



Estimates & Terms of Engagement Code

This Code must be read with the Code of Conduct. The Code of Conduct is the parent document of the CLC Handbook and Frameworks; it sits above all other Codes in our regulatory arrangements. The Code of Conduct prescribes six Ethical Principles of behaviour which are essential to delivering the specific Outcomes which sit beneath each of the Ethical Principles. All CLC regulated individuals and bodies are expected to comply with the Code of Conduct in the delivery of authorised reserved legal activities and permitted non-reserved legal activities.

The CLC also publishes several other topic specific Codes addressing important areas of practice, including this Estimates and Terms of Engagement Code. Topic specific Codes underpin the Code of Conduct and support regulated individuals and bodies in delivering the Ethical Principles and Outcomes of behaviour defined in the Code of Conduct. Topic specific Codes apply to all regulated activities carried out by the individuals or bodies specified in that Code.

In this Code ‘you’ refers to individuals and bodies regulated by the CLC. You must ensure that you always comply with the Code of Conduct and topic specific Codes and must not permit anyone else to act or fail to act in such a way as to amount to a breach of this Code, the Code of Conduct, or the Ethical Principles.

Should circumstances arise in which there is an apparent conflict between a topic specific Code, the Code of Conduct, or any other regulatory requirement, you must ensure that you comply with the Code of Conduct. If in doubt, contact the CLC for advice.

You are required to provide timely Estimates and **Terms of Engagement** which are easy to understand and ensure that:

1. **Clients** understand and **agree to all** potential fees and disbursements.
2. You promptly inform the Client in writing of the existence and amount of any sum payable (whether directly or indirectly) as a result of receipt of that Client’s instructions
3. You **promptly** advise **Clients** of any significant changes to projected **costs**, timelines and strategies.
4. You advise **Clients** of the name and status of the person dealing with their matter and the name of the person responsible for overall supervision.

5. 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.

You must also comply with the following **specific requirements**:

Estimates

6. Any estimate of **costs** is stored on a **Durable Medium** and states:-
- 6.1 the name of the **Client**, and the nature of the transaction;
 - 6.2 the basis on which fees for abortive work will be payable;
 - 6.3 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);
 - 6.4 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;
 - 6.5 where the total sum payable as estimated under paragraph 6.3 is likely to be exceeded that the Body will advise the **Client** of that fact and provide an explanation and a revised estimate;
 - 6.6 in respect of paragraphs 6.3 and 6.4:
 - 6.6.1 unless otherwise stated fees will be deemed to be inclusive of the costs of post, telephone calls, facsimile communications and email;
 - 6.6.2 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.
 - 6.6.3 the **Client** is advised where it is not possible to provide an estimate of fees and **disbursements** because the relevant information is not available.
7. If it becomes apparent that the total sum payable as estimated under paragraph 6 is likely to be exceeded or that the relevant information has become available, as soon as practicable you:-
- 7.1 advise the **Client**; and
 - 7.2 provide the **Client** with a written explanation on a **Durable Medium**.

8. 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

9. You provide **Clients** with written **Terms of Engagement** with a request that the **Client** confirms their agreement to the terms.
10. The **Terms of Engagement** summarise the nature of instructions and with sufficient clarity so as to be readily understandable to the **Client**.
11. The **Terms of Engagement** include:-
 - 11.1 your name, address, telephone and other contact details;
 - 11.2 if not included in paragraph 11.1, the name of one of your **Managers**;
 - 11.3 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;
 - 11.4 if the matter is to be conducted by a team, the identity of that team and the name of its leader(s);
 - 11.5 a clear description of the services included in the cost, including
 - 11.5.1 the key stages of the transaction
 - 11.5.2 indicative timescales for the transaction
 - 11.5.3 a summary of services included in the cost, and
 - 11.5.4 a summary of services which are not included in the cost
 - 11.6 the name of the individual to whom any **complaint** should be made;
 - 11.7 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).
 - 11.8 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”).
 - 11.9 Information about the staff mix, their experience and qualifications and the information contained in paragraphs 11.5-11.8 must also be made available in a prominent place on your

website and by other reasonable means on request.

11.10 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 guidance on how to meet your responsibilities under this Code, please see the CLC's [Estimate and Terms of Engagement Guidance](#)