Summary of Decision
The purpose of this summary sheet is to provide a high level and accessible overview of the Legal Services Board's ("LSB") decision. Readers are recommended to read the formal decision notice below for further details. This summary is not and should not be taken as a formal part of the LSB's decision notice under the Legal Services Act 2007 ("the Act"). This decision notice relates to an application from the Costs Lawyer Standards Board ("CLSB") for approval of alterations to the CLSB's Disciplinary Rules and Procedures. The amendments aim to update and clarify the disciplinary framework, close a potential gap in the CLSB's jurisdiction, remove a barrier to consumers raising conduct concerns directly with the CLSB, clarify complaint time limits and appeal routes, improve publication of interim suspensions, and revise the recovery of costs where complaints are upheld. Following assessment of the CLSB's application, the LSB has concluded that the changes do not meet the conditions for refusal under paragraph 25(3) of Schedule 4 to the Act. The LSB's decision is to grant the application in full. The decision notice explains our assessment of the main issues that we considered in reaching our decision.

Decision notice

The Costs Lawyer Standards Board's application for approval of alterations to its Disciplinary Rules and Procedures.

1. The Legal Services Board (LSB) has granted an application from the Costs Lawyer Standards Board (CLSB) for approval of alterations to its Disciplinary Rules and Procedures.

2. The LSB is required by Part 3 of Schedule 4 to the Legal Services Act 2007 (the Act) to review and grant or refuse applications by approved regulators to alter their regulatory arrangements. The Association of Costs Lawyers (ACL) is an approved regulator and the CLSB is the regulatory body to which the ACL has delegated its regulatory functions.

3. This decision notice sets out the decision taken, including a description of the alterations and why they are being made. Information on the statutory framework under which approved regulators apply to the LSB for approval of changes to regulatory arrangements is available on the LSB website[1].

Chronology

- This application was received on 23 October 2026.
- The LSB confirmed that the application was complete on 26 October 2026.
- The 28-day initial decision period for considering the application ends on 19 November 2026.
- This decision notice is effective from19 November 2026.
- The decision notice will be published on the LSB's website by 23 November 2026.

Background

4. We received an application[2] from the CLSB for approval of proposed amendments to its Disciplinary Rules & Procedures (DR&P). The DR&P provides a framework for how the CLSB will deal with a Costs Lawyer who may have breached a professional principle or an associated regulatory rule. The DR&P establish the CLSB's jurisdiction, investigation and hearing processes, available outcomes and sanctions, appeal arrangements and the publication of disciplinary decisions.

5. The current DR&P were last amended in 2024[3]. Following its annual review of complaints and regulatory arrangements, the CLSB identified areas where the rules could be clearer, address operational gaps and provide stronger consumer and public protection.

6. The CLSB consulted on the proposals[4] and made changes in response to submissions received.

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[1] https://legalservicesboard.org.uk/our-work/statutory-decision-making/alterations-to-regulatory-arrangements/statutory-framework-for-applications-to-the-lsb-for-approval-of-changes-to-regulatory-arrangements

[2] DRP change application - 23 October 2026 inc. annexes A-D

[3] clsb.info/download/disciplinary-rules-and-procedures-2/?wpdmdl=55249&refresh=6ab64c7ce2cf41790332028

[4] clsb.info/download/consultation-proposed-changes-to-the-disciplinary-rules-and-procedures/?wpdmdl=78504&refresh=6ae33566b8edf1793275238

Summary of proposed changes

7. The CLSB's application summarises its proposed alterations as follows:

    - Increase the financial amounts of fixed-cost orders and introduce a new variable-cost order to replace the financial penalty. These orders will only be imposed where a complaint is upheld;
    - Improve the publication and visibility of interim suspension orders;
    - Clarify the interim suspension, hearing and appeal processes, including the final route of appeal;
    - Where appropriate, allow the CLSB to consider other elements of a complaint that arise during an investigation without having to start a new investigation, thereby avoiding delay and additional costs;
    - Remove the requirement for consumers to raise a conduct concern first with the Costs Lawyer, as opposed to being able to go directly to the CLSB, which may be a more appropriate option in certain circumstances;
    - Clarify when the time limits for making or responding to a complaint may be extended;
    - Preserve the CLSB's disciplinary jurisdiction where a Costs Lawyer surrenders their practising certificate after the alleged conduct;
    - Update definitions and simplify language to improve clarity and accessibility.

