

FORECASTING THE COST OF LITIGATION

1. **How charges are calculated**

We calculate our charges mainly by reference to time we have to spend doing the work. That includes time:-

- Having meetings with you, your witnesses, your barrister, any relevant expert, and others.
- Travelling in connection with the matter.
- Considering, preparing and working on papers.
- Making notes relating to the matter, including notes of what is said at meetings and in telephone conversations.
- Preparing and dealing with correspondence.
- Making and receiving telephone calls.
- Preparing for and attending court hearings.
- Carrying out any inspections (e.g. site inspection or document inspection).

Routine and other untimed letters, and routine and untimed telephone calls, are charged as units of 1/10th of an hour. Other letters and calls will be charged on a time basis.

2. **Hourly rates**

The hourly rate of your lawyer is set out in the information sheet. Hourly rates of other lawyers who may work on your matter range from £70 to £160, plus VAT. If your instructions mean that we have to work outside normal office hours, we reserve the right to increase the level of hourly rate by 25%.

We review the hourly rates annually to take account of changes in our overhead costs, and will notify you in writing of any proposed increased rate.

3. **Payment to others**

The cost to you of resolving this matter is made up of two components. One is our fees and our expenses such as travel fares on the matter, plus VAT on them. The other is your expenses. These are not part of our charges but are part of the cost to you. They are fees and expenses payable to other people or the court. Examples are court fees and fees payable to barristers or experts. These will be a significant element of the overall cost to you.

It is part of our duty to take steps on your behalf which can cause you to be committed to one of your expenses. For example, we will instruct a barrister or an expert, on your behalf. We will notify you before we do this. Where possible, we will tell you the exact amount of that expense. However this is not always possible for barristers or experts fees where we will give an indication.

It is common for solicitors to issue the cheques for court fees and your other expenses on your behalf. For that, we need to have received the relevant funds from you.

4. VAT

Unlike our charges and expenses, we do not add VAT to your expenses ie. if a third party to whom the funds are paid for one of your expenses does not charge VAT (e.g. the court) you do not have to pay VAT on that expense. If the third party (e.g. an expert or barrister) does charge VAT, you have to pay them the VAT they add to their fees.

5. Forecasting costs

It is not possible to forecast what the overall costs will be at the start of a matter. This is because there are many ways in which it could be resolved. Your opponent could see matters your way shortly after our initial contact with them. At the other extreme, the matter might go all the way to a lengthy hearing with your opponent fighting every step and making life as difficult and expensive as possible.

When giving an estimate, we have to make assumptions on matters beyond our control. The most reasonable assumption to take is that your opponent will progress the matter as smoothly as possible to the final hearing, minimising expense and avoiding taking any steps other than those which are essential. Similarly we will assume that you will do the same. This means that you need to provide us with the information and paperwork we ask for, complete and in sensible order, reasonably promptly upon our asking for it. It also means that it will be necessary to be balanced and reasonable as to how this matter is progressed and what you ask us to do, remembering that everything you do ask us to do will take time, and thereby increase the cost of the case.

We are also assuming that when we ask for witness statements we will receive them in good and complete order and not have to ask for more information or clarification. The same applies to the process of disclosure*.

6. Revised estimates

If we have not had a chance to make an initial detailed investigation of the facts, we will be unable to give you a good overall estimate. We will give you revised estimates from time to time in respect of the overall cost of the matter.

7. Interim applications

The overall cost of the case will be affected if either party makes any interim application, and if so how many are made. Our estimate does not allow for any interim applications. If it becomes necessary to consider making one on your behalf, we will give you an idea of the likely cost involved before making it. If your opponent makes an interim application, we will give you an idea of the likely cost of resisting it when advising you whether it is appropriate to do so.

8. Keeping you informed

We will keep you fully informed about issues as they arise, and give you the advice that is appropriate when it is needed. Our estimate assumes that the questions you do ask, and the special requests you make for advice, are no more frequent or extensive than average for this type of matter. If they exceed the norm our charges to you will go up.

NB *The above notes are intended to be part of any estimate we give to you during the course of the matter.*

This fact sheet should be read in conjunction with our fact sheets on the General Framework, Small Claims Track, Fast Track, Multi Track and Offers to Settle.