3 The CLSB will pursue whichever of the outcomes under rule 5.3.1 best promotes, in the CLSB's view, the objectives of these DR&P. In doing so, the CLSB will take

into account any recommendations in the investigation report, but will not be bound by those recommendations.

5.3.4 The CLSB will always consider referring the matter to a Conduct Committee where, without limitation:

- (i) the alleged breaches are, or have the potential to be, very serious or sensitive;
- (ii) the conclusions of the investigation are finely balanced or the facts are unclear;
- (iii) the person carrying out the investigation feels they have not been able to obtain all relevant evidence within the parameters set out in rule 5.1.2;
- (iv) the CLSB is of the view that issuing a warning letter or agreeing a written undertaking would not serve the objectives of these DR&P;
- (v) the matter otherwise raises an issue of significant public interest.

5.3.5 Where the CLSB determines that a written undertaking is the most appropriate outcome, it will seek to agree that written undertaking with the Costs Lawyer promptly following conclusion of the investigation. Once the terms of the undertaking have been agreed, the CLSB will provide the proposed written undertaking to the Costs Lawyer for the Costs Lawyer to sign and return within 14 calendar days. A written undertaking will have effect from the date of the Costs Lawyer's signature.

5.3.6 A warning letter or written undertaking will set out in brief the finding of the investigation, including the Principle breached and the circumstances of the breach.

5.3.7 A fixed costs order in the sum of £750, payable within 21 calendar days, will be included in any warning letter or written undertaking. A written undertaking may also include:

- (i) an undertaking to pay a variable costs order of a sum not in excess of the costs incurred by the CLSB relating to the upheld complaint;
- (ii) the imposition of a condition on the Costs Lawyer's practising certificate for a specified period.

5.3.8 Where an investigation relates to more than one Complaint, or finds that more than one breach of a Principle occurred, the CLSB may implement any combination of the outcomes under rule 5.3.1 as are considered appropriate.

5.3.9 In the event the Costs Lawyer:

- (i) expresses to the CLSB that they do not intend to comply with the terms of a warning letter;
- (ii) does not comply with the terms of a warning letter;
- (iii) does not sign and return a proposed written undertaking within 14 calendar days of receipt; or

(iv) does not comply with the terms of an agreed written undertaking, the CLSB may refer the matter to a Conduct Committee (level two procedure) and will notify the Costs Lawyer of this in writing. The Conduct Committee may consider the original Complaint that gave rise to the warning letter or written undertaking, as well as the Costs Lawyer's conduct that led to the matter being referred to the Conduct Committee under this rule 5.3.9 in making its findings.

5.3.10 The CLSB will not issue any further Costs Lawyer practising certificates to a Costs Lawyer until such time as fixed costs and any variable costs order at level one have been paid in full by the Costs Lawyer to the CLSB.

5.4 Breach of a Principle occurred: Right of appeal

5.4.1 A finding at level one may not be appealed by a Complainant.

5.4.2 The Costs Lawyer may appeal against a finding following a level one investigation, that a breach of a Principle occurred. The Costs Lawyer may also appeal against the content of a warning letter issued under rule 5.3.1(i). A Costs Lawyer may not appeal a referral to a Conduct Committee following a level one investigation.

5.4.3 An appeal by the Costs Lawyer under rule 5.4.2 must be made to the CLSB in writing, within 14 calendar days of:

- (i) receipt of written notification of a finding against the Costs Lawyer following a level one investigation; or
- (ii) receipt of a warning letter (where the appeal relates to the content of that warning letter).

5.4.4 The appeal should identify one or more of the following grounds for appeal and attach any evidence in support of those grounds:

- (i) there was a material error of law;
- (ii) there was a failure to take into account material information;
- (iii) the decision was irrational or based on irrelevant considerations;
- (iv) there was a material failure to comply with these DR&P;
- (v) the decision is unlawful, for example because it infringes a person's human rights;
- (vi) new evidence has been obtained which could not have been made available when the decision was made and which will be material to the decision.

5.4.5 An appeal under rule 5.4.2, which meets the criteria in rules 5.4.3 and 5.4.4, will be determined by a Conduct Committee convened in accordance with rule 6.

RULE 6: Level two procedure (Conduct Committee)

6 Jurisdiction of a Conduct Committee

6.1.1 A Conduct Committee will have jurisdiction under these DR&P in the events outlined in rule 5.3.1(iii), rule 5.3.9 and rule 5.4.5, and under the Practising Rules. Where a Conduct Committee has jurisdiction, the CLSB will convene the Conduct Committee in accordance with these DR&P as soon as reasonably practicable.

6.2 Conduct Committee composition

6.2.1 A Conduct Committee will comprise of two Lay Person Panel Members, one of whom will act as Chair of the Conduct Committee, and one Non-Lay Person Panel Member.

6.2.2 Before appointing a Panel Member to a Conduct Committee, the CLSB will confirm that the Panel Member does not have any conflict of interest in relation to the matter.

6.2.3 A Lay Person Panel Member who was appointed under rule 4.3 to consider matters relating to an interim suspension order may not also be appointed to the Conduct Committee. The Conduct Committee will be provided with all material evidence that was made available to the Lay Person Panel Member.

6.3 Convening a Conduct Committee

6.3.1 The CLSB may appoint a Case Manager to assist in convening the Conduct Committee. The role of the Case Manager is administrative only; they will have no involvement in the substantive deliberations or determination of the Conduct Committee.

6.3.2 The Costs Lawyer and Complainant will be notified of the name and contact details of any Case Manager appointed.

6.3.3 The Case Manager will advise the Complainant that a Conduct Committee is to be convened. A Complainant is not a party to disciplinary proceedings, but the Complainant may attend the Conduct Committee hearing as a member of the public.

6.3.4 The Case Manager will, not less than 28 calendar days before the Conduct Committee hearing, issue a written Notice of Conduct Committee to the Costs Lawyer. Whilst the Case Manager will use all reasonable endeavours to accommodate the availability of the Costs Lawyer, the Case Manager may set a Conduct Committee hearing date they consider appropriate in the circumstances.

6.3.5 The Notice of Conduct Committee will include the following information:

- (i) the Principle alleged to have been breached which the Conduct Committee is being asked to consider;
- (ii) date, time and location of the Conduct Committee;
- (iii) the Panel Members who will form the Conduct Committee;
- (iv) the Costs Lawyer's right to call witness evidence that has not been agreed between the CLSB and the Costs Lawyer; and
- (v) the Costs Lawyer's right to be accompanied or represented at their own expense.

6.3.6 The Notice of Conduct Committee will annex the following:

- (i) a copy of the investigation report;
- (ii) a copy of the CoC and any associated rules it is alleged have been breached;
- (iii) a copy of these DR&P; and
- (iv) any other documentation the Case Manager considers appropriate in the circumstances.

6.3.7 The Case Manager will, not less than 21 calendar days before the Conduct Committee hearing, seek to establish what facts are agreed between the CLSB and the Costs Lawyer.

6.3.8 The Costs Lawyer and the CLSB will, not less than 14 calendar days before the Conduct Committee hearing, advise the Case Manager if they intend to call witness evidence in relation to facts that have not been agreed between the CLSB and the Costs Lawyer.

6.3.9 The Costs Lawyer will, not less than 14 calendar days before the Conduct Committee hearing, advise the Case Manager if they intend to be accompanied/represented.

6.3.10 The Costs Lawyer may, not less than 14 calendar days before the Conduct Committee hearing, file a skeleton argument with the Case Manager under which they set out a brief synopsis of the matter before the Conduct Committee outlining both issues that are agreed and issues that are not agreed between the CLSB and the Costs Lawyer. The CLSB may, not less than 7 days before the Conduct Committee hearing, file a reply to the skeleton argument addressing any issues raised in the skeleton argument that are not dealt with in the investigation report.

6.4 Conduct Committee hearing

6.4.1 The CLSB will, not less than 14 calendar days before a Conduct Committee hearing, publish a notice on the CLSB website that a Conduct Committee has been convened. This notice will state the name of the Costs Lawyer, date, time and format, if online, or location of the Conduct Committee hearing. As the CLSB operates entirely remotely, there is a presumption that the hearing will be held online. Modern remote facilities provide for confidential 'break out' rooms for the

Committee members and the Costs Lawyer that can be used for conferring. The location may be varied by the Chair of the Conduct Committee on the application of either party if there are reasonable grounds to do so, for example in extremely complex matters or to meet a reasonable adjustment request.

- 6.4.2 The Conduct Committee hearing will be open to observation by the public. No member of the public will be heard unless prior permission is granted by the Conduct Committee. The Conduct Committee may ask any member of the public to leave in the event their conduct is considered unacceptable during the Conduct Committee hearing.
- 6.4.3 On the application of a party, or on the Conduct Committee's own initiative, the Conduct Committee may make an order for all, or part, of a hearing to be held in private or for the identity of any person involved in the matter to be kept confidential. The Conduct Committee will take the following factors into account in determining whether to make such an order:
- (i) the hearing involves confidential information (including sensitive personal data) and publicity would damage that confidentiality;
 - (ii) the need to protect the interests of a vulnerable person;
 - (iii) the need to secure the proper administration of justice.
- 6.4.4 Where the Conduct Committee makes an order under Rule 6.4.3, it will produce reasons for its decision, which will be published on the CLSB website. If publication of reasons would defeat the purpose of making the order, the Conduct Committee will produce a non-confidential version of its reasons, which explains the Conduct Committee's decision as transparently as is possible in the circumstances of the case, for publication on the CLSB website.
- 6.4.5 The CLSB may be represented at the Conduct Committee hearing by a staff member and/or other representative.
- 6.4.6 The Conduct Committee will act impartially. Members of the Conduct Committee may ask questions of any witness, the Costs Lawyer and the CLSB's representative.
- 6.4.7 The Conduct Committee will regulate its own procedure subject to its discretion and in the interests of fairness to all parties.

6.4.8 All evidence which is relevant will be admissible in a Conduct Committee hearing, unless its disclosure would be unlawful.

6.4.9 If deemed appropriate in all the circumstances, the Conduct Committee may take legal advice from an independent lawyer, adjourning to take such advice if required. The Case Manager may assist the Conduct Committee in sourcing appropriate legal advice.

6.4.10 Any finding reached by a Conduct Committee will be on the balance of probabilities and will be by majority.

6.5 Conduct Committee finding

6.5.1 Following the Conduct Committee hearing, the Conduct Committee will make an order setting out its finding as to whether or not a breach of a Principle occurred. The Conduct Committee may, if it considers it appropriate to do so, take into account further written submissions from the Costs Lawyer as to any mitigating circumstances prior to making an order for the imposition of sanctions under rule 6.5.2.

6.5.2 Where the Conduct Committee finds that a breach of Principle occurred, the Conduct Committee may order one or more of the following sanctions:

- (i) a warning, specifying actions the Costs Lawyer must take or must avoid in the future, which may include sanctions that apply automatically upon non-compliance with the terms of the warning;
- (ii) a variable costs order of a sum not in excess of the costs incurred by the CLSB relating to the upheld complaint;
- (iii) imposition of a condition on the Costs Lawyer's practising certificate for a specified period;
- (iv) suspension of the Costs Lawyer's practising certificate for a period not exceeding two years and suspension of the Costs Lawyer's name from the register of authorised and regulated Costs Lawyers for the same period (and any such order may require the Costs Lawyer to return their current practising certificate to the CLSB until the period of the suspension has passed);

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- (v) permanent revocation of the Costs Lawyer's practising certificate and removal of the Costs Lawyer's name from the register of authorised and regulated Costs Lawyers (and any such order may require the Costs Lawyer to return their current practising certificate to the CLSB).

6.5.3 Where the Conduct Committee was convened to consider an appeal from a finding at level one (under rule 5.4.5), the Conduct Committee's order shall stand in place of the level one finding and any associated outcomes. Where the appeal related to the content of a warning letter, the Conduct Committee's order must not include the sanctions in rule 6.5.2 (ii), (iii), (iv) or (v).

6.5.4 A fixed costs order in the sum of £1,500, payable within 21 calendar days, will be included in any order made by the Conduct Committee where it finds that a breach of a Principle occurred.

6.5.5 In the event the Conduct Committee orders that a variable costs order must be paid, it shall stipulate a timeframe for payment.

6.5.6 The Case Manager will, within 21 calendar days of the Conduct Committee hearing, notify the Costs Lawyer in writing of the Conduct Committee's order and reasons for its finding. In complex cases, it may take longer for the Conduct Committee to reach a finding and articulate its reasons. In such cases the Case Manager will keep the Costs Lawyer updated on the likely timeframe for communication of the Conduct Committee's order.

6.5.7 The Case Manager will, upon publication of a Conduct Committee's finding, notify the Complainant.

6.5.8 The CLSB will not issue any further practising certificates to the Costs Lawyer until such time as fixed costs and any variable costs order imposed at level two have been paid in full to the CLSB by the Costs Lawyer.

6.6 Right of appeal

6.6.1 There is no right of appeal by the Costs Lawyer where the Conduct Committee hearing was convened to consider an appeal relating to a level one finding or the content of a warning letter.

6.6.2 In all other circumstances the Costs Lawyer may, within 14 calendar days of notification of the Conduct Committee's order, file a written appeal with the Case Manager in relation to any aspect of that order, identifying one or more of the following grounds for the appeal and attaching any evidence in support of those grounds:

- (i) there was a material error of law;
- (ii) there was a failure to take into account material information;
- (iii) the decision was irrational or based on irrelevant considerations;
- (iv) there was a material failure to comply with these DR&P;
- (v) the decision was unlawful, for example because it infringes a person's human rights;
- (vi) new evidence has been obtained which could not have been made available prior to the Conduct Committee making its order and which will be material to the decision.

6.6.3 A Case Manager appointed under level two may continue to act on the same basis under an appeal at level three. The Case Manager will notify the Complainant in the event an appeal is filed.

6.6.4 The finding of a Conduct Committee may not be appealed by the Complainant or the CLSB.

6.6.5 Where an appeal is filed, any fixed costs or variable costs order included in the Conduct Committee's order at level two will not become payable until the appeal has been determined, in accordance with rule 7.3.

RULE 7: Level three procedure (Conduct Appeal Committee)

7.1 Conduct Appeal Committee composition

7.1.1 The Conduct Appeal Committee will comprise two Lay Person Panel Members, one of whom will act as Chair of the Conduct Appeal Committee, and one Non-Lay Person Panel Member.

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- 7.1.2 A Panel Member who was a member of the Conduct Committee that considered the matter being appealed will not be a member of the Conduct Appeal Committee.
 - 7.1.3 Before appointing a Panel Member to a Conduct Appeal Committee, the CLSB will confirm that the Panel Member does not have any conflict of interest in relation to the matter.

7.2 Convening a Conduct Appeal Committee

- 7.2.1 The Costs Lawyer will be advised of the date that the Conduct Appeal Committee will consider the appeal (the review date).
- 7.2.2 The Case Manager will provide the CLSB with a copy of the Costs Lawyer's appeal notice and any documents submitted by the Costs Lawyer in support.
- 7.2.3 The CLSB may, not less than 14 calendar days before the Conduct Appeal Committee review date, file a response to the appeal notice. The Case Manager will provide this to the Costs Lawyer not less than 10 calendar days before the review date.

7.3 Conduct Appeal Committee process

- 7.3.1 The Conduct Appeal Committee will meet in private and consider the appeal on the papers.
- 7.3.2 The Conduct Appeal Committee will consider whether, on the balance of probabilities, any valid ground for appeal has been made out by the Costs Lawyer. If it has not, the Conduct Appeal Committee will uphold the Conduct Committee's order. If it has, the Conduct Appeal Committee will review the evidence that was before the Conduct Committee as well as any new evidence and decide whether to uphold or overturn the Conduct Committee's order.
- 7.3.3 Where a ground of appeal has been made out, the Conduct Appeal Committee may uphold or overturn the order of the Conduct Committee in full or in part. The Conduct Appeal Committee may set aside any part of an order made by a Conduct Committee and may substitute its own order, incorporating any of the sanctions set out in rule 6.5.2, except that it may not impose a higher variable costs order than that imposed by the Conduct Committee.

7.3.4 The finding of the Conduct Appeal Committee will be by majority.

7.3.5 If deemed appropriate in all the circumstances the Conduct Appeal Committee may take legal advice from an independent lawyer, adjourning to take such advice if required. The Case Manager may assist the Conduct Committee in sourcing appropriate legal advice.

7.3.6 In the event the Conduct Appeal Committee:

- (i) finds that no valid ground for appeal has been made out by the Costs Lawyer; or

- (ii) upholds the Conduct Committee's order in full,

the Costs Lawyer will be ordered to pay fixed costs at level three in the sum of £1,500 (in addition to the £1,500 fixed costs ordered by the Conduct Committee at level two and any variable costs order imposed at level two). Level two and level three fixed costs, and any variable costs order imposed at level two, will be payable to the CLSB within 14 calendar days of the Costs Lawyer receiving written notification of the Conduct Appeal Committee's order.