8. Subject to the LSB's approval, the CLSB intends to implement the amended DR&P in the first quarter of 2027, alongside updated guidance, policy statements and communications to Costs Lawyers and the public.

Key Issues

CLSB's guidance, policy statements and other published materials that cross-reference the DR&P.

9. The application references the CLSB's intention to update its relevant guidance, policy statements and other published materials that cross-reference the DR&P. These were not included with the application as required under the LSB Applications to Alter Regulatory Arrangements Rules 2021 ("Rules").[5]

10. In response to queries raised during the LSB's assessment of the application, the CLSB provided draft guidance documents. The proposed changes to the draft guidance maintained CLSB's existing clear distinction between guidance and the Rules (regulatory arrangements). We are content that the draft guidance documents do not consist of regulatory arrangements and align with and signpost to the DPR&P.

[5] Applications to Alter Regulatory arrangements rules

11. The CLSB plans to communicate the amended regulatory arrangements directly to all Costs Lawyers via various channels, including social media to capture a wider audience, as well as orally at the Association of Costs Lawyers Training Costs Lawyer Professional Qualification Course.

12. We acknowledge the clear distinction drawn between guidance and regulatory arrangements in the draft guidance. We expect future applications from the CLSB to contain relevant guidance, policy statement or material that supports the application consistent with the Rules.

First-iter complaints and second-tier complaints definition

13. The CLSB proposes to amend the DR&P to insert new definitions for “first-complaint" and “second-tier complaint”.

14. In May 2024, the LSB published Section 112 Requirements[6] (“Requirements”), Guidance on Section 112 Requirements[7] and the Statement of Policy for first-tier complaints[8], with a deadline to implement the Requirements in November 2025. Together they aim to ensure that the regulatory arrangements of approved regulators provide for the effective and fair resolution of first-tier complaints. First-tier complaints are those made by consumers to providers about the service they received. Unresolved service complaints made to the Legal Ombudsman (“LeO”) are second-tier complaints. Complaints about conduct, as opposed to services, are made to regulators, not LeO. During LSB's assessment, CLSB explained that it had published updated Complaints Procedures guidance in December 2024[9] to implement the Requirements within the specified timeframe.

15. The CLSB seeks to adopt a definition for first-tier complaints and second-tier complaints that differs from those in the Requirements. The Requirements define these terms as follows:

    First-tier complaint: ‘*a relevant complaint made by a complainant to an authorised person about the services provided by that authorised person’*

    Second -tier complaint: *‘A complaint made to the Legal Ombudsman under the scheme rules made by the Office for Legal Complaints”.*

16. The CLSB’s proposed definitions are as follows:

    First-tier complaint: *‘‘Complaints that are made directly to a provider of legal services are referred to as "first-tier complaints”*

    Second-tier complaint: ‘*‘Complaints that are escalated to the CLSB or Legal Ombudsman are known as “second-tier complaints”*

17. The CLSB explained it has taken account of Section 112 definitions, tailoring the wording in a way that applies to Cost Lawyers for the benefit of the regulated community and clients.

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[6] s112 Requirements
[7] s162 Guidance
[8] First Tier Complaints - Policy statement
[9] clsb.info/download/complaints-procedures-2/?wpdmdl=55252&refresh=6aec82c0a32cb1793884864

This is because Cost Lawyers mainly provide specialist costs legal services to other legal service providers and not consumers directly.

18. The CLSB's application highlighted the fact that complaints can also be hybrid (i.e. contain allegations or concerns that relate to both service and conduct matters). In such cases, the CLSB plans to defer service-related complaints to LeO, unless in specific cases where the CLSB can investigate in parallel to LeO.

19. We understand that CLSB's definition of second-tier complaints seeks to cover both routes as well as reflecting the nature of the Cost Lawyers' profession. The proposals mean complaints relating to service matters will continue to be for LeO under its Scheme Rules and complaints relating to conduct will be for the CLSB to investigate. In the circumstances, the proposed changes here are reasonable and proportionate for the CLSB.

