



McKeag & Co Solicitors

Terms and Conditions of Business

1. Introduction

These Terms and Conditions of Business along with our engagement letter govern the lawyer-client relationship which will exist between us. By continuing to instruct this firm we shall be entitled to assume you have agreed to the terms and conditions set out here. Unless otherwise agreed, and subject to the application of then current hourly rates, these Terms and Conditions of Business shall apply to any future instructions given by you to this firm.

2. Service Standards

We aim to offer our clients quality legal advice with a personal service at a fair cost. As a start, we hope it is helpful to you to set out in this statement the basis on which we will provide our professional services.

The firm sets the following standards:

- We will regularly update you with progress on your matter
- We will communicate with you in plain language
- We will explain to you the legal work required as your matter progresses
- We will update you on the cost of your matter, as appropriate
- We will update you on whether the likely outcomes still justify the likely costs and risks associated with your matter whenever there is a material change in circumstances
- We will update you on the likely timescales for each stage of this matter and any important changes in those estimates
- We will continue to review whether there are alternative methods by which your matter can be funded

In return, we request that you accept the following responsibilities:

- To provide clear, accurate instructions to us at all times
- To respond to communications from us promptly and to attend arranged appointments
- To notify contact details, change of address, telephone numbers etc. promptly
- To discharge payments requested from you promptly

3. Hours of business

The normal hours of opening at our offices are between 9.00 am and 5.15 pm Monday – Thursday and 9.00 am – 5.00 pm on a Friday. Appointments can be arranged at other times when this is essential.

4. People responsible for your work

The person responsible for dealing with your work and the person responsible for the overall supervision of the matter will be set out in the letter accompanying these Terms. We will try to avoid changing the people who handle your work but if this cannot be avoided, we will tell you promptly of any change and why it may be necessary.

5. Charges and expenses

If you are in receipt of Legal Aid, then please refer to paragraph 20 below.

The fee structure applied to our work will be dependent on the nature of the case.

If your case is funded by way of a Damages-Based Agreement, Conditional Fee Agreement or Contingency Fee Agreement, all of which are also known as a 'No Win No Fee Agreement' then you will also be bound by the terms set out in that Agreement. Where the Agreement is in conflict with these Terms and Conditions of Business, the Agreement will take precedence.

If we have agreed a fixed fee for work on your case, the arrangements will be set out in the Engagement Letter. Provided we are not requested to do any more work than when that fixed fee was agreed, we will not make any additional charge. If you do request us to do any additional work then we will either increase our fixed fee estimate or charge at an hourly rate for the additional work involved. In the latter case we would try and give you our best estimate of the likely additional cost or, where this is not possible, we would obtain your authority to carry out work to an agreed fee limit.

If your case is to be funded on an hourly rate basis, our charges will be calculated mainly by reference to the time actually spent by the solicitors and other staff in respect of any work which they do on your behalf. This may include meetings with you and perhaps others; reading, preparing and working on papers; making and receiving telephone calls, e-mails, faxes and text messages; preparation of any detailed costs estimates, schedules and bills; attending at court; and time necessarily spent travelling away from the office. From time to time we may arrange for some of this work to be carried out by persons not directly employed by us; such work will be charged to you at the hourly rate which would be charged if we had done the work ourselves.

Routine letters, e-mails and texts that we send and routine telephone calls that we make and receive are charged at one-tenth of the hourly rate. Routine letters, e-mails and texts received are charged at one-twentieth of the hourly rate. Other letters, e-mails and calls are charged on a time spent basis. The current hourly rates applicable to your case will be set out in the engagement letter (or fee agreement). We will add VAT to these at the rate that applies when the work is done. At present, VAT is 20%.

These hourly rates have to be reviewed periodically to reflect increases in overhead costs and inflation. Normally the rates are reviewed with effect from 1st October each year. If a review is carried out before this matter has been concluded, we will inform you of any variation in the rate before it takes effect.

In addition to the time spent, we may take into account a number of factors including any need to carry out work outside our normal office hours, the complexity of the issues, the speed at which action has to be taken, any particular specialist expertise which the case may demand. An increase in the rates may be applied to reflect such factors.

Solicitors have to pay out various other expenses on behalf of clients ranging from court fees, experts' fees, Counsel's fees and so on. We have no obligation to make such payments unless you have provided us with the funds for that purpose. VAT is payable on certain expenses. We refer to such payments generally as 'disbursements'.

6. Payment arrangements

It is normal practice to ask clients to pay interim bills and sums of money from time to time on account of the charges and expenses which are expected in the following weeks or months. We find that this helps clients in budgeting for costs as well as keeping them informed of the legal expenses which are being incurred. If such requests are not met with

prompt payment, delay in the progress of a case may result. In the unlikely event of any bill or request for payment not being met, this firm must reserve the right to stop acting for you further.

Payment is due to us within 28 days of our sending you a bill. If payment is not made within the time we have requested, we reserve the right to cease to act on your behalf, suspend work on that matter and any other matter and retain all documents, working papers and other documents in our possession relating to any matter until all outstanding bills are paid in full including interest and any costs incurred in pursuing the recovery. Interest on outstanding bills may be charged after a period of 28 days on a daily basis at 4% above the Bank of England base rate from when the bill was sent to you.

