Estimates & Terms of Engagement Code

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

Outcomes-Focused

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

- **Clients** receive good quality independent information, representation and advice; *(Outcome 1.1)*

- **Client** matters are dealt with using care, skill and diligence; *(Outcome 2.2)*

- **Clients** have the information they need to make informed decisions. *(Outcome 3.3)*

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

1. Act with independence and integrity. *(Overriding Principle 1)*

2. Maintain high standards of work. *(Overriding Principle 2)*

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

4. You act honestly, professionally and decently. *(CoC P1b)*

5. You do not give false or misleading information relating to the provision of Regulated Services. *(CoC P1e)*

6. You promptly advise Clients of any significant changes to projected costs, timelines and strategies. *(CoC P3m)*

7. Where the entity represents parties with different interests in any transaction each party is at all times represented by different Authorised Persons conducting themselves in the matter as though they were members of different entities. *(CoC P3n)*
You must also comply with the following specific requirements:

Estimates

8. Any estimate of costs is stored on a Durable Medium and states:-

8.1 the name of the Client, and the nature of the transaction;

8.2 the basis on which fees for abortive work will be payable;

8.3 the proposed fees and other expenses (such as bank transfer fees) payable to you (such fees and other expenses are deemed to be inclusive of VAT unless VAT is separately itemised);

8.4 a description of, and cost of, any disbursement likely to be incurred on the basis of the instructions received (such disbursements are deemed to be inclusive of VAT unless VAT is separately itemised). Where applicable, Land Tax should be separately itemised;

8.5 where the total sum payable as estimated under paragraph 8.3 is likely to be exceeded that the Body will advise the Client of that fact and provide an explanation and a revised estimate;

8.6 in respect of paragraphs 8.3 and 8.4:

8.6.1 unless otherwise stated fees will be deemed to be inclusive of the costs of post, telephone calls, facsimile communications and email;

8.6.2 unless separately specified, the estimate of proposed fees payable to the body will be deemed to include fees for:-

• representation of the lender;
• service of notices on a landlord or management company.

8.6.3 the Client is advised where it is not possible to provide an estimate of fees and disbursements because the relevant information is not available.

9. If it becomes apparent that the total sum payable as estimated under paragraph 8 is likely to be exceeded or that the relevant information has become available, as soon as practicable you:-

9.1 advise the Client; and

9.2 provide the Client with a written explanation on a Durable Medium.

10. Any fees, expenses, disbursements and VAT to be charged in respect of an abortive transaction are notified to the Client on a Durable Medium as soon as those matters can reasonably be calculated whether or not an invoice is delivered at this time.
Terms of Engagement

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

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

13. The Terms of Engagement include:-

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

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

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

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

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

13.5.1 the key stages of the transaction
13.5.2 indicative timescales for the transaction
13.5.3 a summary of services included in the cost, and
13.5.4 a summary of services which are not included in the cost

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

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

13.8 the following wording:-

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

13.9 Information about the staff mix, their experience and qualifications and the information contained in paragraphs 13.5-13.8 must also be made available in a prominent place on your website and by other reasonable means on request.
13.10 You keep a copy of, and any evidence that the Client has agreed, the estimate and Terms of Engagement on a Durable Medium. Should you require information on how to meet your responsibilities under this Code, please see the CLC’s Estimates and Terms of Engagement Guidance.