Routes for conduct complaints

20. The current DR&P require consumers to first submit a conduct complaint to the legal services provider before escalating to the CLSB. We note that this reflects the LeO scheme which provides that service complaints must go to the first-tier provider before being escalated to LeO. The CLSB noted that consultation feedback from the LSCP stated that the CLSB's existing approach is not consistent with other front-line legal regulators. The CLSB's proposed alterations above will make explicit that consumers have the option to raise complaints directly with the CLSB.

21. We acknowledge that the CLSB is seeking to increase consumer choice of the complaint routes for conduct matters.

Decision

22. The LSB has considered the application against the criteria in paragraph 25(3) of Schedule 4 to the Act. It considers that there is no reason to refuse this application, and accordingly, the application is granted in full.

23. Annex A to this decision notice contains the amendments to the regulatory arrangements approved by the LSB.

Summary of expectations:

24. The LSB expects future applications contain relevant guidance, policy statement or material that might support the application.

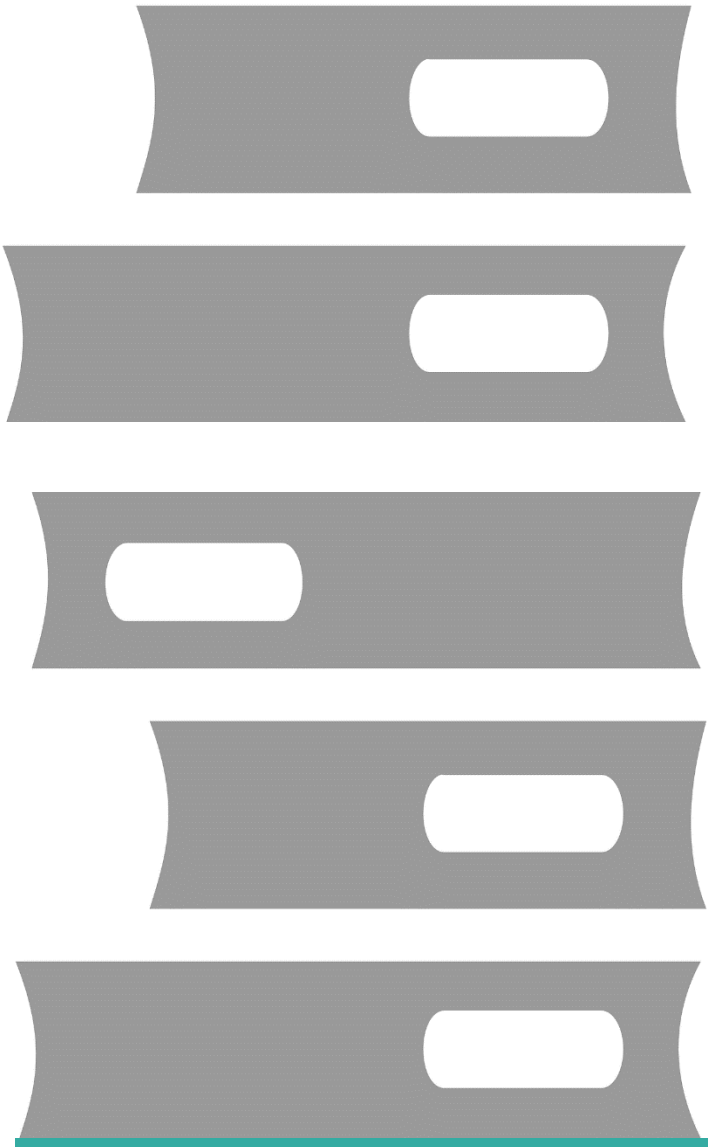
Richard Orpin, Chief Executive
Acting under delegated authority granted by the Board of the Legal Services Board

19 November 2026

Annex A - approved alterations

Annex A - Post Consultation

Complete version of proposed new DR&P



Board approved: 22 October 2026

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.

- 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.

- 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.

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

(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;

(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);

(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.

