Costs Lawyer Standards Board
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7 August 2026

Dear Costs Lawyer Standards Board Policy Team,

**Re: Proposed Changes to the Costs Lawyer Practising Rules**

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

**1. Do you agree that we have focused on the right objectives in updating the Practising Rules? 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. In addition, the CLSB should 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 Practising Rules (along with the Disciplinary Rules and Procedure 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.

For example, it seems logical to standardise definitions across the various documents that make up the Costs Lawyer Handbook. However, using the word "complaint" to capture complaints made to a firm, the CLSB, or the Legal Ombudsman is at odds with the definition which has been taken from the Disciplinary Rules and Procedure and inserted into the Practising Rules document. Because it relates to a potential breach of a principle by a Costs Lawyer (which may not be the case with a service complaint), it could cause confusion, limiting accessibility.

In addition, in light of the recent calls for a higher level of integration in legal regulation in the interests of consumers[1], 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 Practising Rules? Are there any additional amendments that we should consider?**

**3. Do you find the proposed presentation of the Practising Rules 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 Practising Rules. Where relevant, comments are also provided about ways in which the accessibility of various rules can be improved.

### Changes related to the definitions of complaint being added to the Practising Rules

The Panel has called for a "unified complaints and intelligence function" where a consumer can go to one place to lodge a complaint regardless of whether it concerns a lawyer's service or conduct. The divide between service and conduct is often hard to determine (even for lawyers or regulators) or intertwined as the CLSB's Disciplinary Rules and Procedure anticipate.

Nevertheless, the current system is bifurcated and accordingly, it is noteworthy that other regulators such as the Solicitors Regulation Authority (SRA) and the Council of Licensed Conveyancers (CLC) use "allegation" rather than "complaint" in their current or proposed Disciplinary Rules.[3] This different term makes it clearer which type of complaint is being referred to and the consequential path to follow. The addition of the definitions of complaint (as it appears in the Disciplinary Rules and Procedure), first-tier complaint and second tier complaint into the Practising Rules blur the lines between the two paths to resolution.

While the line between service and conduct complaints is by no means clear, the current drafting risks suggesting that a complaint about service needs to involve a Cost Lawyer's potential breach of a principle. This could discourage complaints. It may be clearer for the definition to explain first that a conduct complaint (or allegation) refers to information relating to a Cost Lawyer potentially breaching a professional principle, followed by the various sources that this information can come from (the CLSB or a person). If different terms are used to distinguish between first-tier allegations (about conduct) versus first-tier complaints (about service), the meanings may become more accessible. This issue comes up again where updated definitions would clarify the type of complaint being referred to under Rule 4.2(h).

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[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.

[3] See SRA Regulatory Disciplinary Procedure Rules, or CLC proposed Draft Adjudication Panel Disciplinary Procedure Rules in Annex 2.

### Changes related to a Costs Lawyer's good character disclosure

Rule 4 describes a Costs Lawyer's obligation to disclose specific events relevant to the good character requirement when applying for a Practising Certificate, when applying to have a condition removed from a Practising Certificate or promptly after they have occurred if the Costs Lawyer is already fully qualified. Generally, the Panel welcomes the changes aimed at improving consumer protection by ensuring the CLSB is exploring issues that could be relevant to a lawyer's character. Rule 4.2(d) could be made more accessible by providing a definition or explanation of what an "individual voluntary arrangement" is. This clarification is important as it may be called something else in another jurisdiction and the proposed changes also mean that the obligation expands to include events that occurred in any jurisdiction.

Rule 4.2's proposed section (h) currently reads:

> (h) been the subject of a complaint from a client or member of the public about any costs service they have provided, whether or not the complaint was upheld. Costs Lawyers who hold a current practising certificate should only report first-tier complaints in their annual practising certificate application.

This clause is confusing with the definitions of complaint, first-tier complaint and second-tier complaint now included in the document; One may understand that a Costs Lawyer would have to report every service complaint they ever received (even in another jurisdiction) to the CLSB. Taken this way, it suggests that receiving a complaint is an inherently bad thing. However, the Panel believes that legal regulators should be promoting a professional culture that welcomes all feedback and complaints and deals with them constructively rather than incentivising suppression of complaints. This is especially relevant given that legal services consumers are known to be highly likely to not take any action at all when they are dissatisfied.[4] Furthermore, the last sentence confuses the issue further. Are Costs Lawyers only meant to report first-tier complaints relating to conduct, or service, or both? Data collection is important, but additional clarity is needed.

### Changes relating to supervising delegated reserved activity tasks

The proposed new Rule 5 is meant to address concerns raised by the Mazur case by requiring a Costs Lawyer to suitably supervise any unregulated person they delegate work to (or risk breaching the Code of Conduct and the Practising Rules) and ensure that such a person has the necessary competence and knowledge to complete the delegated tasks. Clarifying the level of accountability involved in these situations is important. It may be helpful to reference the CLSB Guidance that further explains what is meant by suitable supervision here. The Panel appreciates Rule 5.2 which restricts a Costs Lawyer from delegating any tasks to an unregulated person to which any of the conditions described in Rule 4.2(h) apply (that a Costs Lawyer would have to report to the CLSB) without first obtaining the CLSB's written permission. This sets up a parallel presumption that unregulated staff of a Costs Lawyer are subject to the same good character standards as a Costs Lawyer, but it is proportionate because the CLSB can provide written permission on a case by case basis ensuring flexibility. It appears that the SRA (in combination with the Solicitors Act 1974) may have a similar requirement. This rule could potentially be shared with other legal regulators so that further consistency can be brought to the delegation of reserved activities across the legal profession, a recognised area of risk to consumers.

### Changes related to the online register

The Panel welcomes the addition of any published disciplinary outcomes about a Costs Lawyer to the CLSB register. The amended Rule 6.1 explains there is only one register of Costs Lawyers which is published online. It may be useful to cite the CLSB's policy on reasonable

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[4] 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)

accommodation here, which may include how digitally excluded people can access the online register.

### Changes related to professional indemnity cover from another jurisdiction

Rule 10.1(b) refers to the minimum professional indemnity cover provided in Rule 9.1(a) [sic, should be Rule 10.1(a)]. Proposed Rule 10.1(c) states:

> (c) professional indemnity insurance will ordinarily be written in the United Kingdom from a provider regulated under United Kingdom legislation. In the event a Costs Lawyer is based overseas and provides cover from another jurisdiction, they must evidence that it provides equivalent cover and, if written in any language other than English, provide a suitable translation certified as accurate.

To provide further clarity in a world where remote working is commonplace, it may be helpful to use more precise language in this clause. For example, wording such as "where a Costs Lawyer is based in another jurisdiction, serves clients in that jurisdiction and provides cover from that jurisdiction, they must evidence its equivalency". This or similar wording would hopefully cover most situations where a Costs Lawyer is based outside England and Wales and draw attention to the fact that the professional indemnity insurance cover must provide protection for the specific consumers that are being served.

**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 Practising Rules 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.

We hope the CLSB finds these comments 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,

Tom Hayhoe
Chair, Legal Services Consumer Panel