



THE PRICE IS RIGHT

IMPLEMENTING THE SRA TRANSPARENCY RULES

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The SRA has now published its guidance on the new price transparency rules due to take effect in December. The exact date for implementation has not yet been

published by the SRA. Whether it is 1 or 31 December, firms need to begin work urgently in preparation for these changes. The rules go much further than simply putting on the website a vague estimate of what a firm may charge.

The guidance provides details of what the SRA will expect to see on firms' websites to be compliant. Firms without a website must make the information available on request such as in a pricing brochure.

To a certain extent, the guidance can be viewed as "best practice", but as with all SRA guidance, if it is not followed, it will be necessary to explain how compliance was achieved in other ways. There are templates included with the guidance which might prove a useful starting point.

In summary, costs information must be published in relation to:

- For members of the public – residential conveyancing, probate, immigration, motoring offences and employment tribunals, and
- For businesses - debt recovery, employment tribunals and licensing applications for business premises

The following details must be given:

- the total cost of the service or, where not practicable, the average cost or range of costs;

- the basis for the charges, including any hourly rates or fixed fees;
- the experience and qualifications of anyone carrying out the work, and of their supervisors;
- a description of, and the cost of, any likely disbursements, and where the actual cost of a disbursement is not known, the average cost or range of costs;
- whether any fees or disbursements attract VAT and if so the amount of VAT they attract;
- details of what services are included in the price displayed, including the key stages of the matter and likely timescales for each stage, and details of any services that might reasonably be expected to be included in the price displayed but are not; and
- in relation to conditional fee or damages-based agreements, the circumstances in which clients may have to make any payments themselves for the services (including from any damages).

Costs information must be clear and accessible and must appear in a prominent place on a firm's website. It is already a requirement at Outcome 1.13 of the Code of Conduct for clients to be provided with the best possible information about the overall costs of a matter, but the Transparency Rules go further than this. They require specific figures for the overall cost to be provided, the only leeway being that the average cost, or a range of costs, could be provided as an alternative. However, if a firm publishes a range of costs, it will need to set out the basis for its charges, including any hourly rates and the types of factors that will determine what the final price will be.

Firms are also required to provide a detailed profile of every fee earner who might be

involved with that area of work. It will be important to institute a regular review process for what will now be shown on the website for these purposes as the required information will be subject to change and includes:

- the number of years' post qualification experience the fee earner has;
- the estimated numbers or examples of cases they have dealt with in given areas;
- their percentage breakdown of time spent in different areas of work; and
- the level of complexity or the types of issues they typically deal with.

It follows that in addition to preparing or updating the partner and fee earner details on your website in advance of the implementation date you should also conduct a review of your various retainer precedents in use across the firm to ensure that the website information tallies with the more detailed proposals then made to clients when instructions are received. This is likely also to require a stricter control on the mandatory use of standard and approved retainers than is currently the case in many firms.

Other considerations include:

- how and where the information will appear on the website;
- will the information be static or dynamic i.e. can the client input their own data to obtain a quote;
- how the information will be kept up to date and who within the firm will be responsible for this;
- documenting what is typically involved in the services offered and the factors that cause variations;
- considering price comparison websites;
- thinking about differentiation – are you the cheapest or are you different?
- regularisation of fees across the practice

The amount of work involved for firms serving private client and small businesses cannot be underestimated. It is not so much the initial work in updating the website as keeping it up to date that is the problem. It cannot be left to mature like a ripe Stilton. It must be updated regularly to avoid retainer problems with clients over fees and scope of work let alone complaints to the LeO and the SRA. Staff changes, hourly rate increases, procedural and legal changes will all affect the pricing information.

These new rules will radically change the way we do business and are considered by some to be as momentous as the abolition of scale fees for conveyancing in January 1973. They are not for the faint hearted.

SRA guidance - <https://www.sra.org.uk/solicitors/guidance/ethics-guidance/price-transparency.page>