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

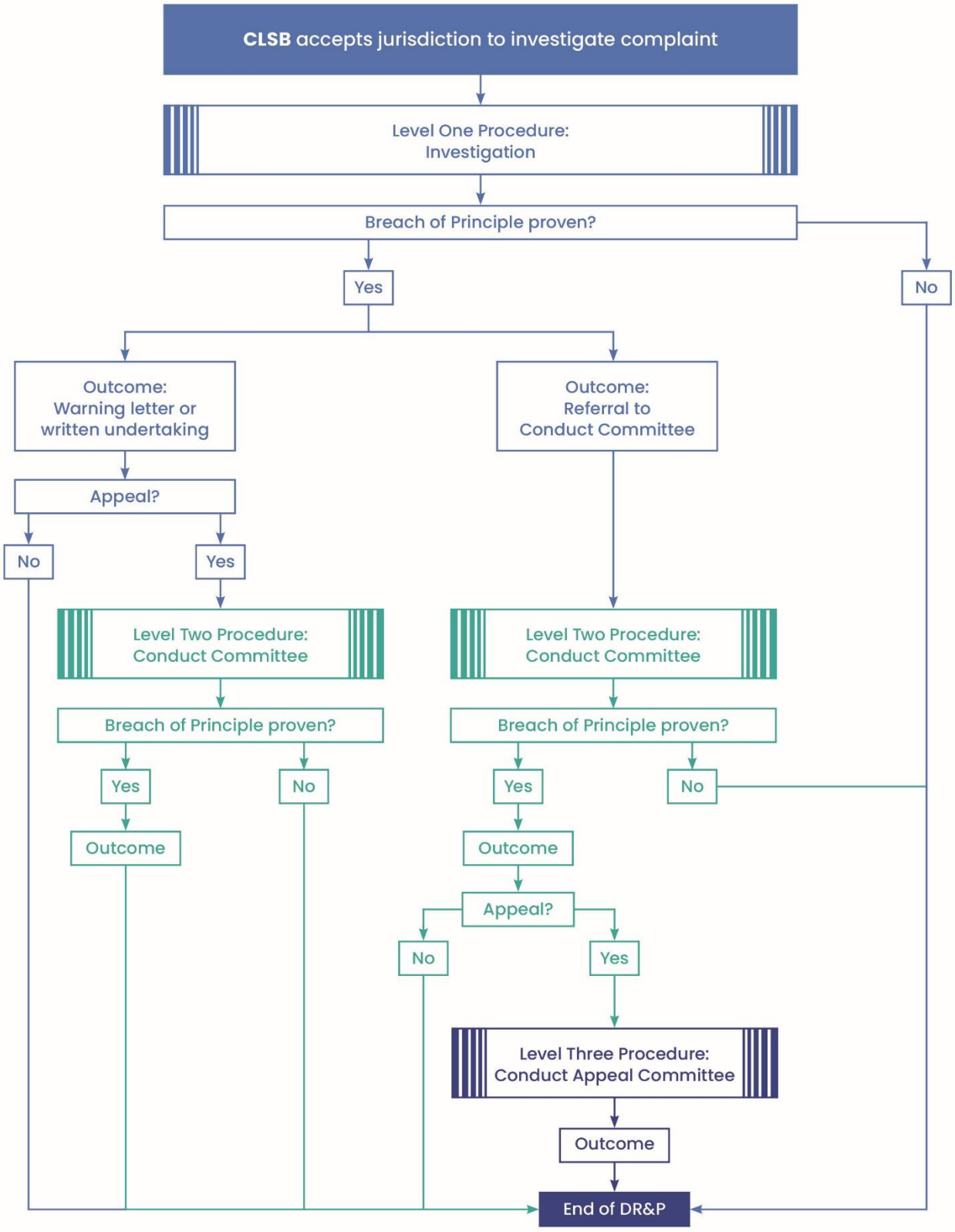
for the Conduct Appeal Committee to agree an order and articulate its reasons. In such cases the Case Manager will keep the parties updated on the likely timeframe for communication of the Conduct Appeal Committee's order.

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.


CLSB accepts jurisdiction to investigate complaint
Level One Procedure: Investigation
Breach of Principle proven?
Yes
No
Outcome: Warning letter or written undertaking
Outcome: Referral to Conduct Committee
Appeal?
No
Yes
Level Two Procedure: Conduct Committee
Level Two Procedure: Conduct Committee
Breach of Principle proven?
Breach of Principle proven?
Yes
No
Yes
No
Outcome
Outcome
Appeal?
No
Yes
Level Three Procedure: Conduct Appeal Committee
Outcome
End of DR&P