



Costs Lawyer Standards Board
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Sent by email only to enquiries@clsb.info

7 August 2026

Dear Costs Lawyer Standards Board Policy Team,

Re: Proposed Changes to the Disciplinary Rules and Procedure

The Legal Services Consumer Panel (Panel) welcomes the opportunity to comment on the Costs Lawyer Standards Board's (CLSB's) review of its Disciplinary Rules and Procedure. As the consultation document suggests, the changes to the CLSB Disciplinary Rules and Procedure have been considered alongside those planned for the CLSB Practising Rules. The Panel understands that this review was predominantly to introduce clearer language and to address real life queries received by the CLSB. The Panel has some comments on some of these changes as well as other parts of the Disciplinary Rules and Procedure as set out below.

1. Do you agree that we have focused on the right objectives in updating the Disciplinary Rules & Procedure? Are there any other key objectives or bodies of evidence that we should take into account? If so, how?

The Panel understands the aims of the CLSB's updates. Again, the CLSB should also be learning lessons from the collapse of SSB Law which illustrated how legal regulation failed to spot issues with the firm or to prevent them from causing significant consumer harm. One lesson was that looking at conduct complaints data alongside service complaints data can provide important warning signs of issues with a firm or parts of the sector. Generally speaking, the CLSB should be looking to encourage the reporting of concerns about Costs Lawyers to ensure it is collecting relevant data to understanding the risks in the sector.

In this vein, the CLSB's aim for accessibility of the Disciplinary Rules and Procedure (along with the Practising Rules which is the subject of a simultaneous consultation from the CLSB) is laudable, but the document should be clear to lay people and the public, not just Costs Lawyers. Because many consumers do not receive the legal advice they need, it should be easy for lay people who have a concern about a Costs Lawyer to determine the process and applicable rules.

In addition, in light of the recent calls for a higher level of integration in legal regulation in the interests of consumers¹, it may be an appropriate juncture to consider aligning significant definitions with those used by other regulators. Research shows that consumers do not understand the convoluted system of legal regulation and assume all legal services are regulated.² Accordingly, they expect a consistent set of regulatory rules to apply to all legal professionals and the definition of a complaint that relates to service or to conduct would be a good place to start.

2. Do you agree with the proposed amendments to the Disciplinary Rules & Procedure? Are there any additional amendments that we should consider?

3. Do you find the proposed presentation of the Disciplinary Rules & Procedure accessible? Are there any other formatting changes we should consider to make the Practising Rules more user-friendly?

The proposed amendments are discussed below as well as other issues relating to the current drafting of the Disciplinary Rules and Procedure. Where relevant, comments are also provided about ways in which the accessibility of various rules can be improved.

Changes related when the CLSB can take jurisdiction

The Panel appreciates that the CLSB's proposed amendments attempt to avoid Costs Lawyers dodging disciplinary action by surrendering their Practising Certificate; this aim is important. However, the current proposal that requires there be a Practising Certificate in place when the rule breach occurred still excludes certain situations. If a Costs Lawyer breaches one of the principles or rules when their Practising Certificate has lapsed, the CLSB could not take jurisdiction of the matter, which could affect the CLSB's ability to vet that Costs Lawyer if they reapply to the register in the future.

Changes related to the standard required to make an exception to the time limit to report

The Panel does not agree with the proposal to change the wording of what is required to consider an allegation that a Costs Lawyer has breached a principle or rule outside the general one year time limit from "a reasonable explanation" to "an exceptional reason". While the CLSB sees this change as making the high bar required clearer, a reasonableness standard just needs to be fleshed out once the CLSB has enough cases to give further meaning to this standard. A reasonableness standard is regularly contextualised such as by considering what a reasonable legal services consumer would expect and CLSB resources could help its decision-makers make consistent determinations and lay people understand it.

Furthermore, if there is a change in wording (from reasonable to exceptional), lawyers will argue that the test has become more stringent as a change would be presumed to be significant. This will happen regardless of what the CLSB's actual intention is.

It is also imperative to highlight the serious information asymmetry between consumers and lawyers which is even more pronounced on matters involving a transgression of the principles or rules that could potentially touch on legal issues, professional duties or procedural questions. Understanding that a Costs Lawyer may have done something wrong could take time and understanding what the consumer's options to take action are may take even additional time.

¹ The recently published MOJ [Independent Public Bodies Review of the Legal Services Board](#) (2026) calls for "practical steps to bring about a more integrated, collective approach to legal services regulation" (at p. 4) and the Panel's own position paper [A Regulatory Framework for the Future](#) (2026) states that "[c]oherence is a precondition for good regulation. It is not a substitute for it." (at p. 25).

² SRA, [Corporate Strategy Benchmarking Survey](#) (2024) at slides 28-29.

Plus Rule 1.4 already provides a high bar for exempting the time limit because in addition to any reasonable or exceptional explanation on the part of the consumer, the delay can also not cause undue prejudice to the Costs Lawyer. This secondary clause regarding undue prejudice already makes it harder to bring forward an allegation.

Finally, there is no evidence provided that there is any specific reason or evidence for making this change other than to ostensibly make things clearer. Therefore, for all the reasons listed here, the Panel cannot support this wording change that may unnecessarily bar allegations against Costs Lawyers from coming to light with potentially negative consequences for legal services consumers.