7.3.7 In the event the Conduct Appeal Committee overturns the Conduct Committee's order in full, the Costs Lawyer will not be liable for any costs of the Conduct Committee at level two or of the Conduct Appeal Committee at level three.

7.3.8 In the event the Conduct Appeal Committee overturns the Conduct Committee's order in part, the Costs Lawyer will be liable to pay fixed costs ordered at level two, and any variable costs order ordered at level two and upheld by the Conduct Appeal Committee, within 14 calendar days of receiving written notification of the Conduct Appeal Committee's order. The Costs Lawyer will not be liable for any fixed costs at level three.

7.3.9 The Conduct Appeal Committee may, by order, deal with any interim suspension order that is in force in relation to the Costs Lawyer.

7.4 Following a Conduct Appeal Committee review

7.4.1 The Case Manager will, within 21 calendar days of the review date, notify the Costs Lawyer, the Complainant and the CLSB in writing of the Conduct Appeal Committee's order and reasons for its finding. In complex cases, it may take longer

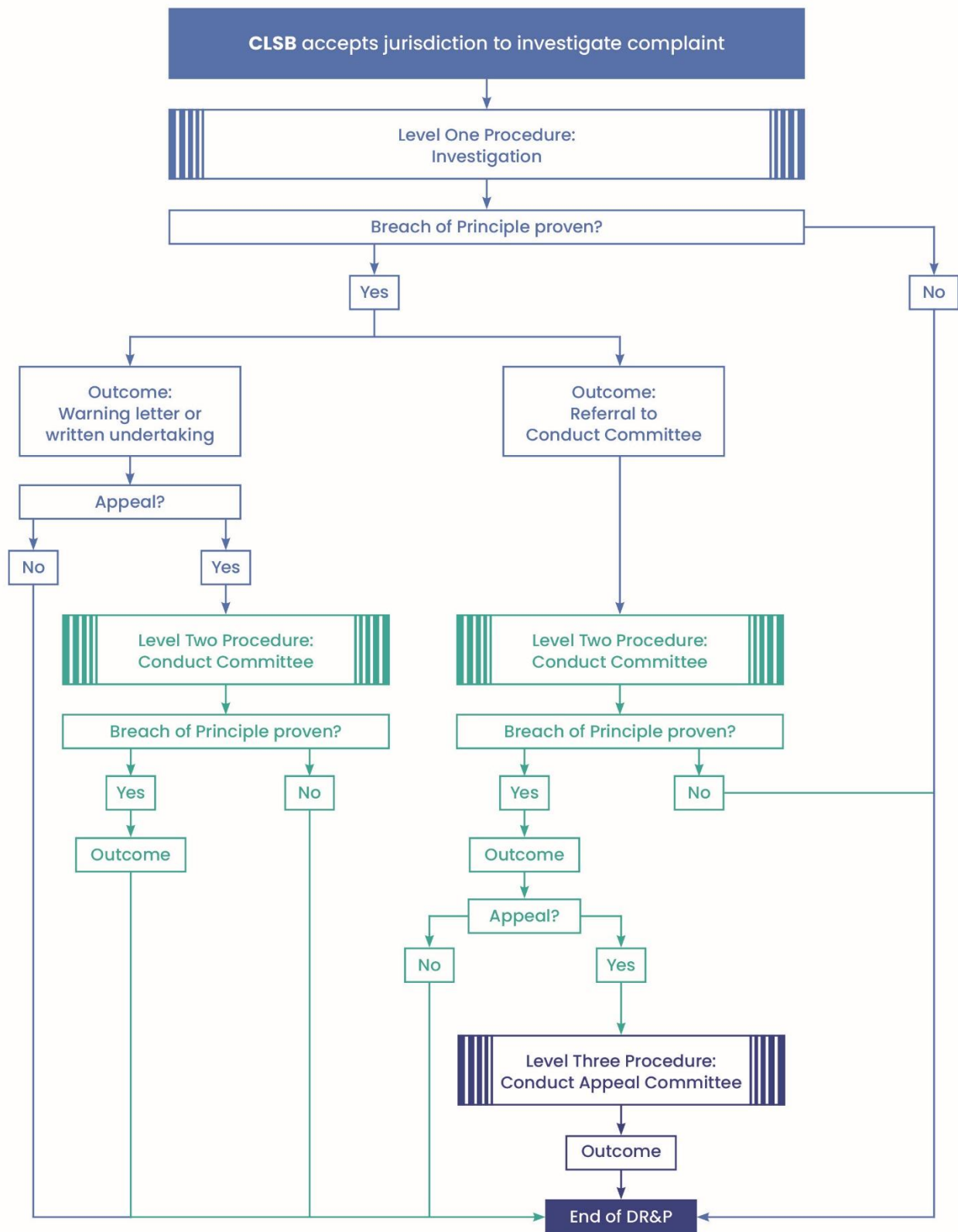
for the Conduct Appeal Committee to agree an order and articulate its reasons. In such cases the Case Manager will keep the parties updated on the likely timeframe for communication of the Conduct Appeal Committee's order.

7.4.2 The Conduct Appeal Committee's order is not appealable and this process will have been exhausted.

7.4.3 The CLSB will not issue any further practising certificates to the Costs Lawyer until such time as fixed costs and any variable costs order ordered at level two or level three have been paid in full to the CLSB by the Costs Lawyer.

RULE 8: Provision of information

8.1 Where these DR&P require or permit the provision of documents, notice or other information, that information may be provided by email unless the receiving party has requested in advance that information be provided by post.



Annex B

Post consultation changes to the DR&P

Board approved: 22 October 2026

Costs Lawyer Standards Board

CLSB
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Post consultation changes to the DR&P

Section of Rules – Revised Text	Explanation of Proposed Amendments
Definitions Case Manager Person appointed by the CLSB to assist in the administration of a disciplinary matter at level two or three, who may be a person employed by the CLSB or a third party. First-tier Complaint Complaints that are made directly to a provider of legal services are referred to as “first-tier complaints”. Fixed Cost Order A costs order determined by the relevant rule required to be paid by a Costs Lawyer when a complaint is upheld. This is distinct from and in addition to a ‘variable costs order’. Second-tier Complaint Complaints that are escalated to the CLSB or Legal Ombudsman are known as “second-tier complaints”. Variable Costs Order A costs order determined by the relevant rule required to be paid by a Costs Lawyer when a complaint is upheld. This is distinct from a ‘fixed costs order’ and is calculated by assessing the costs incurred by the CLSB during the complaint process, hence it is “variable” by nature. This costs order is not capped but will not exceed the costs incurred by the CLSB. Rule 1: Jurisdiction 1.1 These DR&P come into effect on the effective date above and replace any other disciplinary rules and procedures previously issued by the CLSB. These DR&P govern Complaints made-received on or after the effective date. The Costs Lawyer need not hold a practising certificate issued by the CLSB at the time the Complaint is made to the CLSB in order for the CLSB to have jurisdiction. 1.2 These DR&P apply where the following two criteria are met:	<i>This insertion clarifies that the CLSB may use an external person to case manage a disciplinary matter.</i> <i>The inclusion of these definitions aligns the DR&P with the rest of the CLSB Handbook and responds to specific feedback from the consultation process.</i> <i>The current DR&P only allow the CLSB jurisdiction to investigate a complaint if the Costs Lawyer holds a current practising certificate at the time a complaint is made. This could, if misused, allow for a Costs Lawyer to avoid a complaint investigation by surrendering their Practising Certificate before a complaint is made to the CLSB. As this would prevent an investigation, they potentially could seek to join the Register again in the future. This is not in the interests of the client or the reputation and standing of the profession.</i> <i>By way of example, barristers and solicitors are subject to disciplinary sanctions by virtue of their professional qualification as barristers or solicitors and are not required to hold practising certificates.</i>

Section of Rules – Revised Text	Explanation of Proposed Amendments
(i) there is reason to suspect that a Costs Lawyer has been or is in breach of a Principle; and (ii) the Costs Lawyer held a practising certificate issued by the CLSB at the time the alleged breach of a Principle occurred; and ~~(iii) the Costs Lawyer holds a practising certificate issued by the CLSB at the time the Complaint is made to the CLSB.~~ 1.4 In the event that a Complaint is made outside of the time limits in rule 1.3 above, then the CLSB may only consider the Complaint if: (i) the Complainant provides a reasonable explanation an exceptional reason for the delay in making the Complaint and that delay does not cause unfair prejudice to the Costs Lawyer involved; or (ii) if it is otherwise in the public interest to consider the Complaint. ~~1.6 The CLSB will not consider a Complaint by a Complainant to whom the Costs Lawyer's first tier complaints procedure applies unless:~~ ~~(i) the Complainant has raised the issue with the Costs Lawyer under the terms of the complaints procedure, and either the procedure has been exhausted or a period of eight weeks has passed;~~ ~~(ii) the Complainant demonstrates, to the CLSB's reasonable satisfaction, that it would cause unfair prejudice to the Complainant to use the Costs Lawyer's complaints procedure; or~~ ~~(iii) it is otherwise considered by the CLSB in the public interest not to require the Complainant to use the Costs Lawyer's complaints procedure.~~ ~~For the purposes of rule 1.4(i), active participation by a Complainant in a process under a first tier complaints procedure is likely to constitute a reasonable explanation an exceptional reason for delay.~~ 1.7 In the event the CLSB accepts jurisdiction to investigate an alleged breach of a Principle, then the CLSB will confine itself to that alleged breach and to documents and witness evidence which relate to that breach. If the CLSB obtains information relating to another potential breach of a Principle in the course of an investigation, the CLSB will, at its discretion, decide whether it forms part of the existing complaint or whether it will treat that information as a fresh Complaint. 1.9 If a person to whom these DR&P apply has a disability, the CLSB will consider a request by that person to make	<i>This change is to specify the high bar necessary to establish whether a delay in making a Complaint justifies suspending the time limit. What is reasonable to one person may not be reasonable to another, but it is considered that the word exceptional better explains the grounds necessary to justify suspending the time limit.</i> <i>This amendment addresses LSCP feedback during the consultation period on Rule 1.6, specifically that it is not consistent with legal services frontline regulators in insisting that a conduct complaint must first be raised with the Costs Lawyer before raising it with the CLSB.</i> <i>This amendment seeks to allow the CLSB to consider other elements of a complaint during an investigation without the need and expense of starting a new complaint, which inevitably causes all parties further delay and is not in the interests of swift justice.</i>

Section of Rules – Revised Text	Explanation of Proposed Amendments
reasonable adjustments ~~to the processes set out in these DR&P as set out in the Reasonable Adjustment Policy. The CLSB will use best efforts to agree in advance suitable reasonable adjustments, which are consistent with the objectives of these DR&P, to address any substantial disadvantage the person might suffer. Where the CLSB determines it is not possible or not appropriate to make the reasonable adjustments requested, the CLSB will provide reasons in writing.~~	<i>This amendment removes the detail of reasonable adjustments and instead directs to the standalone Reasonable Adjustments Policy. This will enable the CLSB to keep that Policy under periodic review and amend where necessary to keep up with best practice, without needing to consult on Rule changes each time which may delay being able to do the right thing.</i>
Rule 3: Publication of an outcome 3.4 Imposition of an interim suspension order under rule 4 will be noted against the name of the Costs Lawyer on the register of authorised and regulated Costs Lawyers, ~~and any other part of the CLSB’s website at its discretion,~~ for the period that the interim suspension order is in force. ~~This may also include publication on any shared regulatory information services in which the CLSB participates.~~	<i>The current Rules are overly prescriptive about where the suspension order can be published. This amendment seeks to address this while still offering a clear limitation to publication. This amendment also adopts the LSCP suggestion on RIS publication but leaves it wide enough in case there’s a name change.</i>
Rule 4: Interim Suspension Orders 4.6 The Costs Lawyer, or the CLSB, may apply in writing to have an interim suspension order revoked at any time while such an order is in force if new evidence becomes available that is material to the decision. ~~A Lay Person Panel Member, ordinarily the same individual~~ appointed under rule 4.3, will determine the application within 14 calendar days of receipt, taking into account the new evidence provided. The CLSB will notify the Costs Lawyer in writing of the Lay Person Panel Member’s determination. If the Lay Person Panel Member determines that the application should be allowed, the CLSB will revoke the interim suspension order. 4.8 An appeal under rule 4.7 must be made in writing, setting out the reasons why the Costs Lawyer believes the interim suspension order should be revoked. The Conduct Appeal Committee will consider the issue afresh. The CLSB will notify the Costs Lawyer in writing of the outcome of the appeal. If the appeal is allowed, the CLSB will revoke the interim suspension order as soon as practicable. ~~There is no further appeal of an outcome at this stage.~~	<i>This amendment clarifies that the Lay Person appointed earlier in the process continues at this stage removing any ambiguity.</i> <i>This amendment makes explicit what was once implicit to avoid any ambiguity.</i>
Rule 5: Level one procedure 5.1.1 In the event the CLSB accepts jurisdiction in respect of a Complaint, it will carry out an investigation in relation to the Complaint. The investigation will be conducted ~~by an investigator, who may be a senior~~ member of CLSB staff or ~~by an~~	<i>This amendment seeks to remove unnecessary information, and remove an unnecessary fetter to</i>

Section of Rules – Revised Text	Explanation of Proposed Amendments
external investigator appointed by the CLSB ~~who is considered to have the requisite expertise~~. The CLSB will ~~use all reasonable endeavours aim~~ to ensure an investigation is completed within three calendar months from the date an investigator is instructed ~~or, in the event a CLSB staff member conducts the investigation, from the date the CLSB accepts jurisdiction~~. 5.1.3 The CLSB or investigator will send a copy of the Complaint and any documents to the Costs Lawyer inviting them to provide, within 28 calendar days, a response which sets out concise observations (which may include admissions), supported by evidence relevant to the investigation. The Costs Lawyer may make a written request to the CLSB or investigator for an extension of time for responding, setting out reasons why the extension is required. ~~An Only one~~ extension will ~~only~~ be permitted ~~other than~~ where the CLSB is satisfied that there are exceptional circumstances, ~~in which case it may exercise its discretion to grant a further extension~~, taking into account the public interest in the prompt investigation of Complaints. 5.1.7 At the conclusion of an investigation, the CLSB or the investigator will produce a written report. It will set out the evidence considered as part of the investigation and the ~~investigator's~~ conclusions drawn from the evidence. Conclusions will be reached on the balance of probabilities. 5.1.9 If the investigation report was prepared by an ~~external~~ investigator appointed by the CLSB, it will be evaluated by the CLSB to ensure it is thorough and fair. It will be at the discretion of the CLSB as to whether further investigation is carried out before the finding in the investigation report is acted upon. In such event, the Costs Lawyer will be notified that further investigation will be undertaken and completed within a ~~specified period of 21 calendar days~~. 5.3.7 A fixed costs order in the sum of ~~£500-£750~~, payable within 21 calendar days, will be included in any warning letter or written undertaking. A written undertaking may also include: (i) ~~an undertaking to pay a financial penalty not exceeding £500~~ an undertaking to pay a variable costs order of a sum not in excess of the costs incurred by the CLSB relating to the upheld complaint; (ii) the imposition of a condition on the Costs Lawyer's practising certificate for a specified period.	<i>the discretion of the CLSB in appointing the right person to lead the investigation.</i> <i>This amendment removes the presumptive limit of only one extension as there are times when it's not foreseeable, such as health or bereavement, how long an extension is needed. This allows the CLSB discretion to be compassionate and fair, but in all cases there will need to be an exceptional reason for an extension. For example, in a recent case there were successive extensions due to the deteriorating health of a relative.</i> <i>This amendment makes it clear whose conclusions are contained in the report to avoid ambiguity.</i> <i>This amendment offers clarity and removes the restriction of 21 calendar days, which if stretching over the Christmas and New Year period would be almost impossible to comply with.</i> <i>The DR&P costs orders have not been reviewed since 2020 and this amendment seeks to address this. The existing costs orders/financial penalties rarely come close to covering the costs of an investigation, which in 2025 cost in excess of £10,000 for all upheld complaints. This means that the rest of the Costs Lawyer profession is subsidising the costs relating to investigating and concluding complaints of those few whose behaviour and/or conduct falls below the standard expected.</i> <i>The proposed unlimited variable costs order, in addition to the fixed costs order, seeks to address this unfairness.</i>

