



News

Extension of Fixed Recoverable Costs - Client Costs Information

09 October 2023

Solicitors advising on civil litigation claims will be familiar with changes to the [fixed recoverable costs regime](https://www.gov.uk/government/organisations/civil-procedure-rules-committee/about#implementation-of-the-extended-fixed-recoverable-costs-frc-regime-october-2023) [https://www.gov.uk/government/organisations/civil-procedure-rules-committee/about#implementation-of-the-extended-fixed-recoverable-costs-frc-regime-october-2023] which come into effect at the start of the month. And the Government's confirmation that [fixed recoverable costs will be introduced in lower damages clinical negligence claims in April 2024](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1184944/fixed-recoverable-costs-consultation-response.pdf). [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1184944/fixed-recoverable-costs-consultation-response.pdf]

In adapting to these changes, you might be reviewing the costs information you provide to clients. This might include information about the circumstances in which clients might be responsible for any shortfall between costs incurred and costs recovered from the other side, and information about the circumstances in which a client might be responsible for the other side's costs.

As well as understanding the merits of a claim, clients value costs information that is clear and readily understood. You must make sure you provide your clients with the best information possible about costs incurred and likely overall costs. You should inform clients in a timely way of key facts and issues including risks, progress towards objectives, and costs, including whether the likely costs and risk of the claim make it worthwhile pursuing.

We know that dissatisfaction about costs information is a driver of complaints to law firms, as well as to the Legal Ombudsman. Making sure you meet your obligations to provide clear costs information will reduce the likelihood of client dissatisfaction and related complaints.

In providing costs information to clients, you must have regard to Paragraph 8.7 of the our Code of Conduct for individuals, which states 'you ensure that [clients](https://rules.sra.org.uk/solicitors/standards-regulations/glossary/#client) [https://rules.sra.org.uk/solicitors/standards-regulations/glossary/#client] receive the best possible information about how their matter will be priced and, both at the time of engagement and when appropriate as their matter progresses, about the likely overall cost of the matter and any [costs](https://rules.sra.org.uk/solicitors/standards-regulations/glossary/#costs) [https://rules.sra.org.uk/solicitors/standards-regulations/glossary/#costs] incurred'.

These standards also apply to firms we regulate.

Individual solicitors should also be familiar with the [SRA Statement of Solicitor Competence](https://rules.sra.org.uk/solicitors/resources-archived/continuing-competence/cpd/competence-statement/) [https://rules.sra.org.uk/solicitors/resources-archived/continuing-competence/cpd/competence-statement/], which includes expectations in Section C2 that you will be, among others:

- Providing information in a way that clients can understand, taking into account their personal circumstances and any particular vulnerability
- Understanding and responding effectively to clients' particular needs, objectives, priorities and constraints
- Managing clients' expectations regarding options, the range of possible outcomes, risk and timescales
- Agreeing the services that are being provided and a clear basis for charging
- Informing clients in a timely way of key facts and issues including risks, progress towards objectives, and costs

You may also find it useful to refer to the Legal Ombudsman's [view on good cost service](https://www.legalombudsman.org.uk/information-centre/learning-resources/preventing-complaints/) [https://www.legalombudsman.org.uk/information-centre/learning-resources/preventing-complaints/], and our guidance on [client care letters](https://rules.sra.org.uk/solicitors/guidance/client-care-letters/) [https://rules.sra.org.uk/solicitors/guidance/client-care-letters/].