Time limits more generally

There is also an argument to be made that consumer issues with Costs Lawyers that are within the conduct category can also involve more serious allegations that could pose a greater risk of consumer harm than service inadequacies and should not be subject to a time limit at all. Allegations should not be barred where serious consequences are at stake. As stated above, allegations from the public should be encouraged as they can be a helpful warning tool for spotting and pre-emptively dealing with issues that pose risks to consumers. Moreover, while the CLSB may receive very low levels of allegations against Costs Lawyers, this may not be as good a sign as it seems because it is known that a high level of dissatisfied legal services consumers do not take action as a result of that dissatisfaction.³ Therefore, the CLSB should not be making changes to make it harder for consumers or members of the public to come forward. Though the SRA receives extremely high levels of allegations, it does not apply a time limit to allegations that solicitors have acted improperly.⁴ Accordingly, the Panel would suggest the CLSB consider whether a time limit to reporting conduct complaints is really necessary.

Requiring consumers to report their conduct concerns to their Costs Lawyer

The Panel's reading of CLSB Rule 1.6 is not in line with other legal regulators (such as the SRA, BSB and CLC) who do not seem to require someone to first report conduct concerns to the lawyer before going to their relevant regulator. As the Panel pointed out in its response to the simultaneous consultation on updating its Practising Rules, by also including the stated definitions of complain, first-tier complaint and second-tier complaint in the Disciplinary Procedure and Rules, it appears that the CLSB expects consumers to first report all complaints (service and conduct) to their Costs Lawyer. With serious misconduct, such a requirement does not seem appropriate as the consumer may be uncomfortable or even scared to confront the lawyer directly. Even though the rules state that that the person bringing the allegation can demonstrate to the CLSB's satisfaction that it would cause them undue prejudice or the CLSB may decide to ignore this requirement if it is in the public interest, this still largely puts the onus on the consumer to explain why they should not have to report their issue to their lawyer first. Again, this is not encouraging (and could discourage) reports that can be helpful in spotting issues in the regulated community. While these clauses have not been changed, it is not apparent why the CLSB's process is different from other legal regulators in this manner.

Changes relating to publishing an interim suspension

The Panel is pleased that the CLSB has made amendments to allow it to publish an interim suspension in additional places to the online register. However, it is not clear that the current wording allowing publication on "any other part of the CLSB's website at its discretion" would cover publication on the Regulatory Information Service (RIS). This is especially important given that consumers may access the regulatory status of a Costs Lawyer through the CLSB website (if they understand the lawyer is a Costs Lawyers and who regulates them) or the RIS.

³ 40% of dissatisfied legal services consumers were silent sufferers, not taking any action at all as a result of their dissatisfaction (See LSCP 2026 Tracker Survey).

⁴ See SRA, [Reporting a Solicitor or Firm to us](#) (2026).

Changes related to adopting a polluter pays approach to for recovering costs

The Panel is also supportive of the CLSB using a polluter pays approach in its attempt through the amendments to allow the CLSB to recover the costs of the disciplinary action through costs orders being imposed on Costs Lawyers who are found to have breached any principles or rules. This polluter pays approach will act as a further deterrent of bad behaviour and also keep the costs of regulation down even though the CLSB's regulated community is very small at approximately 700 Costs Lawyers.

How a consumer raises a concern about a Costs Lawyer with the CLSB

Finally, as all types of complaints increase across society due in part to people's increased use of AI to describe their complaint, it is worth considering whether requiring a complaint in writing may encourage the use of this technology. People may feel that they cannot put their complaint in writing without AI, but AI can often obscure the relevant issues. As the CLSB is receiving very low levels of complaints,⁵ it could consider offering an option of reporting a concern over the phone and monitor the effects of having two options for how to report a concern.

How the CLSB describes which complaints can be referred to the Legal Ombudsman

The Panel notes that the CLSB's description of the different jurisdictions of the Legal Ombudsman and the CLSB when it comes to complaints appears to be different from how other legal regulators describe them. The CLSB describes conduct complaints (ie. breach of a principle) as being in the jurisdiction of both the CLSB and the Legal Ombudsman, whereas most other legal regulators say that conduct concerns should be addressed by the regulator. Given the large and growing backlog of cases at the Legal Ombudsman, it would make sense to try to reduce the number of people (who are able to disentangle service and conduct issues) going there in the first place by referring people with a conduct issue directly to the CLSB.

Process for handling complaints relating to complaints involving service and conduct

Rule 2.3 states that the CLSB will wait for the Legal Ombudsman to complete its investigation (and adopt those findings) before dealing with any conduct issues within the CLSB's jurisdiction where a complaint involves both service and conduct matters. This rule should also be considered in the context of the Legal Ombudsman's backlog and serious challenges in conducting investigations in a timely manner. Under the circumstances, it may not be appropriate for the CLSB to wait for the Legal Ombudsman to conclude its investigation before dealing with any conduct matters (even if serious breaches are dealt with more quickly).

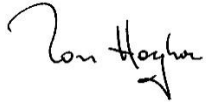
4. Do you foresee any reason why the proposed changes could have a harmful impact on persons with a protected characteristic under the Equality Act 2010? If so, is there any evidence you can provide that would help us assess that impact?

The Panel would like to see the CLSB actively consider how their consultations will affect not only Costs Lawyers with a protected characteristic, but also consumers with a protected characteristic. It is important for the CLSB to understand that the Disciplinary Rules and Procedure have impacts on consumers and these potential impacts should always be contemplated when deciding on which and how regulatory changes are implemented. While the Panel does not see that the proposed changes will affect any one group of consumers in particular, it would still like to see the CLSB turn its mind to this question.

⁵ See complaints data in CLSB, [The Costs Lawyer Profession in 2025](#) (2026).

We hope the CLSB finds this input helpful. Should you have any questions pertaining to this consultation response, please contact Heidi Evelyn, Consumer Panel Manager, at Heidi.Evelyn@legalservicesconsumerpanel.org.uk, with any enquiries.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tom Hayhoe', with a stylized flourish at the end.

Tom Hayhoe
Chair, Legal Services Consumer Panel