Section of Rules – Revised Text	Explanation of Proposed Amendments
5.4.2 The Costs Lawyer may appeal against a finding following a level one investigation, that a breach of a Principle occurred. The Costs Lawyer may also appeal against the content of a warning letter issued under rule 5.3.1(i). A Costs Lawyer may not appeal a referral to a Conduct Committee following a level one investigation.	<i>The CLSB will only seek to recover the costs of the complaint. For example, if the cost of a complaint is £1200, then the variable costs order would be £450 in addition to the £750 fixed costs order. This approach, commonly referred to in regulatory circles as “polluter pays”, means that the costs of upheld complaints are passed on to the Costs Lawyer responsible, leaving the rest of the regulated community to cover only the CLSB costs where a complaint is not upheld. In 2025, the range of sums the CLSB would have sought to recover was c £600 to c£5,000 under a variable costs order.</i> <i>The CLSB also expects this variable costs order to encourage Costs Lawyers to resolve complaints sooner, or where there is an investigation, cooperate fully to reduce the cost. In either scenario, that works in the favour of the complainant and the Costs Lawyer.</i> <i>This amendment simply clarifies what is currently implicit to make it explicit.</i>
Rule 6: Level two procedure (Conduct Committee) 6.1.1 A Conduct Committee will have jurisdiction under these DR&P in the events outlined in rule 5.3.1(iii), rule 5.3.9 and rule 5.4.5, and under the Practising Rules. Where a Conduct Committee has jurisdiction, the CLSB will convene the Conduct Committee in accordance with these DR&P as soon as reasonably practicable. 6.2.3 A Lay Person Panel Member who was appointed under rule 4.3 to consider matters relating to an interim suspension order may not also be appointed to the Conduct Committee. The Conduct Committee will be provided with all material evidence that was made available to the Lay Person Panel Member. 6.4.1 The CLSB will, not less than 14 calendar days before a Conduct Committee hearing, publish a notice on the CLSB website that a Conduct Committee has been convened. This notice will state the name of the Costs Lawyer, date, time and format, if online, or location of the Conduct Committee hearing. As the CLSB operates entirely remotely, there is a presumption that the hearing will be held online. Modern remote facilities	<i>This amendment explicitly provides that an appeal against a decision under Rule 10.5 of the Practising Rules is within the jurisdiction of the Conduct Committee.</i> <i>This amendment addresses what could be perceived as a procedural weakness. It excludes any Lay person who determined an Interim Suspension Order application or review from being appointed to a subsequent Conduct Committee hearing the same matter.</i> <i>This amendment seeks to bring the DR&P in line with how the CLSB now operates as a remote organisation, removing any assumption that hearings would be held online or in a physical location leaving to it be decided on a case-by-case basis. This aligns with the Reasonable Adjustments Policy.</i>

Section of Rules – Revised Text	Explanation of Proposed Amendments
provide for confidential ‘break out’ rooms for the Committee members and the Costs Lawyer that can be used for conferring. The location may be varied by the Chair of the Conduct Committee on the application of either party if there are reasonable grounds to do so, for example in extremely complex matters, in cases involving witnesses who are vulnerable or to meet a reasonable adjustment request. Rule 6.4.7: ~~Any witness, whose evidence has not been agreed and who has therefore been called to give oral testimony, may be asked questions by the Costs Lawyer and/or the CLSB’s representative at the direction of the Conduct Committee.~~ The Conduct Committee will regulate its own procedure subject to its discretion and in the interests of fairness to all parties. 6.5.2 Where the Conduct Committee finds that a breach of Principle occurred, the Conduct Committee may order one or more of the following sanctions: (i) a warning, specifying actions the Costs Lawyer must take or must avoid in the future, which may include sanctions that apply automatically upon non-compliance with the terms of the warning; (ii) ~~a financial penalty not exceeding £5,000~~ a variable costs order of a sum not in excess of the costs incurred by the CLSB relating to the upheld complaint; 6.5.4 A fixed costs order in the sum of ~~£1,250~~ £1,500, payable within 21 calendar days, will be included in any order made by the Conduct Committee where it finds that a breach of a Principle occurred.	<i>This amendment is a clarification of the former language to make matters simpler to the reader.</i> <i>These two amendments taken together raise the recoverable costs of the CLSB at this stage to reflect the costs of the CLSB, especially as at this stage it is highly likely the matter will be more complex and/or serious. This is in line with the proposed amendments at 5.3.7 above.</i>
Rule 7: Level three procedure (Conduct Appeal Committee) 7.3.6 In the event the Conduct Appeal Committee: (i) finds that no valid ground for appeal has been made out by the Costs Lawyer; or (ii) upholds the Conduct Committee’s order in full, the Costs Lawyer will be ordered to pay fixed costs at level three in the sum of ~~£1,250~~ £1,500 (in addition to the ~~£1,250~~ £1,500 fixed costs ordered by the Conduct Committee at level two and any variable costs order imposed at level two). Level two and level three fixed costs, and any variable costs order imposed at level two, will be payable to the CLSB within 14 calendar days of	<i>This amendment raises the fixed costs at this stage to reflect the rising costs of the CLSB.</i>

Section of Rules – Revised Text	Explanation of Proposed Amendments
the Costs Lawyer receiving written notification of the Conduct Appeal Committee’s order. NEW 7.4.2 The Conduct Appeal Committee’s order is not appealable and this process will have been exhausted.	<i>This amendment seeks to make explicit what is currently implicit in the DR&P to ensure clarity.</i>

Annex C

CLSB consultation launch email to the profession

Subject: Consultation on proposed changes to regulatory rules and updated guidance on reserved legal activities.

We have launched a 12 week [consultation](#) on proposed changes to the **Practising Rules** and the **Disciplinary Rules and Procedure (DR&P)**.

The proposed changes to the Practising Rules and DR&P seek to both protect consumers and clients and clarify expectations of Costs Lawyers. The Court of Appeal's ruling in Mazur has been reflected in the changes as appropriate. The changes do not impact the fundamentals of the regulatory rules.

Costs Lawyers should review this and we have set up a SurveyMonkey link **for each consultation** to enable you to respond. Please ensure you respond to the relevant consultation via the correct link. You can read more about each consultation, and obtain the SurveyMonkey link on the [consultation page of our website](#).

We will also be holding an online meeting exclusively for Costs Lawyers on **22 June 2026 at 14.00**. If you are interested in joining this, please email enquiries@clsb.info.

We strongly encourage Costs Lawyers to review our proposals and give us feedback. You can read more about these proposed changes in this month's edition of the newsletter. **The consultations will both close on 7 August 2026 at 5pm.**

We have also updated our guidance following the Court of Appeal ruling in Mazur on **Reserved Legal Activity Rights** and **Guidance for costs law firms**, both of which can be found [here](#). All Costs Lawyers should read these urgently.

You can find more information about when, how and whom we consult in our policy [statement](#) on the CLSB's approach to consultation.

CLSB consultation launch email to others

Subject: CLSB consultation on proposed changes to regulatory rules and updated guidance on reserved legal activities.

We have launched a 12 week [consultation](#) on proposed changes to the **Practising Rules** and the **Disciplinary Rules and Procedure (DR&P)**.

The proposed changes to the Practising Rules and DR&P seek to both protect consumers and clients and clarify expectations of Costs Lawyers. The Court of Appeal's ruling in Mazur has been reflected in the changes as appropriate. The changes do not impact the fundamentals of the regulatory rules.

Stakeholders and interested parties should review these and we have set up a SurveyMonkey link **for each consultation** to enable you to respond. Please ensure you respond to the relevant consultation via the correct link. You can read more about each consultation on the CLSB [consultation page of our website](#).

We strongly encourage you to review our proposals and give us feedback.

The consultations will both close on 7 August 2026 at 5pm.

We have also updated our guidance following the Court of Appeal ruling in Mazur on **Reserved Legal Activity Rights** and **Guidance for costs law firms**, both of which can be found [here](#). All Costs Lawyers have been urged to read this promptly.

You can find more information about when, how and whom we consult in our policy [statement](#) on the CLSB's approach to consultation.

Costs Lawyer Disciplinary Rules and Procedure

Costs Lawyer Standards Board



Overview

The Costs Lawyer Standards Board (CLSB) regulates Costs Lawyers under the framework established by the Legal Services Act 2007. To ensure that Costs Lawyers meet appropriate professional standards, the CLSB establishes requirements in relation to competency and conduct. Those requirements are set out in various regulatory arrangements, collated in the Costs Lawyer Handbook.

The Costs Lawyer Disciplinary Rules and Procedures (DR&P) establish the processes to be followed where the CLSB receives information indicating that a Costs Lawyer might have breached our rules. You can find the current version of the DR&P on our website.

During the early part of 2026 the CLSB undertook a review of the DR&P and determined that they could be improved by some minor changes to introduce clearer language and address real life queries received by the CLSB.

We issued a consultation on the proposed changes to the DR&P on 14 May 2026 running for 12 weeks. Consultation responses could be submitted [online](#) using Survey Monkey or via email, and were to be received by 5pm on 7 August 2026.

The CLSB sets out its [approach to consultations](#) which is published on our website. The consultation explained the rationale for a series of proposed changes to the DR&P following the review. It raised questions that respondents might like to consider as part of a consultation response, although we welcomed comments on any aspect of the proposals.

We received a response from the Legal Services Consumer Panel ('LSCP') along with 10 online individual responses (11 in total). The Association of Costs Lawyers ('ACL') Council did not respond collectively but instead promoted responses from its individual members.

Overall the responses were in support of the changes, with some helpful suggestions on improving clarity even further which have been adopted where appropriate. Of the

10 online responses, only two did not agree with our proposals, but only one offered reasons; these were not necessarily in opposition but rather added a different perspective. We have addressed that feedback in Annex C, which shows where we have taken on board suggestions.

One respondent asked about how the proposed changes could impact someone with a disability, which we have addressed through our Reasonable Adjustments Policy.

The LSCP feedback is at Annex A and addressed at Annex B, while the online responses and email responses are addressed at Annex C. Annex D shows the final amendments to the DR&P while Annex E is how the final published version will look if approved.

In light of the consultation responses, we intend to implement the revised DR&P as proposed, subject to the minor amendments described in this consultation outcome report. Implementation is subject to approval of the Legal Services Board as the next stage in this process.

We would like to thank everyone who responded to the consultation. Your time and effort in responding is greatly appreciated, and your feedback has informed the changes set out in this outcome report.

Next steps

We will proceed with the application to amend the DR&P subject to the amendments set out in this response. We will now apply to the Legal Services Board for approval of the revised DR&P. Subject to the outcome of that application, we intend to implement the new DR&P early in 2027 along with any necessary amendments to guidance and/or information. We will notify Costs Lawyers of the implementation of the revised DR&P directly by email.



Costs Lawyer Standards Board
PO Box 4336
Manchester
M61 0BW

Sent by email only to enquiries@clsb.info

7 August 2026

Dear Costs Lawyer Standards Board Policy Team,

Re: Proposed Changes to the Disciplinary Rules and Procedure

The Legal Services Consumer Panel (Panel) welcomes the opportunity to comment on the Costs Lawyer Standards Board's (CLSB's) review of its Disciplinary Rules and Procedure. As the consultation document suggests, the changes to the CLSB Disciplinary Rules and Procedure have been considered alongside those planned for the CLSB Practising Rules. The Panel understands that this review was predominantly to introduce clearer language and to address real life queries received by the CLSB. The Panel has some comments on some of these changes as well as other parts of the Disciplinary Rules and Procedure as set out below.

1. Do you agree that we have focused on the right objectives in updating the Disciplinary Rules & Procedure? Are there any other key objectives or bodies of evidence that we should take into account? If so, how?

The Panel understands the aims of the CLSB's updates. Again, the CLSB should also be learning lessons from the collapse of SSB Law which illustrated how legal regulation failed to spot issues with the firm or to prevent them from causing significant consumer harm. One lesson was that looking at conduct complaints data alongside service complaints data can provide important warning signs of issues with a firm or parts of the sector. Generally speaking, the CLSB should be looking to encourage the reporting of concerns about Costs Lawyers to ensure it is collecting relevant data to understanding the risks in the sector.

In this vein, the CLSB's aim for accessibility of the Disciplinary Rules and Procedure (along with the Practising Rules which is the subject of a simultaneous consultation from the CLSB) is laudable, but the document should be clear to lay people and the public, not just Costs Lawyers. Because many consumers do not receive the legal advice they need, it should be easy for lay people who have a concern about a Costs Lawyer to determine the process and applicable rules.

In addition, in light of the recent calls for a higher level of integration in legal regulation in the interests of consumers¹, it may be an appropriate juncture to consider aligning significant definitions with those used by other regulators. Research shows that consumers do not understand the convoluted system of legal regulation and assume all legal services are regulated.² Accordingly, they expect a consistent set of regulatory rules to apply to all legal professionals and the definition of a complaint that relates to service or to conduct would be a good place to start.

2. Do you agree with the proposed amendments to the Disciplinary Rules & Procedure? Are there any additional amendments that we should consider?

3. Do you find the proposed presentation of the Disciplinary Rules & Procedure accessible? Are there any other formatting changes we should consider to make the Practising Rules more user-friendly?

The proposed amendments are discussed below as well as other issues relating to the current drafting of the Disciplinary Rules and Procedure. Where relevant, comments are also provided about ways in which the accessibility of various rules can be improved.

Changes related when the CLSB can take jurisdiction

The Panel appreciates that the CLSB's proposed amendments attempt to avoid Costs Lawyers dodging disciplinary action by surrendering their Practising Certificate; this aim is important. However, the current proposal that requires there be a Practising Certificate in place when the rule breach occurred still excludes certain situations. If a Costs Lawyer breaches one of the principles or rules when their Practising Certificate has lapsed, the CLSB could not take jurisdiction of the matter, which could affect the CLSB's ability to vet that Costs Lawyer if they reapply to the register in the future.

Changes related to the standard required to make an exception to the time limit to report

The Panel does not agree with the proposal to change the wording of what is required to consider an allegation that a Costs Lawyer has breached a principle or rule outside the general one year time limit from "a reasonable explanation" to "an exceptional reason". While the CLSB sees this change as making the high bar required clearer, a reasonableness standard just needs to be fleshed out once the CLSB has enough cases to give further meaning to this standard. A reasonableness standard is regularly contextualised such as by considering what a reasonable legal services consumer would expect and CLSB resources could help its decision-makers make consistent determinations and lay people understand it.

Furthermore, if there is a change in wording (from reasonable to exceptional), lawyers will argue that the test has become more stringent as a change would be presumed to be significant. This will happen regardless of what the CLSB's actual intention is.

It is also imperative to highlight the serious information asymmetry between consumers and lawyers which is even more pronounced on matters involving a transgression of the principles or rules that could potentially touch on legal issues, professional duties or procedural questions. Understanding that a Costs Lawyer may have done something wrong could take time and understanding what the consumer's options to take action are may take even additional time.

¹ The recently published MOJ [Independent Public Bodies Review of the Legal Services Board](#) (2026) calls for "practical steps to bring about a more integrated, collective approach to legal services regulation" (at p. 4) and the Panel's own position paper [A Regulatory Framework for the Future](#) (2026) states that "[c]oherence is a precondition for good regulation. It is not a substitute for it." (at p. 25).

² SRA, [Corporate Strategy Benchmarking Survey](#) (2024) at slides 28-29.

Plus Rule 1.4 already provides a high bar for exempting the time limit because in addition to any reasonable or exceptional explanation on the part of the consumer, the delay can also not cause undue prejudice to the Costs Lawyer. This secondary clause regarding undue prejudice already makes it harder to bring forward an allegation.

Finally, there is no evidence provided that there is any specific reason or evidence for making this change other than to ostensibly make things clearer. Therefore, for all the reasons listed here, the Panel cannot support this wording change that may unnecessarily bar allegations against Costs Lawyers from coming to light with potentially negative consequences for legal services consumers.

Time limits more generally

There is also an argument to be made that consumer issues with Costs Lawyers that are within the conduct category can also involve more serious allegations that could pose a greater risk of consumer harm than service inadequacies and should not be subject to a time limit at all. Allegations should not be barred where serious consequences are at stake. As stated above, allegations from the public should be encouraged as they can be a helpful warning tool for spotting and pre-emptively dealing with issues that pose risks to consumers. Moreover, while the CLSB may receive very low levels of allegations against Costs Lawyers, this may not be as good a sign as it seems because it is known that a high level of dissatisfied legal services consumers do not take action as a result of that dissatisfaction.³ Therefore, the CLSB should not be making changes to make it harder for consumers or members of the public to come forward. Though the SRA receives extremely high levels of allegations, it does not apply a time limit to allegations that solicitors have acted improperly.⁴ Accordingly, the Panel would suggest the CLSB consider whether a time limit to reporting conduct complaints is really necessary.

Requiring consumers to report their conduct concerns to their Costs Lawyer

The Panel's reading of CLSB Rule 1.6 is not in line with other legal regulators (such as the SRA, BSB and CLC) who do not seem to require someone to first report conduct concerns to the lawyer before going to their relevant regulator. As the Panel pointed out in its response to the simultaneous consultation on updating its Practising Rules, by also including the stated definitions of complain, first-tier complaint and second-tier complaint in the Disciplinary Procedure and Rules, it appears that the CLSB expects consumers to first report all complaints (service and conduct) to their Costs Lawyer. With serious misconduct, such a requirement does not seem appropriate as the consumer may be uncomfortable or even scared to confront the lawyer directly. Even though the rules state that that the person bringing the allegation can demonstrate to the CLSB's satisfaction that it would cause them undue prejudice or the CLSB may decide to ignore this requirement if it is in the public interest, this still largely puts the onus on the consumer to explain why they should not have to report their issue to their lawyer first. Again, this is not encouraging (and could discourage) reports that can be helpful in spotting issues in the regulated community. While these clauses have not been changed, it is not apparent why the CLSB's process is different from other legal regulators in this manner.

Changes relating to publishing an interim suspension

The Panel is pleased that the CLSB has made amendments to allow it to publish an interim suspension in additional places to the online register. However, it is not clear that the current wording allowing publication on "any other part of the CLSB's website at its discretion" would cover publication on the Regulatory Information Service (RIS). This is especially important given that consumers may access the regulatory status of a Costs Lawyer through the CLSB website (if they understand the lawyer is a Costs Lawyers and who regulates them) or the RIS.

³ 40% of dissatisfied legal services consumers were silent sufferers, not taking any action at all as a result of their dissatisfaction (See LSCP 2026 Tracker Survey).

⁴ See SRA, [Reporting a Solicitor or Firm to us](#) (2026).

Changes related to adopting a polluter pays approach to for recovering costs

The Panel is also supportive of the CLSB using a polluter pays approach in its attempt through the amendments to allow the CLSB to recover the costs of the disciplinary action through costs orders being imposed on Costs Lawyers who are found to have breached any principles or rules. This polluter pays approach will act as a further deterrent of bad behaviour and also keep the costs of regulation down even though the CLSB's regulated community is very small at approximately 700 Costs Lawyers.

How a consumer raises a concern about a Costs Lawyer with the CLSB

Finally, as all types of complaints increase across society due in part to people's increased use of AI to describe their complaint, it is worth considering whether requiring a complaint in writing may encourage the use of this technology. People may feel that they cannot put their complaint in writing without AI, but AI can often obscure the relevant issues. As the CLSB is receiving very low levels of complaints,⁵ it could consider offering an option of reporting a concern over the phone and monitor the effects of having two options for how to report a concern.

How the CLSB describes which complaints can be referred to the Legal Ombudsman

The Panel notes that the CLSB's description of the different jurisdictions of the Legal Ombudsman and the CLSB when it comes to complaints appears to be different from how other legal regulators describe them. The CLSB describes conduct complaints (ie. breach of a principle) as being in the jurisdiction of both the CLSB and the Legal Ombudsman, whereas most other legal regulators say that conduct concerns should be addressed by the regulator. Given the large and growing backlog of cases at the Legal Ombudsman, it would make sense to try to reduce the number of people (who are able to disentangle service and conduct issues) going there in the first place by referring people with a conduct issue directly to the CLSB.

Process for handling complaints relating to complaints involving service and conduct

Rule 2.3 states that the CLSB will wait for the Legal Ombudsman to complete its investigation (and adopt those findings) before dealing with any conduct issues within the CLSB's jurisdiction where a complaint involves both service and conduct matters. This rule should also be considered in the context of the Legal Ombudsman's backlog and serious challenges in conducting investigations in a timely manner. Under the circumstances, it may not be appropriate for the CLSB to wait for the Legal Ombudsman to conclude its investigation before dealing with any conduct matters (even if serious breaches are dealt with more quickly).

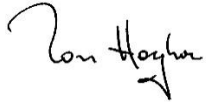
4. Do you foresee any reason why the proposed changes could have a harmful impact on persons with a protected characteristic under the Equality Act 2010? If so, is there any evidence you can provide that would help us assess that impact?

The Panel would like to see the CLSB actively consider how their consultations will affect not only Costs Lawyers with a protected characteristic, but also consumers with a protected characteristic. It is important for the CLSB to understand that the Disciplinary Rules and Procedure have impacts on consumers and these potential impacts should always be contemplated when deciding on which and how regulatory changes are implemented. While the Panel does not see that the proposed changes will affect any one group of consumers in particular, it would still like to see the CLSB turn its mind to this question.

⁵ See complaints data in CLSB, [The Costs Lawyer Profession in 2025](#) (2026).

We hope the CLSB finds this input helpful. Should you have any questions pertaining to this consultation response, please contact Heidi Evelyn, Consumer Panel Manager, at Heidi.Evelyn@legalservicesconsumerpanel.org.uk, with any enquiries.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tom Hayhoe', with a stylized flourish at the end.

Tom Hayhoe
Chair, Legal Services Consumer Panel

Consultation outcome

Disciplinary Rules and Procedure

Annex B: How the CLSB addresses LSCP

11 August 2026

Costs Lawyer Standards Board



How the CLSB addresses LSCP responses

The CLSB welcomes the LSCP's response and addresses each point below. This document should be read alongside Annex A ('the LSCP response').

Do you agree that we have focused on the right objectives in updating the DR&P? and, Are there any other key objectives or bodies of evidence that we should take into account? If so, how?

The CLSB agrees with the LSCP that data on conduct and service complaints is essential to effective regulation and has been a key driver of this consultation. The CLSB collects data from its conduct complaint investigations, requires Costs Lawyers to self-report all complaints at Practising Certificate renewal, and receives reports from the Legal Ombudsman. This evidence has informed the proposed changes, alongside the proposals to amend the Practising Rules.

The CLSB also agrees that language and definitions should be harmonised where practicable.

Do you agree with the proposed amendments to the DR&P?

Changes relating to when the CLSB can take jurisdiction

The CLSB recognises the LSCP's concern that requiring a Practising Certificate to have been in place when the breach occurred may leave some situations outside the proposed jurisdiction. The Board has considered this feedback carefully. Because 'Costs Lawyer' is not a protected title, the CLSB has no jurisdiction over an unregulated individual who does not hold a CLSB Practising Certificate. Extending jurisdiction to conduct that occurred before an individual became regulated could expose a Costs Lawyer to disciplinary action for conduct undertaken when they were not subject to the CLSB's regulatory framework, while the same conduct would remain outside that framework if the individual had chosen not to become regulated. The CLSB therefore

considers that retaining the requirement for a Practising Certificate at the time of the alleged breach is the fairest and most legally robust approach.

This situation differs from the position for solicitors, who may remain ‘on the Roll’ and within the SRA’s jurisdiction when not practising because ‘solicitor’ is a protected title. [Proposed Practising Rule 4.2\(h\)](#) would require anyone applying for a first Practising Certificate or reinstatement to disclose all complaints, enabling the CLSB to make an informed decision about suitability for entry on the Costs Lawyer Register. The CLSB considers that this provides an appropriate and proportionate safeguard: although it cannot prevent or take action in relation to conduct that occurred when no Practising Certificate was in place, it can assess that conduct when considering the suitability of a new entrant or an applicant seeking reinstatement. In the Board’s view, this approach addresses the underlying regulatory concern while avoiding the potential unfairness and legal challenge associated with extending jurisdiction under DR&P Rule 1.2.

Preserving the one-year time limit and its existing exceptions also supports procedural fairness.

Changes related to the standard required to make an exception to the time limit to report

The CLSB has considered the LSCP’s concern about replacing “a reasonable explanation” with “an exceptional reason” and proposes to retain the amendment. The wording is intended to clarify that an extension is an exception to the general time limit while preserving the CLSB’s discretion to consider the circumstances of each case. It also aligns with the terminology used by the Legal Ombudsman and supports consistency across legal services regulation. The CLSB will apply the provision fairly; a complaint will not be excluded where there is a justified reason for delay and an investigation is appropriate. Taken together, the proposed changes to the DR&P and the Practising Rules are intended to make the complaints process more accessible while maintaining fairness for all parties.

The existing Legal Ombudsman rules state at Rule 4.2, “But a complainant can use the Legal Ombudsman if: a) the complaint has not been resolved to the complainant’s satisfaction within eight weeks of being made to the authorised person; or b) an

ombudsman considers that there are **exceptional** reasons to consider the complaint sooner, or without it having been made first to the authorised person; ...”

The proposed wording is therefore consistent with the Legal Ombudsman’s rules.

The CLSB notes the LSCP’s concern that the change could discourage some complainants. Although the response does not provide evidence that allows the scale of this potential effect to be assessed, the concern is relevant to the accessibility of the complaints process. The CLSB will therefore keep both the operation and the clarity of the revised wording under review.

Timely reporting also supports effective regulation by enabling complaints data to inform risk assessment and early intervention. The CLSB therefore considers that any flexibility should be balanced against the practical value of receiving concerns promptly.

Time limits more generally

The CLSB has considered the LSCP’s concern about whether one year from the point at which a complainant first becomes aware of a potential breach provides sufficient time. The response does not identify evidence showing that this period is generally inadequate, and the existing exceptions remain available where circumstances justify considering a complaint outside the time limit.

Rule 1.3(ii), which is not proposed to change, provides the relevant starting point:

“Where the Complainant is not the CLSB, for these DR&P to apply a Complaint must be made in writing to the CLSB: (ii) ***within one calendar year from the date on which the Complainant first became aware that a breach of a Principle may have occurred.***”

The one-year period begins when the complainant first becomes aware that a breach may have occurred, rather than on the date of the alleged breach itself. The CLSB acknowledges the concern that replacing “reasonable” with “exceptional” may be perceived as raising the threshold. Decisions on whether an exception applies will, however, be made by the CLSB in light of the circumstances and the applicable public-interest considerations.

Taking Rule 1.3(ii) and the available exceptions together, the CLSB considers that the proposed amendment maintains an appropriate balance between timely reporting and fair access to the complaints process.

Timely investigation benefits all parties, memories can fade and relevant records may no longer be available as time passes. The Rules therefore encourage prompt reporting while retaining discretion for cases in which an extension is justified.

The CLSB agrees that a time bar should not prevent the investigation of a historical complaint where investigation is in the public interest. Rule 1.4(ii), which is not proposed to change, provides that safeguard: *“In the event that a Complaint is made outside of the time limits in rule 1.3 above, then the CLSB may only consider the Complaint if: (ii) if it is otherwise in the public interest to consider the Complaint.”*

The Legal Ombudsman Scheme Rules state at [Rule 4.5](#): *“Ordinarily, the complainant must refer the complaint to the Legal Ombudsman no later than: - one year from the act/omission; or one year from when the complainant should reasonably have known there was cause for complaint.”* The latest consultation issued by the Legal Ombudsman does not propose changing this provision.

IPReg also applies a one-year time limit and states on its [website](#): *“IPReg will usually not investigate a complaint where the misconduct complained of occurred more than 12 months ago, unless the misconduct has only recently come to the attention of the complainant. This is because the object of disciplinary proceedings is to protect consumers from current poor conduct rather than punish the attorney for historic breaches of the rules. Where a significant amount of time has passed between the misconduct and the disciplinary action, disciplinary action may be disproportionate and contrary to the public interest. Additionally, evidence can be more difficult to obtain as memories fade and records are no longer available, making it difficult to fully understand the events that occurred.”*

The CLSB therefore considers that the one-year time limit, together with the available exceptions, provides an appropriate framework; it encourages prompt reporting and enables the CLSB to act swiftly, while allowing older complaints to be investigated where the public interest requires it. The existing Rules permit the CLSB to proceed

where necessary to protect consumers, clients, the public or the administration of justice.

Requiring consumers to report their conduct concerns to their Costs Lawyer

Although the requirement for a complainant to raise an alleged or potential breach with the Costs Lawyer before reporting it to the CLSB was not directly within the scope of the proposals, the CLSB has considered the LSCP's comments. On reflection, the CLSB accepts that this requirement differs from the approach taken by other frontline legal regulators, including the SRA, BSB and IPReg.

Consultation enables the CLSB to test its proposals and make proportionate changes in response to evidence and stakeholder views. In this instance, the Board considers that amending the proposal would address the identified inconsistency and improve the route by which conduct concerns reach the CLSB. It does not consider a further consultation necessary because the change reflects established regulatory practice and is procedural rather than a fundamental alteration to the framework. The CLSB will therefore seek the LSB's approval to delete Rule 1.6 of the DR&P and with it the requirement to first raise a conduct complaint at first-tier level:

~~1.6 — The CLSB will not consider a Complaint by a Complainant to whom the Costs Lawyer's first tier complaints procedure applies unless:~~

- ~~(i) — the Complainant has raised the issue with the Costs Lawyer under the terms of the complaints procedure, and either the procedure has been exhausted or a period of eight weeks has passed;~~
- ~~(ii) — the Complainant demonstrates, to the CLSB's reasonable satisfaction, that it would cause unfair prejudice to the Complainant to use the Costs Lawyer's complaints procedure; or~~
- ~~(iii) — it is otherwise considered by the CLSB in the public interest not to require the Complainant to use the Costs Lawyer's complaints procedure.~~

~~For the purposes of rule 1.4(i), active participation by a Complainant in a process under a first tier complaints procedure is likely to constitute an exceptional reason for delay.~~

Changes relating to publishing an interim suspension

The CLSB agrees that further clarification on publishing an interim suspension order on RIS would be helpful and will make this change.

Changes relating to adopting a polluter-pays approach to recovering costs

The CLSB welcomes the LSCP's support for this proposal.

How a consumer raises a concern about a Costs Lawyer with the CLSB

The CLSB recognises both the risks and potential accessibility benefits associated with the use of Artificial Intelligence ('AI') in complaints. Requiring concerns to be recorded in writing helps ensure that the complainant's own account is captured accurately; taking an account by telephone can create a risk that details are inadvertently obscured or lost. Complainants who cannot provide their concerns in writing can use the CLSB's [Reasonable Adjustments Policy](#). The CLSB has also updated its website with guidance on the use of AI in complaints, aligned with guidance published by the [BSB](#).

How the CLSB describes which complaints can be referred to the Legal Ombudsman, and Process for handling complaints relating to complaints involving service and conduct

The "large and growing backlog of cases at the Legal Ombudsman" is a concern shared by the CLSB. However, there is only a shared jurisdiction over conduct complaints when the following in Rule 2 is met: "*In the event a Complaint relates to both the service and conduct of a Costs Lawyer the CLSB will allow the Legal Ombudsman to investigate the Complaint in the first instance, **unless the CLSB deems the conduct element so serious in nature that it requires the immediate or earlier attention of the CLSB.** Once the Complaint has been determined by the Legal Ombudsman, the CLSB will (where it has the jurisdiction to do so under these DR&P) deal with any matters relating to the conduct element of the Complaint that have not been fully disposed of by the*

Legal Ombudsman. In doing so, the CLSB will adopt any relevant findings of fact made by the Legal Ombudsman in its determination.”

The wording highlighted in bold explains when the CLSB may proceed without waiting for the Legal Ombudsman: where the conduct element is sufficiently serious to require immediate or earlier attention. This enables the CLSB to act where necessary to protect consumers, the public interest or the administration of justice. The broader complaints-handling arrangements are governed by an ongoing memorandum of understanding and fall outside the scope of this consultation.

Do you foresee any reason why the proposed changes could have a harmful impact on persons with a protected characteristic under the Equality Act 2010? If so, is there any evidence you can provide that would help us assess that impact?

The CLSB welcomes the LSCP’s assessment that it did not identify an adverse impact on any group, which is consistent with the other online responses received. The consultation was open to the public, consumers, regulated communities and stakeholders, and the CLSB promoted it through its available channels, including the wider social media reach of executive and Board members. The limited number of consumers who come into direct contact with Costs Lawyers may help explain the comparatively low level of consumer engagement outside the complaints process. The CLSB will continue to consider how best to support meaningful consumer participation in future consultations.

CLSB response summary

The CLSB values the LSCP’s response and welcomes its broad support for the direction of the proposed amendments. The points raised have helped the Board test its reasoning, clarify the safeguards within the framework and identify areas where the proposals should be refined. Although the CLSB has not accepted every recommendation, it has considered each one carefully and thanks all respondents for their contributions. The resulting application to the LSB will be stronger and clearer as a result.



Consultation - Changes to Costs Lawyer Disciplinary Rules and Procedure 2026

Q1. Do you agree that we have focused on the right objectives in updating the DR&P?

Answer Choices		Responses
Yes	90.00%	9
No	10.00%	1
Answered		10
Skipped		0

Q2. Are there any other key objectives or bodies of evidence that we should take into account? If so, how?

Answered	4
Skipped	7

Respondent	Consultation Response	CLSB Response	Amendment to
Online (anonymous)	Two suggestions. First, publish each year the number of complaints received, their outcomes and the CLSB's costs of investigating them. The consultation relies on 2025 figures to justify the new costs orders. Publishing the same figures annually would let the profession test whether the regime stays proportionate. Second, when settling the costs order provisions, draw on how other legal regulators and the Solicitors Disciplinary Tribunal approach recovery of costs from respondents: an itemised claim, submissions on quantum and account taken of the respondent's means.	The CLSB has historically published data on complaints received online https://clsb.info/wp-content/uploads/2026/01/Costs-Lawyer-profession-in-2025-January-2026.pdf but from 2026 this will be published in the CLSB's new Annual Report https://clsb.info/download/annual-report-2025/?wpdmid=79090&refresh=6a7add3d6f57c1786436925 . When considering this approach, the CLSB looked across the legal and non-legal regulated sectors at its approach to the recovery of costs but was also mindful of the CLSB's resources. Overcomplicating the manner in which costs are calculated would push up the ultimate cost to the Costs Lawyer so a proportionate approach will be taken. The CLSB does not have Costs Lawyers on retainer, but it does retain the services of independent consultants to conduct many complaints investigations and their costs are upon which the CLSB will base much of the costs order. The CLSB welcomes the respondents agreement with the proposals. This is addressed in the proposals to change the Practising Rules, a consultation that ran concurrently with this consultation.	No
Online (anonymous)	No		
Online (anonymous)	At present unqualified costs persons who are being supervised by, and employed by Costs Lawyers, are exempt, and the CL supervisor is not liable under the code for their subordinates falling short. CLs should be liable for the work product and conduct of those in their employ and who they are supervising such that the public can have confidence		No

Q3. Do you agree with the proposed amendments to the DR&P?

Answer Choices		Online responses
Yes	77.78%	7
No	22.22%	2
Are there any additional amendments that we should consider?		3
Answered		9
Skipped		1

Respondent	Date	Consultation Response	CLSB Response	Amendment to
Online (anonymous)		support more of this paper than I oppose. I answer no because several of the changes need correction or safeguards before they are made. Rule 5.1.3, extensions of time. The current rule allows one extension for reasons given. The proposed rule allows any number of extensions but only in exceptional circumstances, which raises the bar for the first request. I practise alone. A 28 day window can fall across a detailed assessment hearing, leave or illness, and there is no colleague to pick the file up. The mischief described in the commentary, open ended successive extensions, is cured by removing the cap on the number of extensions. It does not require an exceptional reason for the first one. I suggest a first extension where the CLSB is satisfied there is good reason, and further extensions only in exceptional circumstances. Rules 5.3.7 and 6.5.2, variable costs orders. I support the principle. Costs Lawyers who keep to the rules should not fund, through the practising fee, the investigation of complaints upheld against those who do not. But an order that is uncapped and unparitalised sits badly with what costs lawyers must do in the courts every day. The regime should carry the same disciplines: (a) an itemised schedule of the costs claimed, served on the Costs Lawyer before the order is made; (b) an express requirement that the sum ordered is reasonable and proportionate to the complaint; (c) a right to make written submissions on quantum; (d) account taken of ability to pay, with payment by instalments available; (e) a published cap, reviewed annually. The paper states the 2025 range would have been about £600 to £5,000. A cap of £5,000 covers the CLSB's own worst case while protecting practitioners from an outlier; (f) a definition of the costs that count as incurred, covering external investigators, any Case Manager, legal advice taken by a Committee and the basis on which staff time is charged. Drafting of the variable costs order. The worked example in the commentary (a complaint costing £1,200 producing £750 fixed costs plus a £450 variable order) shows the variable order is meant to top recovery up to actual costs. The rule text says only that the order must not exceed the costs incurred, so fixed plus variable can exceed actual costs. The rule should provide that the variable order must not exceed the costs incurred less any fixed costs ordered for the same complaint. Where complaints are investigated together under rule 5.1.4 and only some are upheld, the rules should state how costs are apportioned. Rules 5.3.10, 6.5.8 and 7.4.3, no further certificate until sums are paid in full. Combined with an uncapped order, these rules can end a sole practitioner's livelihood through inability to pay rather than the seriousness of the conduct. A certificate should be capable of issue while an agreed payment plan is being kept. Rule 1.7, adding matters to an open investigation. I accept the efficiency argument. Three safeguards should follow: written notice identifying the further alleged breach and the Principle engaged; a fresh 28 day period to respond to it; and the filters in rules 1.2 to 1.6, including the time limits, applied to the added matter as they would apply to a fresh Complaint. Without them, adding matter to an open case becomes a route around the filters. Rule 1.1, jurisdiction over former certificate holders. I support closing the surrender loophole. There should be a long stop so that a person who leaves the profession in the ordinary course is not exposed indefinitely. For example, a Complaint made more than twelve months after the certificate lapsed would be considered only where the public interest requires it. The rules should also state which outcomes are available against a person who no longer holds a certificate. Rule 3.4, publication of an interim suspension order. An interim suspension is not a finding. For a sole practitioner the name on the order is the name of the business. Publication beyond the register entry should require a stated public protection reason. Sequential corrections. The term financial penalty survives at rules 5.3.10, 6.5.5, 6.5.8, 6.6.5, 7.3.6 and 7.3.8 although the penalty has been replaced by the variable costs order. Rule 6.5.5 provides for ordering a financial penalty that rule 6.5.2 no longer permits. Rule 7.3.3 prevents the Conduct Appeal Committee from imposing a higher financial penalty but says nothing of variable costs orders, so on its face an unsuccessful appeal could increase one. Annex 2 rule 1.2 says three criteria are to be met, then lists two and ends with a dangling and. The explanation for rule 6.1.1 refers to rule 10.5 of the Practising Rules; under the renumbered Practising Rules proposed in the parallel consultation, appeals sit at rule 11. For balance, I support the change from reasonable explanation to exceptional reason in rule 1.4, the exclusion in rule 6.2.3 of the interim suspension Lay Person from the later Conduct Committee, the clarified appeal routes, and the presumption in rule 6.4.1 that hearings are held online.	Rule 5.13 - If a responding Costs Lawyer is seeking an exception to Rule 5.1.3 then it is congruent that they provide an exceptional reason for the extension, bearing in mind that the CLSB also publishes a reasonable adjustments policy https://clsb.info/wp-content/uploads/2025/07/DRP-reasonable-adjustments-policy-statement-24-July-2025.pdf which we are confident ensures a fair process for all. Unnecessary delay is not in the interests of the consumer, public or regulated community. For this reason we do not intend to amend the proposals. A variable costs order will only be imposed to cover the costs of an upheld complaint. Where a complaint is not upheld, these costs are met by the CLSB funded through the Practising Certificate. Rules 5.3.7 & 6.5.2 - the CLSB Board considered a cap before publishing the consultation but this runs the risk of not covering the full cost to the CLSB of an upheld complaint, undermining 'polluter pays' and perpetuating the current situation where the well-behaved regulated community fund the poor behaviour of others. Costs Lawyers are in a degree of control over the quantum by cooperating with the complaints process and not submitting appeals with no merit merely to exhaust the process. Uncapped variable costs orders are intended to encourage swift resolution. The CLSB disagrees that a £5,000 cap covers the worst case scenario - it covers the highest cost so far but with inflation and costs rising, and not a worst case scenario complaint and the mere fact that has not yet been seen does not mean the CLSB should not guard against it. The CLSB thanks this respondent for identifying consistency in language in regard to the obsolete term "financial penalty" and these corrections are made in the final version. Rules 5.3.10, 6.5.8 & 7.4.3 are a safeguard to ensure that a Costs Lawyer who does not meet the obligations from an upheld complaint cannot continue to practice in disregard of the sanction which would completely undermine the regulatory framework. It is noteworthy that no other respondent has indicated this is objectionable. Rule 3.4 - publication of a temporary (in this case) or a permanent revocation of a right to practice is a public protection interest and making this information available is essential to ensure consumer/client protection. Without publication, a practitioner could continue to accept instructions when no permitted to do so. For this reason, this will not be amended and once again it is notable that no other respondents identified this as an objection. The CLSB welcomes the respondents agreement with the proposals. No response required.	Yes. The CLSB respondent for consistency in regard to the "financial penal corrections are final version.
Online (anonymous)	No			No.
Online (anonymous)	see above			No.

Q4. Do you find the proposed presentation of the DR&P accessible?

Answer Choices		Online responses
Yes	100.00%	10
No	0.00%	0
Are there any other formatting changes we should consider to make the DR&P more user-friendly?		2
Answered		10
Skipped		0

Respondent	Date	Consultation Response	CLSB Response	Amendment to
Online (anonymous)		Three suggestions. Define fixed costs order and variable costs order in the definitions table; both are operative terms and neither is defined. Correct the numbering and cross references noted under question 3. Add an annex setting out every time limit in the DR&P in one table; a practitioner facing a complaint will reach for it first.	The CLSB supports any suggestions to make the DR&P clearer and we will consider publishing accompanying guidance on time limits.	Yes. Definitions include "fixed or" and "variable or" No.
Online (anonymous)		No	No response required.	

Q5. Do you foresee any reason why the proposed changes could have a harmful impact on persons with a protected characteristic under the Equality Act 2010?

Answer Choices		Online responses
Yes	10.00%	1
No	90.00%	9
If so, is there any evidence you can provide that would help us assess that impact?		1
Answered		10
Skipped		0

Respondent	Date	Consultation Response	CLSB Response	Amendment to
Online (anonymous)		One point, and I have no data to offer with it. The exceptional circumstances bar in rule 5.1.3 will bear harder on practitioners whose disability or health condition is the cause of the delay. The rule, or guidance under it, should say that where an extension request arises from disability it is dealt with under the Reasonable Adjustment Policy rather than	Rule 1.9 sets out that any person may seek reasonable adjustments under the reasonable adjustments policy https://clsb.info/wp-content/uploads/2025/07/DRP .	

Q6. Is there anything else you would like to comment on about this consultation?

Answered	3
Skipped	7

Respondent	Date	Consultation Response	CLSB Response	Amendment to
Online (anonymous)		The CLSB regulates costs specialists. The variable costs order regime will be judged by the standards costs lawyers apply in practice: a particularised claim and a chance to be heard on the figure. Build those into the rules and the profession will find the regime hard to fault.	The CLSB sees the rationale behind this suggestion but it is noteworthy no other respondent, including Costs Lawyers themselves, has asked for this. Including this step adds cost and complexity and would have an adverse impact on the variable costs order (would appear to run contrary to the aim of introducing this process) as well as adding delay to the process when there is already an appeals process built into the DR&P at which stage the costs order can be reviewed, but not increased. This seems the fairest way to cover the CLSB's costs without making the process more expensive.	No.
Online (anonymous)		No		
Online (anonymous)		N/A		

Q7. What sort of organisation do you currently work in?

Answer Choices		Online responses
Costs law firm	0.00%	0
SRA-regulated firm	80.00%	8
In-house - public sector or commercial business	0.00%	0
I am a sole practitioner	20.00%	2
I prefer not to say	0.00%	0
Other (please specify)	0.00%	0
Answered		10
Skipped		0

Q8. Which region do you currently work in?

Answer Choices		Online responses
East of England	0.00%	0
East Midlands	0.00%	0
London	40.00%	4
North East	0.00%	0
North West	20.00%	2
South East	0.00%	0
South West	20.00%	2
Wales	10.00%	1
West Midlands	10.00%	1
Yorkshire and the Humber	0.00%	0
I prefer not to say	0.00%	0
Other (please specify)	0.00%	0
Answered		10
Skipped		0

Q9. How many years have you been working in costs law?

Answer Choices	Online responses	
Up to 5 years	20.00%	2
6 to 15 years	30.00%	3
16 to 25 years	40.00%	4
26 to 40 years	10.00%	1
More than 40 years	0.00%	0
I prefer not to say	0.00%	0
Answered		10
Skipped		0

Q10. What best describes your current role?

Answer Choices	Online responses	
Junior employed lawyer or sole practitioner	20.00%	2
Mid-level employed lawyer or sole practitioner	10.00%	1
Senior employed lawyer or sole practitioner	30.00%	3
Partner or business owner with employees	40.00%	4
Retired	0.00%	0
I prefer not to say	0.00%	0
Other (please specify)	0.00%	0
Answered		10
Skipped		0

Consultation

Post consultation changes to the DR&P



Board review: 22 October 2026

Costs Lawyer Standards Board

CLSB

Post consultation changes to the DR&P

Section of Rules – Revised Text	Explanation of Proposed Amendments
Definitions Case Manager Person appointed by the CLSB to assist in the administration of a disciplinary matter at level two or three, who may be a person employed by the CLSB or a third party. First-tier Complaint Complaints that are made directly to a provider of legal services are referred to as “first-tier complaints”. Fixed Cost Order A costs order determined by the relevant rule required to be paid by a Costs Lawyer when a complaint is upheld. This is distinct from and in addition to a ‘variable costs order’. Second-tier Complaint Complaints that are escalated to the CLSB or Legal Ombudsman are known as “second-tier complaints”. Variable Costs Order A costs order determined by the relevant rule required to be paid by a Costs Lawyer when a complaint is upheld. This is distinct from a ‘fixed costs order’ and is calculated by assessing the costs incurred by the CLSB during the complaint process, hence it is “variable” by nature. This costs order is not capped but will not exceed the costs incurred by the CLSB. Rule 1: Jurisdiction 1.1 These DR&P come into effect on the effective date above and replace any other disciplinary rules and procedures previously issued by the CLSB. These DR&P govern Complaints made-received on or after the effective date. The Costs Lawyer need not hold a practising certificate issued by the CLSB at the time the Complaint is made to the CLSB in order for the CLSB to have jurisdiction. 1.2 These DR&P apply where the following two criteria are met:	<i>This insertion clarifies that the CLSB may use an external person to case manage a disciplinary matter.</i> <i>The inclusion of these definitions aligns the DR&P with the rest of the CLSB Handbook and responds to specific feedback from the consultation process.</i> <i>The current DR&P only allow the CLSB jurisdiction to investigate a complaint if the Costs Lawyer holds a current practising certificate at the time a complaint is made. This could, if misused, allow for a Costs Lawyer to avoid a complaint investigation by surrendering their Practising Certificate before a complaint is made to the CLSB. As this would prevent an investigation, they potentially could seek to join the Register again in the future. This is not in the interests of the client or the reputation and standing of the profession.</i> <i>By way of example, barristers and solicitors are subject to disciplinary sanctions by virtue of their professional qualification as barristers or solicitors and are not required to hold practising certificates.</i>

Section of Rules – Revised Text	Explanation of Proposed Amendments
(i) there is reason to suspect that a Costs Lawyer has been or is in breach of a Principle; and (ii) the Costs Lawyer held a practising certificate issued by the CLSB at the time the alleged breach of a Principle occurred; and ~~(iii) the Costs Lawyer holds a practising certificate issued by the CLSB at the time the Complaint is made to the CLSB.~~ 1.4 In the event that a Complaint is made outside of the time limits in rule 1.3 above, then the CLSB may only consider the Complaint if: (i) the Complainant provides a reasonable explanation an exceptional reason for the delay in making the Complaint and that delay does not cause unfair prejudice to the Costs Lawyer involved; or (ii) if it is otherwise in the public interest to consider the Complaint. ~~1.6 The CLSB will not consider a Complaint by a Complainant to whom the Costs Lawyer's first tier complaints procedure applies unless:~~ ~~(i) the Complainant has raised the issue with the Costs Lawyer under the terms of the complaints procedure, and either the procedure has been exhausted or a period of eight weeks has passed;~~ ~~(ii) the Complainant demonstrates, to the CLSB's reasonable satisfaction, that it would cause unfair prejudice to the Complainant to use the Costs Lawyer's complaints procedure; or~~ ~~(iii) it is otherwise considered by the CLSB in the public interest not to require the Complainant to use the Costs Lawyer's complaints procedure.~~ ~~For the purposes of rule 1.4(i), active participation by a Complainant in a process under a first tier complaints procedure is likely to constitute a reasonable explanation an exceptional reason for delay.~~ 1.7 In the event the CLSB accepts jurisdiction to investigate an alleged breach of a Principle, then the CLSB will confine itself to that alleged breach and to documents and witness evidence which relate to that breach. If the CLSB obtains information relating to another potential breach of a Principle in the course of an investigation, the CLSB will, at its discretion, decide whether it forms part of the existing complaint or whether it will treat that information as a fresh Complaint. 1.9 If a person to whom these DR&P apply has a disability, the CLSB will consider a request by that person to make	<i>This change is to specify the high bar necessary to establish whether a delay in making a Complaint justifies suspending the time limit. What is reasonable to one person may not be reasonable to another, but it is considered that the word exceptional better explains the grounds necessary to justify suspending the time limit.</i> <i>This amendment addresses LSCP feedback during the consultation period on Rule 1.6, specifically that it is not consistent with legal services frontline regulators in insisting that a conduct complaint must first be raised with the Costs Lawyer before raising it with the CLSB.</i> <i>This amendment seeks to allow the CLSB to consider other elements of a complaint during an investigation without the need and expense of starting a new complaint, which inevitably causes all parties further delay and is not in the interests of swift justice.</i>

Section of Rules – Revised Text	Explanation of Proposed Amendments
reasonable adjustments ~~to the processes set out in these DR&P~~ as set out in the Reasonable Adjustment Policy. ~~The CLSB will use best efforts to agree in advance suitable reasonable adjustments, which are consistent with the objectives of these DR&P, to address any substantial disadvantage the person might suffer. Where the CLSB determines it is not possible or not appropriate to make the reasonable adjustments requested, the CLSB will provide reasons in writing.~~	<i>This amendment removes the detail of reasonable adjustments and instead directs to the standalone Reasonable Adjustments Policy. This will enable the CLSB to keep that Policy under periodic review and amend where necessary to keep up with best practice, without needing to consult on Rule changes each time which may delay being able to do the right thing.</i>
Rule 3: Publication of an outcome 3.4 Imposition of an interim suspension order under rule 4 will be noted against the name of the Costs Lawyer on the register of authorised and regulated Costs Lawyers, ~~and any other part of the CLSB’s website at its discretion,~~ for the period that the interim suspension order is in force. ~~This may also include publication on any shared regulatory information services in which the CLSB participates.~~	<i>The current Rules are overly prescriptive about where the suspension order can be published. This amendment seeks to address this while still offering a clear limitation to publication. This amendment also adopts the LSCP suggestion on RIS publication but leaves it wide enough in case there’s a name change.</i>
Rule 4: Interim Suspension Orders 4.6 The Costs Lawyer, or the CLSB, may apply in writing to have an interim suspension order revoked at any time while such an order is in force if new evidence becomes available that is material to the decision. ~~A Lay Person Panel Member, ordinarily the same individual~~ appointed under rule 4.3, will determine the application within 14 calendar days of receipt, taking into account the new evidence provided. The CLSB will notify the Costs Lawyer in writing of the Lay Person Panel Member’s determination. If the Lay Person Panel Member determines that the application should be allowed, the CLSB will revoke the interim suspension order. 4.8 An appeal under rule 4.7 must be made in writing, setting out the reasons why the Costs Lawyer believes the interim suspension order should be revoked. The Conduct Appeal Committee will consider the issue afresh. The CLSB will notify the Costs Lawyer in writing of the outcome of the appeal. If the appeal is allowed, the CLSB will revoke the interim suspension order as soon as practicable. ~~There is no further appeal of an outcome at this stage.~~	<i>This amendment clarifies that the Lay Person appointed earlier in the process continues at this stage removing any ambiguity.</i> <i>This amendment makes explicit what was once implicit to avoid any ambiguity.</i>
Rule 5: Level one procedure 5.1.1 In the event the CLSB accepts jurisdiction in respect of a Complaint, it will carry out an investigation in relation to the Complaint. The investigation will be conducted ~~by an investigator, who may be a senior~~ member of CLSB staff or ~~by an~~	<i>This amendment seeks to remove unnecessary information, and remove an unnecessary fetter to</i>

Section of Rules – Revised Text	Explanation of Proposed Amendments
external investigator appointed by the CLSB ~~who is considered to have the requisite expertise~~. The CLSB will ~~use all reasonable endeavours aim~~ to ensure an investigation is completed within three calendar months from the date an investigator is instructed ~~or, in the event a CLSB staff member conducts the investigation, from the date the CLSB accepts jurisdiction~~. 5.1.3 The CLSB or investigator will send a copy of the Complaint and any documents to the Costs Lawyer inviting them to provide, within 28 calendar days, a response which sets out concise observations (which may include admissions), supported by evidence relevant to the investigation. The Costs Lawyer may make a written request to the CLSB or investigator for an extension of time for responding, setting out reasons why the extension is required. ~~An Only one~~ extension will ~~only~~ be permitted ~~other than~~ where the CLSB is satisfied that there are exceptional circumstances, ~~in which case it may exercise its discretion to grant a further extension~~, taking into account the public interest in the prompt investigation of Complaints. 5.1.7 At the conclusion of an investigation, the CLSB or the investigator will produce a written report. It will set out the evidence considered as part of the investigation and the ~~investigator's~~ conclusions drawn from the evidence. Conclusions will be reached on the balance of probabilities. 5.1.9 If the investigation report was prepared by an ~~external~~ investigator appointed by the CLSB, it will be evaluated by the CLSB to ensure it is thorough and fair. It will be at the discretion of the CLSB as to whether further investigation is carried out before the finding in the investigation report is acted upon. In such event, the Costs Lawyer will be notified that further investigation will be undertaken and completed within a ~~specified period of 21 calendar days~~. 5.3.7 A fixed costs order in the sum of ~~£500-£750~~, payable within 21 calendar days, will be included in any warning letter or written undertaking. A written undertaking may also include: (i) ~~an undertaking to pay a financial penalty not exceeding £500~~ an undertaking to pay a variable costs order of a sum not in excess of the costs incurred by the CLSB relating to the upheld complaint; (ii) the imposition of a condition on the Costs Lawyer's practising certificate for a specified period.	<i>the discretion of the CLSB in appointing the right person to lead the investigation.</i> <i>This amendment removes the presumptive limit of only one extension as there are times when it's not foreseeable, such as health or bereavement, how long an extension is needed. This allows the CLSB discretion to be compassionate and fair, but in all cases there will need to be an exceptional reason for an extension. For example, in a recent case there were successive extensions due to the deteriorating health of a relative.</i> <i>This amendment makes it clear whose conclusions are contained in the report to avoid ambiguity.</i> <i>This amendment offers clarity and removes the restriction of 21 calendar days, which if stretching over the Christmas and New Year period would be almost impossible to comply with.</i> <i>The DR&P costs orders have not been reviewed since 2020 and this amendment seeks to address this. The existing costs orders/financial penalties rarely come close to covering the costs of an investigation, which in 2025 cost in excess of £10,000 for all upheld complaints. This means that the rest of the Costs Lawyer profession is subsidising the costs relating to investigating and concluding complaints of those few whose behaviour and/or conduct falls below the standard expected.</i> <i>The proposed unlimited variable costs order, in addition to the fixed costs order, seeks to address this unfairness.</i>

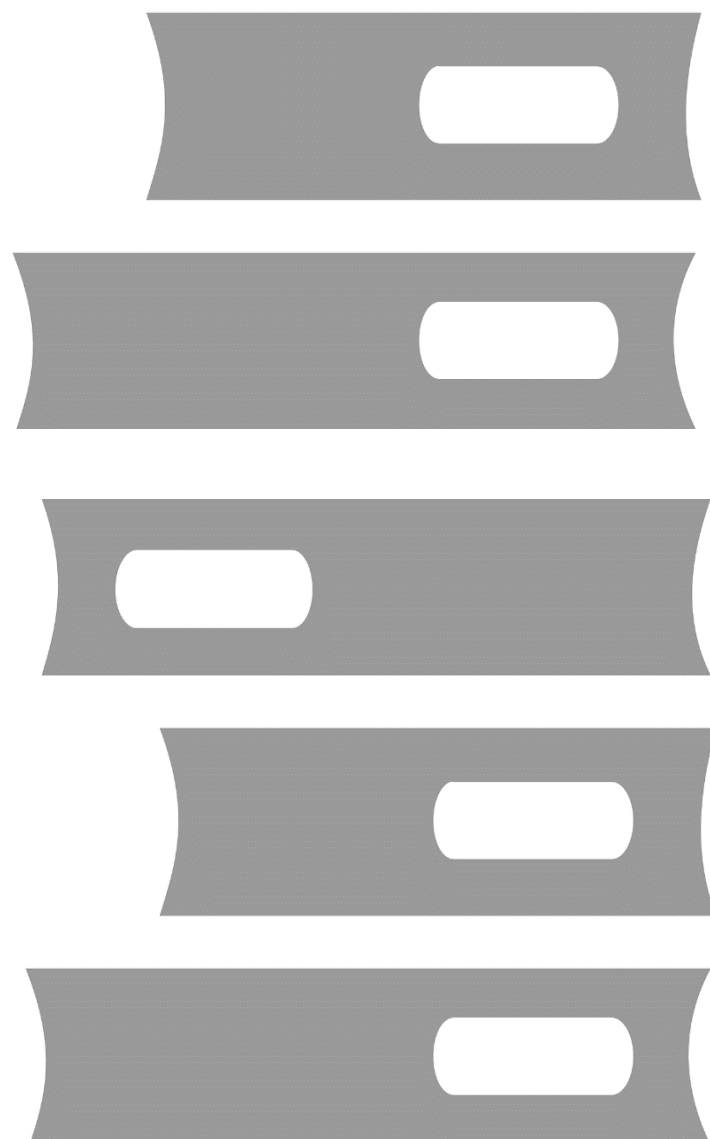
Section of Rules – Revised Text	Explanation of Proposed Amendments
5.4.2 The Costs Lawyer may appeal against a finding following a level one investigation, that a breach of a Principle occurred. The Costs Lawyer may also appeal against the content of a warning letter issued under rule 5.3.1(i). A Costs Lawyer may not appeal a referral to a Conduct Committee following a level one investigation.	<i>The CLSB will only seek to recover the costs of the complaint. For example, if the cost of a complaint is £1200, then the variable costs order would be £450 in addition to the £750 fixed costs order. This approach, commonly referred to in regulatory circles as “polluter pays”, means that the costs of upheld complaints are passed on to the Costs Lawyer responsible, leaving the rest of the regulated community to cover only the CLSB costs where a complaint is not upheld. In 2025, the range of sums the CLSB would have sought to recover was c £600 to c£5,000 under a variable costs order.</i> <i>The CLSB also expects this variable costs order to encourage Costs Lawyers to resolve complaints sooner, or where there is an investigation, cooperate fully to reduce the cost. In either scenario, that works in the favour of the complainant and the Costs Lawyer.</i> <i>This amendment simply clarifies what is currently implicit to make it explicit.</i>
Rule 6: Level two procedure (Conduct Committee) 6.1.1 A Conduct Committee will have jurisdiction under these DR&P in the events outlined in rule 5.3.1(iii), rule 5.3.9 and rule 5.4.5, and under the Practising Rules. Where a Conduct Committee has jurisdiction, the CLSB will convene the Conduct Committee in accordance with these DR&P as soon as reasonably practicable. 6.2.3 A Lay Person Panel Member who was appointed under rule 4.3 to consider matters relating to an interim suspension order may not also be appointed to the Conduct Committee. The Conduct Committee will be provided with all material evidence that was made available to the Lay Person Panel Member. 6.4.1 The CLSB will, not less than 14 calendar days before a Conduct Committee hearing, publish a notice on the CLSB website that a Conduct Committee has been convened. This notice will state the name of the Costs Lawyer, date, time and format, if online, or location of the Conduct Committee hearing. As the CLSB operates entirely remotely, there is a presumption that the hearing will be held online. Modern remote facilities	<i>This amendment explicitly provides that an appeal against a decision under Rule 10.5 of the Practising Rules is within the jurisdiction of the Conduct Committee.</i> <i>This amendment addresses what could be perceived as a procedural weakness. It excludes any Lay person who determined an Interim Suspension Order application or review from being appointed to a subsequent Conduct Committee hearing the same matter.</i> <i>This amendment seeks to bring the DR&P in line with how the CLSB now operates as a remote organisation, removing any assumption that hearings would be held online or in a physical location leaving to it be decided on a case-by-case basis. This aligns with the Reasonable Adjustments Policy.</i>

Section of Rules – Revised Text	Explanation of Proposed Amendments
provide for confidential ‘break out’ rooms for the Committee members and the Costs Lawyer that can be used for conferring. The location may be varied by the Chair of the Conduct Committee on the application of either party if there are reasonable grounds to do so, for example in extremely complex matters, in cases involving witnesses who are vulnerable or to meet a reasonable adjustment request. Rule 6.4.7: ~~Any witness, whose evidence has not been agreed and who has therefore been called to give oral testimony, may be asked questions by the Costs Lawyer and/or the CLSB’s representative at the direction of the Conduct Committee.~~ The Conduct Committee will regulate its own procedure subject to its discretion and in the interests of fairness to all parties. 6.5.2 Where the Conduct Committee finds that a breach of Principle occurred, the Conduct Committee may order one or more of the following sanctions: (i) a warning, specifying actions the Costs Lawyer must take or must avoid in the future, which may include sanctions that apply automatically upon non-compliance with the terms of the warning; (ii) ~~a financial penalty not exceeding £5,000~~ a variable costs order of a sum not in excess of the costs incurred by the CLSB relating to the upheld complaint; 6.5.4 A fixed costs order in the sum of ~~£1,250~~ £1,500, payable within 21 calendar days, will be included in any order made by the Conduct Committee where it finds that a breach of a Principle occurred.	<i>This amendment is a clarification of the former language to make matters simpler to the reader.</i> <i>These two amendments taken together raise the recoverable costs of the CLSB at this stage to reflect the costs of the CLSB, especially as at this stage it is highly likely the matter will be more complex and/or serious. This is in line with the proposed amendments at 5.3.7 above.</i>
Rule 7: Level three procedure (Conduct Appeal Committee) 7.3.6 In the event the Conduct Appeal Committee: (i) finds that no valid ground for appeal has been made out by the Costs Lawyer; or (ii) upholds the Conduct Committee’s order in full, the Costs Lawyer will be ordered to pay fixed costs at level three in the sum of ~~£1,250~~ £1,500 (in addition to the ~~£1,250~~ £1,500 fixed costs ordered by the Conduct Committee at level two and any variable costs order imposed at level two). Level two and level three fixed costs, and any variable costs order imposed at level two, will be payable to the CLSB within 14 calendar days of	<i>This amendment raises the fixed costs at this stage to reflect the rising costs of the CLSB.</i>

Section of Rules – Revised Text	Explanation of Proposed Amendments
the Costs Lawyer receiving written notification of the Conduct Appeal Committee’s order. NEW 7.4.2 The Conduct Appeal Committee’s order is not appealable and this process will have been exhausted.	<i>This amendment seeks to make explicit what is currently implicit in the DR&P to ensure clarity.</i>

Consultation

Complete version of
proposed new DR&P



Board review: 22 October 2026

Costs Lawyer Standards Board

CLSB

Complete version of proposed new DR&P

Definitions

The definitions below form part of these Disciplinary Rules and Procedures.

ACL	Association of Costs Lawyers (named in the LSA as the Association of Law Costs Draftsmen).
Case Manager	Person appointed by the CLSB to assist in the administration of a disciplinary matter at level two or three, who may be a person employed by the CLSB or a third party.
CLSB	Costs Lawyer Standards Board, acting as an approved regulator under the LSA following delegated authority by the ACL on 31 October 2011.
CoC	Costs Lawyer Code of Conduct effective at the time a Principle might have been breached.
Complaint	Information established by the CLSB under its supervision arrangements or information received from a third party (natural, legal or commercial) which relates to a potential breach of a Principle by a Costs Lawyer.
Complainant	The CLSB, or a person (natural, legal or commercial) who brings information to the attention of the CLSB that a Principle might have been breached by a Costs Lawyer.
Conduct Committee	Committee established by the CLSB to consider Costs Lawyer conduct matters, as defined in the Disciplinary Rules and Procedures
Costs Lawyer	A Costs Lawyer authorised and regulated by the CLSB.
DR&P	These Disciplinary Rules and Procedures.
First-tier Complaint	Complaints that are made directly to a provider of legal services are referred to as “first-tier complaints”.

Fixed Cost Order	A costs order determined by the relevant rule required to be paid by a Costs Lawyer when a complaint is upheld. This is distinct from and in addition to a 'variable costs order'.
Lay Person / Non-Lay Person	As defined in Schedule 1 paragraph 2(4) of the LSA.
LSA	Legal Services Act 2007.
Panel Member	An individual appointed by the CLSB (including on an ad hoc basis) to serve on a Conduct Committee or Conduct Appeal Committee who: • is independent of the CLSB; • has been neither an ACL Council member nor a non-executive director of the CLSB for a period of two years before being appointed as a Panel Member; and • has agreed in writing to adhere to the terms of the CLSB's Panel Member Code of Conduct and any procedural guidance that the CLSB may issue for Panel Members from time to time.
Principle	Any one or more of the seven principles a Costs Lawyer must comply with under the CoC, namely: 1. Act with honesty and integrity and maintain your independence 2. Comply with your duty to the court and promote the proper administration of justice 3. Act in the best interests of your client 4. Provide a good quality of work and service to your client 5. Deal with the regulators and Legal Ombudsman in an open and co-operative way 6. Treat everyone fairly and equitably, and with dignity and respect 7. Keep the affairs of your client confidential

	The Principles are underpinned by CLSB rules, such as Practising Rules and CPD Rules, contained in the CLSB Handbook. A potential breach of a Principle may therefore involve breach of a rule and a potential breach of a rule may indicate the breach of a Principle. For this reason, a reference to a Principle in these DR&P includes a reference to any associated CLSB rule.
Regulatory Objectives	As defined in section 1(1) of the LSA.
Second-tier Complaint	Complaints that are escalated to the CLSB or Legal Ombudsman are known as “second-tier complaints”.
Variable Costs Order	A costs order determined by the relevant rule required to be paid by a Costs Lawyer when a complaint is upheld. This is distinct from a ‘fixed costs order’ and is calculated by assessing the costs incurred by the CLSB during the complaint process, hence it is “variable” by nature. This costs order is not capped but will not exceed the costs incurred by the CLSB.

Background

These DR&P are made pursuant to the LSA, which requires the CLSB to act in a way that it considers most appropriate for the purposes of meeting the Regulatory Objectives. The CoC sets out the Principles that a Costs Lawyer must uphold in order to meet the fundamental professional standards required of a Costs Lawyer. The Principles are underpinned by CLSB rules, such as Practising Rules and CPD Rules. These DR&P establish processes for determining whether a Costs Lawyer has breached a Principle and/or an associated rule, as well as the consequences of any such breach. These DR&P are published in the CLSB Handbook.

Objectives

The main aim of these DR&P is to promote the Regulatory Objectives, in particular:

- protecting and promoting the public interest;
- supporting the constitutional principle of the rule of law;
- protecting and promoting the interests of consumers;
- encouraging an independent, strong, diverse and effective legal profession;
- promoting and maintaining adherence to the professional principles.

These DR&P aim to be fair, consistent, transparent and proportionate procedures for considering the conduct of Costs Lawyers. They also aim to provide a credible deterrent to non-compliance with professional standards.

The desired outcome under these DR&P is that consumers of Costs Lawyers' services, the general public, the regulated community and individual Costs Lawyers are confident that the CLSB takes appropriate action where a Costs Lawyer has acted or continues to act in a way which breaches a Principle.

RULE 1: Jurisdiction

These DR&P come into effect on the effective date above and replace any other disciplinary rules and procedures previously issued by the CLSB. These DR&P govern Complaints received on or after the effective date. The Costs Lawyer need not hold a practising certificate issued by the CLSB at the time the Complaint is made to the CLSB in order for the CLSB to have jurisdiction.

- These DR&P apply where the following criteria are met:
 - (i) there is reason to suspect that a Costs Lawyer has been or is in breach of a Principle; and
 - (ii) the Costs Lawyer held a practising certificate issued by the CLSB at the time the alleged breach of a Principle occurred.

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- Where the Complainant is not the CLSB, for these DR&P to apply a Complaint must be made in writing to the CLSB:
 - (i) within one calendar year from the date on which the matters giving rise to the Complaint occurred; or
 - (ii) within one calendar year from the date on which the Complainant first became aware that a breach of a Principle may have occurred.
 - In the event that a Complaint is made outside of the time limits in rule 1.3 above, then the CLSB may only consider the Complaint if:
 - (i) the Complainant provides a exceptional reason for the delay in making the Complaint and that delay does not cause unfair prejudice to the Costs Lawyer involved; or
 - (ii) if it is otherwise in the public interest to consider the Complaint.
 - The CLSB will not consider a Complaint by a litigant in person or a solicitor on the other side of proceedings involving the Costs Lawyer, whilst those proceedings are ongoing. The court has powers to consider conduct issues in the context of ongoing proceedings.
 - In the event the CLSB accepts jurisdiction to investigate an alleged breach of a Principle, then the CLSB will confine itself to that alleged breach and to documents and witness evidence which relate to that breach. If the CLSB obtains information relating to another potential breach of a Principle in the course of an investigation, the CLSB will, at its discretion, decide whether it forms part of the existing complaint or whether it will treat that information as a fresh Complaint.
 - The CLSB has entered into agreements with other regulatory bodies to govern situations in which more than one regulatory body might have jurisdiction to handle a Complaint. The CLSB will only exercise its jurisdiction under these DR&P in accordance with such agreements. The CLSB will notify a Complainant if a Complaint falls within this rule 1.8.

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- If a person to whom these DR&P apply has a disability, the CLSB will consider a request by that person to make reasonable adjustments as set out in the [Reasonable Adjustment Policy](#).

RULE 2: The Legal Ombudsman

- 2.1 A Complaint about the service provided by a Costs Lawyer falls within the jurisdiction of the [Legal Ombudsman](#). A Complaint about the conduct of a Costs Lawyer (i.e. breach of a Principle) falls within the jurisdiction of both the CLSB and the Legal Ombudsman.
- 2.2 In the event the CLSB receives a Complaint that falls within the jurisdiction of the Legal Ombudsman but **not** the jurisdiction of the CLSB, the CLSB will inform the Complainant of this and provide the Complainant with contact information for the Legal Ombudsman.
- 2.3 In the event a Complaint relates to both the service and conduct of a Costs Lawyer the CLSB will allow the Legal Ombudsman to investigate the Complaint in the first instance, unless the CLSB deems the conduct element so serious in nature that it requires the immediate or earlier attention of the CLSB. Once the Complaint has been determined by the Legal Ombudsman, the CLSB will (where it has the jurisdiction to do so under these DR&P) deal with any matters relating to the conduct element of the Complaint that have not been fully disposed of by the Legal Ombudsman. In doing so, the CLSB will adopt any relevant findings of fact made by the Legal Ombudsman in its determination. For the purposes of rule 1.3, the Complaint will be deemed to have been made to the CLSB on the date the Complaint was made to either the CLSB or Legal Ombudsman, whichever is earlier.

RULE 3: Publication of an outcome

- 3.1 The purposes of publishing a disciplinary outcome are to protect the public and to promote high standards across the Costs Lawyer profession. The CLSB will be guided by these purposes in determining whether and how to publish.

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- 3.2 In the event a breach of a Principle has been established under these DR&P, the finding and any associated disciplinary outcome will be published by the CLSB unless publication would prejudice other proceedings or investigations (whether of a legal or regulatory nature) or would breach Article 8 of the Human Rights Act 1998.
- 3.3 Publication will be on the CLSB website and in any other location that the CLSB deems appropriate for achieving the purposes in rule 3.1, which may include any shared regulatory platform in which the CLSB participates. A note will also appear against the name of the Costs Lawyer on the register of authorised and regulated Costs Lawyers.
- 3.4 Imposition of an interim suspension order under rule 4 will be noted against the name of the Costs Lawyer on the register of authorised and regulated Costs Lawyers, and any other part of the CLSB's website at its discretion, for the period that the interim suspension order is in force. This may also include publication on any shared regulatory information services in which the CLSB participates.
- 3.5 Other than where an interim suspension order has been imposed, publication will only occur where a breach of a Principle has been established against a Costs Lawyer and following expiry of the time for an appeal under these DR&P. In the event the Costs Lawyer appeals, publication of the finding under appeal will be withheld pending the outcome of that appeal.
- 3.6 Publication will be in accordance with the Data Protection Act 2018, as amended from time to time. The CLSB may rely upon any exemptions from general data protection rules relating to the processing of personal data in connection with regulatory activities.

RULE 4: Interim suspension orders

- 4.1 On receipt of a Complaint, the CLSB shall consider whether or not the Costs Lawyer's practising certificate should be subject to an interim suspension order. The effect of an interim suspension order is to impose a condition on the Costs

Lawyer's practising certificate that the Costs Lawyer does not have the right to practice as a Costs Lawyer pursuant to the CLSB's Practising Rules while the interim suspension order has effect.

- 4.2 An interim suspension order must be fair, just and reasonable in all the circumstances, and may only be imposed if the CLSB is satisfied that such a course of action is justified having regard to:
- (i) the risk posed to the public if such an interim suspension order was not implemented; and
 - (ii) the Regulatory Objectives.
- 4.3 If the CLSB is of the view that there are grounds for imposing an interim suspension order, the CLSB will appoint a Lay Person Panel Member to consider the relevant facts and make a recommendation as to whether an interim suspension order should be imposed. The Lay Person Panel Member will consider whether it is appropriate, in all the circumstances, to seek further information from the Costs Lawyer before making the recommendation.
- 4.4 An interim suspension order will:
- (i) be imposed by the CLSB only where recommended by the Lay Person Panel Member appointed under rule 4.3;
 - (ii) be notified in writing to the Costs Lawyer, including reasons why the criteria in rule 4.2 for imposition of an interim suspension order are considered to be met; and
 - (iii) be published in accordance with rule 3.
- 4.5 An interim suspension order shall remain in force until such time as:
- (i) an investigation has been undertaken in accordance with rule 5 and a finding has been made as provided for in rule 5.2, in which case the interim suspension order shall automatically lapse;
 - (ii) the relevant Complaint is fully determined following a finding at level one, level two or level three and the time for any appeal has expired, in which case the CLSB will revoke the interim suspension order and notify the Costs Lawyer in writing; or

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- (iii) the CLSB has reasonable grounds to believe that the criteria in rule 4.2 for imposition of an interim suspension order are no longer met, in which case the CLSB will revoke the interim suspension order and notify the Costs Lawyer in writing.
- 4.6 The Costs Lawyer, or the CLSB, may apply in writing to have an interim suspension order revoked at any time while such an order is in force if new evidence becomes available that is material to the decision. A Lay Person Panel Member, ordinarily the same individual appointed under rule 4.3, will determine the application within 14 calendar days of receipt, taking into account the new evidence provided. The CLSB will notify the Costs Lawyer in writing of the Lay Person Panel Member's determination. If the Lay Person Panel Member determines that the application should be allowed, the CLSB will revoke the interim suspension order.
- 4.7 The Costs Lawyer may, within 14 calendar days of receiving written notification of a determination under rule 4.6, appeal against that determination. The appeal will be considered by a Conduct Appeal Committee appointed under rule 7.2. The Lay Person Panel Member appointed under rule 4.3 shall not be a member of that Conduct Appeal Committee.
- 4.8 An appeal under rule 4.7 must be made in writing, setting out the reasons why the Costs Lawyer believes the interim suspension order should be revoked. The Conduct Appeal Committee will consider the issue afresh. The CLSB will notify the Costs Lawyer in writing of the outcome of the appeal. If the appeal is allowed, the CLSB will revoke the interim suspension order as soon as practicable. There is no further appeal of an outcome at this stage.
- 4.9 There will be no order for costs against the Costs Lawyer in relation to the imposition of an interim suspension order, including in relation to any application to have the interim suspension order revoked or any appeal. This rule does not impact the power to impose fixed costs orders in relation to other aspects of disciplinary proceedings, as set out elsewhere in these DR&P.

RULE 5: Level one procedure

5.1 Investigation

5.1.1 In the event the CLSB accepts jurisdiction in respect of a Complaint, it will carry out an investigation in relation to the Complaint. The investigation will be conducted by an investigator, who may be a member of CLSB staff or an external investigator appointed by the CLSB. The CLSB will aim to ensure an investigation is completed within three calendar months from the date an investigator is instructed.

5.1.2 The person carrying out the investigation will at all times:

- (i) act independently;
- (ii) maintain confidentiality; and
- (iii) subject to (i) and (ii) above, make all enquiries and gather all evidence required to enable them to draw accurate conclusions.

5.1.3 The CLSB or investigator will send a copy of the Complaint and any documents to the Costs Lawyer inviting them to provide, within 28 calendar days, a response which sets out concise observations (which may include admissions), supported by evidence relevant to the investigation. The Costs Lawyer may make a written request to the CLSB or investigator for an extension of time for responding, setting out reasons why the extension is required. An extension will only be permitted where the CLSB is satisfied that there are exceptional circumstances, taking into account the public interest in the prompt investigation of Complaints.

5.1.4 The CLSB may consider multiple Complaints, or multiple potential breaches of a Principle, as part of a single investigation so long as this is consistent with rule 5.1.2.

5.1.5 In making a finding and recommending an outcome, the CLSB or the investigator will consider, without limitation:

- (i) whether the alleged facts are disputed by the Costs Lawyer;
- (ii) whether the alleged conduct is isolated or systemic in nature;

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- (iii) the extent of any prejudice or loss caused or likely to be caused because of the alleged conduct;
 - (iv) whether the alleged conduct involved the integrity or honesty of the Costs Lawyer;
 - (v) the Costs Lawyer's standard of care and conduct leading up to the alleged conduct;
 - (vi) whether the Costs Lawyer's handling of the matter under their first-tier complaints handling procedure was reasonable, and what steps, if any, the Costs Lawyer had taken to address the issue;
 - (vii) whether any material harm has been caused to the standing of the Costs Lawyer profession;
 - (viii) the disciplinary record of the Costs Lawyer;
 - (ix) whether it is a case which involves a matter of wider public interest;
 - (x) whether the Costs Lawyer complied with Principle 5 throughout the investigation.

5.1.6 All evidence that is relevant will be admissible in the investigation, unless disclosing it to the CLSB or the investigator would be unlawful. The weight given to any particular evidence or category of evidence will depend on what is fair and reasonable in the circumstances.

5.1.7 At the conclusion of an investigation, the CLSB or the investigator will produce a written report. It will set out the evidence considered as part of the investigation and the investigator's conclusions drawn from the evidence. Conclusions will be reached on the balance of probabilities.

5.1.8 The investigation report will contain one of the following findings:

- (i) no breach of a Principle occurred; or
- (ii) a breach of a Principle occurred.

In the event of a finding that a breach of a Principle occurred, the investigation report will also recommend that the CLSB implements one of the outcomes set out in rule 5.3.1.

5.1.9 If the investigation report was prepared by an external investigator appointed by the CLSB, it will be evaluated by the CLSB to ensure it is thorough and fair. It will be at the discretion of the CLSB as to whether further investigation is carried out before the finding in the investigation report is acted upon. In such event, the Costs Lawyer will be notified that further investigation will be undertaken and completed within a specified period.

5.2 Investigation finding: No breach of a Principle occurred

5.2.1 If the investigation report includes a finding that no breach of a Principle occurred then:

- (i) no further disciplinary action will be taken by the CLSB in relation to the Complaint; and
- (ii) there will be no costs payable by either the Costs Lawyer or the CLSB to the other.

5.2.2 The CLSB will inform the Costs Lawyer and Complainant of the finding in writing as soon as reasonably practicable.

5.3 Investigation finding: Breach of a Principle occurred

5.3.1 If the investigation report includes a finding that a breach of a Principle occurred, the CLSB may implement any of the following outcomes:

- (i) issue a warning letter, specifying conduct that the Costs Lawyer is expected to engage in or avoid in the future;
- (ii) agree a written undertaking with the Costs Lawyer, specifying actions that the Costs Lawyer has agreed to take, or conduct that the Costs Lawyer has agreed to avoid in the future;
- (iii) refer the matter to a Conduct Committee (level two procedure) in accordance with rule 6.

5.3.2 The CLSB will inform the Costs Lawyer and Complainant of the finding and associated outcome in writing as soon as reasonably practicable.

5.3.3 The CLSB will pursue whichever of the outcomes under rule 5.3.1 best promotes, in the CLSB's view, the objectives of these DR&P. In doing so, the CLSB will take

into account any recommendations in the investigation report, but will not be bound by those recommendations.

5.3.4 The CLSB will always consider referring the matter to a Conduct Committee where, without limitation:

- (i) the alleged breaches are, or have the potential to be, very serious or sensitive;
- (ii) the conclusions of the investigation are finely balanced or the facts are unclear;
- (iii) the person carrying out the investigation feels they have not been able to obtain all relevant evidence within the parameters set out in rule 5.1.2;
- (iv) the CLSB is of the view that issuing a warning letter or agreeing a written undertaking would not serve the objectives of these DR&P;
- (v) the matter otherwise raises an issue of significant public interest.

5.3.5 Where the CLSB determines that a written undertaking is the most appropriate outcome, it will seek to agree that written undertaking with the Costs Lawyer promptly following conclusion of the investigation. Once the terms of the undertaking have been agreed, the CLSB will provide the proposed written undertaking to the Costs Lawyer for the Costs Lawyer to sign and return within 14 calendar days. A written undertaking will have effect from the date of the Costs Lawyer's signature.

5.3.6 A warning letter or written undertaking will set out in brief the finding of the investigation, including the Principle breached and the circumstances of the breach.

5.3.7 A fixed costs order in the sum of £750, payable within 21 calendar days, will be included in any warning letter or written undertaking. A written undertaking may also include:

- (i) an undertaking to pay a variable costs order of a sum not in excess of the costs incurred by the CLSB relating to the upheld complaint;
- (ii) the imposition of a condition on the Costs Lawyer's practising certificate for a specified period.

5.3.8 Where an investigation relates to more than one Complaint, or finds that more than one breach of a Principle occurred, the CLSB may implement any combination of the outcomes under rule 5.3.1 as are considered appropriate.

5.3.9 In the event the Costs Lawyer:

- (i) expresses to the CLSB that they do not intend to comply with the terms of a warning letter;
- (ii) does not comply with the terms of a warning letter;
- (iii) does not sign and return a proposed written undertaking within 14 calendar days of receipt; or
- (iv) does not comply with the terms of an agreed written undertaking,

the CLSB may refer the matter to a Conduct Committee (level two procedure) and will notify the Costs Lawyer of this in writing. The Conduct Committee may consider the original Complaint that gave rise to the warning letter or written undertaking, as well as the Costs Lawyer's conduct that led to the matter being referred to the Conduct Committee under this rule 5.3.9 in making its findings.

5.3.10 The CLSB will not issue any further Costs Lawyer practising certificates to a Costs Lawyer until such time as fixed costs and any variable costs order at level one have been paid in full by the Costs Lawyer to the CLSB.

5.4 Breach of a Principle occurred: Right of appeal

5.4.1 A finding at level one may not be appealed by a Complainant.

5.4.2 The Costs Lawyer may appeal against a finding following a level one investigation, that a breach of a Principle occurred. The Costs Lawyer may also appeal against the content of a warning letter issued under rule 5.3.1(i). A Costs Lawyer may not appeal a referral to a Conduct Committee following a level one investigation.

5.4.3 An appeal by the Costs Lawyer under rule 5.4.2 must be made to the CLSB in writing, within 14 calendar days of:

- (i) receipt of written notification of a finding against the Costs Lawyer following a level one investigation; or
- (ii) receipt of a warning letter (where the appeal relates to the content of that warning letter).

5.4.4 The appeal should identify one or more of the following grounds for appeal and attach any evidence in support of those grounds:

- (i) there was a material error of law;
- (ii) there was a failure to take into account material information;
- (iii) the decision was irrational or based on irrelevant considerations;
- (iv) there was a material failure to comply with these DR&P;
- (v) the decision is unlawful, for example because it infringes a person's human rights;
- (vi) new evidence has been obtained which could not have been made available when the decision was made and which will be material to the decision.

5.4.5 An appeal under rule 5.4.2, which meets the criteria in rules 5.4.3 and 5.4.4, will be determined by a Conduct Committee convened in accordance with rule 6.

RULE 6: Level two procedure (Conduct Committee)

6 Jurisdiction of a Conduct Committee

6.1.1 A Conduct Committee will have jurisdiction under these DR&P in the events outlined in rule 5.3.1(iii), rule 5.3.9 and rule 5.4.5, and under the Practising Rules. Where a Conduct Committee has jurisdiction, the CLSB will convene the Conduct Committee in accordance with these DR&P as soon as reasonably practicable.

6.2 Conduct Committee composition

6.2.1 A Conduct Committee will comprise of two Lay Person Panel Members, one of whom will act as Chair of the Conduct Committee, and one Non-Lay Person Panel Member.

6.2.2 Before appointing a Panel Member to a Conduct Committee, the CLSB will confirm that the Panel Member does not have any conflict of interest in relation to the matter.

6.2.3 A Lay Person Panel Member who was appointed under rule 4.3 to consider matters relating to an interim suspension order may not also be appointed to the Conduct Committee. The Conduct Committee will be provided with all material evidence that was made available to the Lay Person Panel Member.

6.3 Convening a Conduct Committee

6.3.1 The CLSB may appoint a Case Manager to assist in convening the Conduct Committee. The role of the Case Manager is administrative only; they will have no involvement in the substantive deliberations or determination of the Conduct Committee.

6.3.2 The Costs Lawyer and Complainant will be notified of the name and contact details of any Case Manager appointed.

6.3.3 The Case Manager will advise the Complainant that a Conduct Committee is to be convened. A Complainant is not a party to disciplinary proceedings, but the Complainant may attend the Conduct Committee hearing as a member of the public.

6.3.4 The Case Manager will, not less than 28 calendar days before the Conduct Committee hearing, issue a written Notice of Conduct Committee to the Costs Lawyer. Whilst the Case Manager will use all reasonable endeavours to accommodate the availability of the Costs Lawyer, the Case Manager may set a Conduct Committee hearing date they consider appropriate in the circumstances.

6.3.5 The Notice of Conduct Committee will include the following information:

- (i) the Principle alleged to have been breached which the Conduct Committee is being asked to consider;
- (ii) date, time and location of the Conduct Committee;
- (iii) the Panel Members who will form the Conduct Committee;
- (iv) the Costs Lawyer's right to call witness evidence that has not been agreed between the CLSB and the Costs Lawyer; and
- (v) the Costs Lawyer's right to be accompanied or represented at their own expense.

6.3.6 The Notice of Conduct Committee will annex the following:

- (i) a copy of the investigation report;
- (ii) a copy of the CoC and any associated rules it is alleged have been breached;
- (iii) a copy of these DR&P; and
- (iv) any other documentation the Case Manager considers appropriate in the circumstances.

6.3.7 The Case Manager will, not less than 21 calendar days before the Conduct Committee hearing, seek to establish what facts are agreed between the CLSB and the Costs Lawyer.

6.3.8 The Costs Lawyer and the CLSB will, not less than 14 calendar days before the Conduct Committee hearing, advise the Case Manager if they intend to call witness evidence in relation to facts that have not been agreed between the CLSB and the Costs Lawyer.

6.3.9 The Costs Lawyer will, not less than 14 calendar days before the Conduct Committee hearing, advise the Case Manager if they intend to be accompanied/represented.

6.3.10 The Costs Lawyer may, not less than 14 calendar days before the Conduct Committee hearing, file a skeleton argument with the Case Manager under which they set out a brief synopsis of the matter before the Conduct Committee outlining both issues that are agreed and issues that are not agreed between the CLSB and the Costs Lawyer. The CLSB may, not less than 7 days before the Conduct Committee hearing, file a reply to the skeleton argument addressing any issues raised in the skeleton argument that are not dealt with in the investigation report.

6.4 Conduct Committee hearing

6.4.1 The CLSB will, not less than 14 calendar days before a Conduct Committee hearing, publish a notice on the CLSB website that a Conduct Committee has been convened. This notice will state the name of the Costs Lawyer, date, time and format, if online, or location of the Conduct Committee hearing. As the CLSB operates entirely remotely, there is a presumption that the hearing will be held online. Modern remote facilities provide for confidential 'break out' rooms for the

Committee members and the Costs Lawyer that can be used for conferring. The location may be varied by the Chair of the Conduct Committee on the application of either party if there are reasonable grounds to do so, for example in extremely complex matters or to meet a reasonable adjustment request.

- 6.4.2 The Conduct Committee hearing will be open to observation by the public. No member of the public will be heard unless prior permission is granted by the Conduct Committee. The Conduct Committee may ask any member of the public to leave in the event their conduct is considered unacceptable during the Conduct Committee hearing.
- 6.4.3 On the application of a party, or on the Conduct Committee's own initiative, the Conduct Committee may make an order for all, or part, of a hearing to be held in private or for the identity of any person involved in the matter to be kept confidential. The Conduct Committee will take the following factors into account in determining whether to make such an order:
- (i) the hearing involves confidential information (including sensitive personal data) and publicity would damage that confidentiality;
 - (ii) the need to protect the interests of a vulnerable person;
 - (iii) the need to secure the proper administration of justice.
- 6.4.4 Where the Conduct Committee makes an order under Rule 6.4.3, it will produce reasons for its decision, which will be published on the CLSB website. If publication of reasons would defeat the purpose of making the order, the Conduct Committee will produce a non-confidential version of its reasons, which explains the Conduct Committee's decision as transparently as is possible in the circumstances of the case, for publication on the CLSB website.
- 6.4.5 The CLSB may be represented at the Conduct Committee hearing by a staff member and/or other representative.
- 6.4.6 The Conduct Committee will act impartially. Members of the Conduct Committee may ask questions of any witness, the Costs Lawyer and the CLSB's representative.
- 6.4.7 The Conduct Committee will regulate its own procedure subject to its discretion and in the interests of fairness to all parties.

6.4.8 All evidence which is relevant will be admissible in a Conduct Committee hearing, unless its disclosure would be unlawful.

6.4.9 If deemed appropriate in all the circumstances, the Conduct Committee may take legal advice from an independent lawyer, adjourning to take such advice if required. The Case Manager may assist the Conduct Committee in sourcing appropriate legal advice.

6.4.10 Any finding reached by a Conduct Committee will be on the balance of probabilities and will be by majority.

6.5 Conduct Committee finding

6.5.1 Following the Conduct Committee hearing, the Conduct Committee will make an order setting out its finding as to whether or not a breach of a Principle occurred. The Conduct Committee may, if it considers it appropriate to do so, take into account further written submissions from the Costs Lawyer as to any mitigating circumstances prior to making an order for the imposition of sanctions under rule 6.5.2.

6.5.2 Where the Conduct Committee finds that a breach of Principle occurred, the Conduct Committee may order one or more of the following sanctions:

- (i) a warning, specifying actions the Costs Lawyer must take or must avoid in the future, which may include sanctions that apply automatically upon non-compliance with the terms of the warning;
- (ii) a variable costs order of a sum not in excess of the costs incurred by the CLSB relating to the upheld complaint;
- (iii) imposition of a condition on the Costs Lawyer's practising certificate for a specified period;
- (iv) suspension of the Costs Lawyer's practising certificate for a period not exceeding two years and suspension of the Costs Lawyer's name from the register of authorised and regulated Costs Lawyers for the same period (and any such order may require the Costs Lawyer to return their current practising certificate to the CLSB until the period of the suspension has passed);

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- (v) permanent revocation of the Costs Lawyer's practising certificate and removal of the Costs Lawyer's name from the register of authorised and regulated Costs Lawyers (and any such order may require the Costs Lawyer to return their current practising certificate to the CLSB).

6.5.3 Where the Conduct Committee was convened to consider an appeal from a finding at level one (under rule 5.4.5), the Conduct Committee's order shall stand in place of the level one finding and any associated outcomes. Where the appeal related to the content of a warning letter, the Conduct Committee's order must not include the sanctions in rule 6.5.2 (ii), (iii), (iv) or (v).

6.5.4 A fixed costs order in the sum of £1,500, payable within 21 calendar days, will be included in any order made by the Conduct Committee where it finds that a breach of a Principle occurred.

6.5.5 In the event the Conduct Committee orders that a variable costs order must be paid, it shall stipulate a timeframe for payment.

6.5.6 The Case Manager will, within 21 calendar days of the Conduct Committee hearing, notify the Costs Lawyer in writing of the Conduct Committee's order and reasons for its finding. In complex cases, it may take longer for the Conduct Committee to reach a finding and articulate its reasons. In such cases the Case Manager will keep the Costs Lawyer updated on the likely timeframe for communication of the Conduct Committee's order.

6.5.7 The Case Manager will, upon publication of a Conduct Committee's finding, notify the Complainant.

6.5.8 The CLSB will not issue any further practising certificates to the Costs Lawyer until such time as fixed costs and any variable costs order imposed at level two have been paid in full to the CLSB by the Costs Lawyer.

6.6 Right of appeal

6.6.1 There is no right of appeal by the Costs Lawyer where the Conduct Committee hearing was convened to consider an appeal relating to a level one finding or the content of a warning letter.

6.6.2 In all other circumstances the Costs Lawyer may, within 14 calendar days of notification of the Conduct Committee's order, file a written appeal with the Case Manager in relation to any aspect of that order, identifying one or more of the following grounds for the appeal and attaching any evidence in support of those grounds:

- (i) there was a material error of law;
- (ii) there was a failure to take into account material information;
- (iii) the decision was irrational or based on irrelevant considerations;
- (iv) there was a material failure to comply with these DR&P;
- (v) the decision was unlawful, for example because it infringes a person's human rights;
- (vi) new evidence has been obtained which could not have been made available prior to the Conduct Committee making its order and which will be material to the decision.

6.6.3 A Case Manager appointed under level two may continue to act on the same basis under an appeal at level three. The Case Manager will notify the Complainant in the event an appeal is filed.

6.6.4 The finding of a Conduct Committee may not be appealed by the Complainant or the CLSB.

6.6.5 Where an appeal is filed, any fixed costs or variable costs order included in the Conduct Committee's order at level two will not become payable until the appeal has been determined, in accordance with rule 7.3.

RULE 7: Level three procedure (Conduct Appeal Committee)

7.1 Conduct Appeal Committee composition

7.1.1 The Conduct Appeal Committee will comprise two Lay Person Panel Members, one of whom will act as Chair of the Conduct Appeal Committee, and one Non-Lay Person Panel Member.

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- 7.1.2 A Panel Member who was a member of the Conduct Committee that considered the matter being appealed will not be a member of the Conduct Appeal Committee.
 - 7.1.3 Before appointing a Panel Member to a Conduct Appeal Committee, the CLSB will confirm that the Panel Member does not have any conflict of interest in relation to the matter.

7.2 Convening a Conduct Appeal Committee

- 7.2.1 The Costs Lawyer will be advised of the date that the Conduct Appeal Committee will consider the appeal (the review date).
- 7.2.2 The Case Manager will provide the CLSB with a copy of the Costs Lawyer's appeal notice and any documents submitted by the Costs Lawyer in support.
- 7.2.3 The CLSB may, not less than 14 calendar days before the Conduct Appeal Committee review date, file a response to the appeal notice. The Case Manager will provide this to the Costs Lawyer not less than 10 calendar days before the review date.

7.3 Conduct Appeal Committee process

- 7.3.1 The Conduct Appeal Committee will meet in private and consider the appeal on the papers.
- 7.3.2 The Conduct Appeal Committee will consider whether, on the balance of probabilities, any valid ground for appeal has been made out by the Costs Lawyer. If it has not, the Conduct Appeal Committee will uphold the Conduct Committee's order. If it has, the Conduct Appeal Committee will review the evidence that was before the Conduct Committee as well as any new evidence and decide whether to uphold or overturn the Conduct Committee's order.
- 7.3.3 Where a ground of appeal has been made out, the Conduct Appeal Committee may uphold or overturn the order of the Conduct Committee in full or in part. The Conduct Appeal Committee may set aside any part of an order made by a Conduct Committee and may substitute its own order, incorporating any of the sanctions set out in rule 6.5.2, except that it may not impose a higher variable costs order than that imposed by the Conduct Committee.

7.3.4 The finding of the Conduct Appeal Committee will be by majority.

7.3.5 If deemed appropriate in all the circumstances the Conduct Appeal Committee may take legal advice from an independent lawyer, adjourning to take such advice if required. The Case Manager may assist the Conduct Committee in sourcing appropriate legal advice.

7.3.6 In the event the Conduct Appeal Committee:

- (i) finds that no valid ground for appeal has been made out by the Costs Lawyer; or

- (ii) upholds the Conduct Committee's order in full,

the Costs Lawyer will be ordered to pay fixed costs at level three in the sum of £1,500 (in addition to the £1,500 fixed costs ordered by the Conduct Committee at level two and any variable costs order imposed at level two). Level two and level three fixed costs, and any variable costs order imposed at level two, will be payable to the CLSB within 14 calendar days of the Costs Lawyer receiving written notification of the Conduct Appeal Committee's order.

7.3.7 In the event the Conduct Appeal Committee overturns the Conduct Committee's order in full, the Costs Lawyer will not be liable for any costs of the Conduct Committee at level two or of the Conduct Appeal Committee at level three.

7.3.8 In the event the Conduct Appeal Committee overturns the Conduct Committee's order in part, the Costs Lawyer will be liable to pay fixed costs ordered at level two, and any variable costs order ordered at level two and upheld by the Conduct Appeal Committee, within 14 calendar days of receiving written notification of the Conduct Appeal Committee's order. The Costs Lawyer will not be liable for any fixed costs at level three.

7.3.9 The Conduct Appeal Committee may, by order, deal with any interim suspension order that is in force in relation to the Costs Lawyer.

7.4 Following a Conduct Appeal Committee review

7.4.1 The Case Manager will, within 21 calendar days of the review date, notify the Costs Lawyer, the Complainant and the CLSB in writing of the Conduct Appeal Committee's order and reasons for its finding. In complex cases, it may take longer

for the Conduct Appeal Committee to agree an order and articulate its reasons. In such cases the Case Manager will keep the parties updated on the likely timeframe for communication of the Conduct Appeal Committee's order.

7.4.2 The Conduct Appeal Committee's order is not appealable and this process will have been exhausted.

7.4.3 The CLSB will not issue any further practising certificates to the Costs Lawyer until such time as fixed costs and any variable costs order ordered at level two or level three have been paid in full to the CLSB by the Costs Lawyer.

RULE 8: Provision of information

8.1 Where these DR&P require or permit the provision of documents, notice or other information, that information may be provided by email unless the receiving party has requested in advance that information be provided by post.