The common law entitles us to retain any money, papers or other property belonging to you which properly come into our possession pending payment of our costs, whether or not the property is acquired in connection with the matter for which the costs were incurred. This is known as a "general lien". We are not entitled to sell property held under a lien but we are entitled to hold property, other than money, even if the value of it greatly exceeds the amount due to us in respect of costs.

We do not accept payments in cash in excess of £1,000. If you try to avoid this policy by depositing cash directly with our bank, we may decide to charge you for any additional checks we decide are necessary to prove the source of the funds. Payment of our bills may be made by cheque, Credit Card or debit card issued by a UK High Street bank, BACS or CHAPS. Please note that if paying by credit card then there is a further charge which is currently 2.5 % but may be subject to change. Monies due to you from us will be paid by cheque or bank transfer, but not in cash, and will not be made payable to a third party.

7. Other parties' charges and expenses

In some cases and transactions a client may be entitled to payment of costs by some other person. It is important that you understand that in such circumstances, the other person may not be required to pay all the charges and expenses which you incur with us. You have to pay our charges and expenses in the first place and any amounts which can be recovered will be a contribution towards them. If the other party is in receipt of legal aid no costs are likely to be recovered.

If you are successful and a court orders another party to pay some or all of your charges and expenses, interest can be claimed on them from the other party from the date of the court order. We will account to you for such interest to the extent that you have paid our charges or expenses on account, but we are entitled to the rest of that interest. You will also be responsible for paying our charges and expenses of seeking to recover any costs that the court orders the other party to pay to you.

A client who is unsuccessful in a court case may be ordered to pay the other party's legal charges and expenses. That money would be payable in addition to our charges and expenses. Arrangements can be made to take out insurance to cover liability for such legal expenses. Please discuss this with us if you are interested in this possibility. If your case is a personal injury or medical negligence claim for compensation and you are unsuccessful then you will not normally have to pay the other parties legal charges and expenses as you will have the benefit of qualified one way cost shifting. Please refer to the no win no fee agreement for more details about this.

8. Interest payment

Any money received on your behalf will be held in our Client Account. The firm pays interest on client account balances in accordance with the Solicitors Regulation Authority (SRA) Accounts Rules 2011. We maintain an instant access account to facilitate transactions but a consequence is that the amount of interest earned will usually be less than would be earned if the money were held in a deposit account. Interest will be calculated and paid to you at the rate from time to time payable on Lloyd Bank plc general client accounts. The period for which interest will be paid will normally run from the date(s) on which funds are received by us until the date(s) of issue of any cheque(s) from our Client Account. It is the firm's policy to retain the first £20 of each amount of interest as and when calculated to cover the administrative expenses of arranging these calculations and payments.

9. Storage of papers and documents

Unless we tell you otherwise, we will keep your file of papers in storage for not less than six years except those papers that you ask to be returned to you. After that, storage is on the clear understanding that we have the right to destroy your file after such period as we consider reasonable without further reference to you, or to make a charge for storage if we ask you to collect your papers and you fail to do so. We will not of course destroy any documents such as wills, deeds, and other securities, which we agree to hold in safe custody. No charge will be made to you for such storage unless prior notice in writing is given to you of a charge to be made from a future date which may be specified in that notice.

If we retrieve papers or documents from storage in relation to continuing or new instructions to act in connection with your affairs, we will not normally charge for such retrieval. However, we may make a charge based on time spent at our lowest charge out rate for producing stored papers or documents to you or another at your request. We may also charge for reading, correspondence, or other work necessary to comply with your instructions.

10. Financial services

If, while we are acting for you, you need advice on investments, we may have to refer you to someone who is authorised by the Financial Conduct Authority, as we are not. However, we are included on the register maintained by the FCA so that we can carry on insurance mediation activity, which is broadly the advising on, selling and administration of insurance contracts. Insurance mediation activities and investment services, including arrangements for complaints or redress if something goes wrong, are regulated by the Solicitors Regulation Authority. The register can be accessed via the FCA website at www.fca.gov.uk.

11. Termination

You may terminate your instructions to us in writing at any time but we will still be entitled to keep all your papers and documents while there is money owing to us for our charges and expenses. If at any stage you do not wish us to continue doing work and/or incurring charges and expenses on your behalf, you must tell us this clearly in writing. We may only decide to stop acting for you if we have good reason, for example, if you do not pay an interim bill, fail to provide us with instructions, if a conflict of interest arises or we are acting under a Damages-Based/ Conditional/Contingency Fee Agreement and we believe there are insufficient prospects of success. We will tell you the reason and give you notice in writing.

If, for any reason, this matter does not proceed to completion, we will be entitled to charge you for any work done and

expenses incurred. If your case is funded under an hourly rates arrangement then these costs will be calculated based on the time spent plus expenses incurred up to the date of termination. On fixed fee arrangements, we will break the transaction down into stages and apportion the estimated fee for each stage. You will also be responsible for reimbursing any expenses incurred by us that were not included within the fixed price agreed. The exception to this is if we are acting for you under a no win no fee agreement and we withdraw from acting because we no longer think that your claim has sufficient prospect of success in which case you will not have to pay anything.

Under the Consumer Contracts Regulations 2013, you have the right to cancel this contract within 14 days without giving any reason. This only applies where contracts are agreed away from our premises or where we are not both physically present. To exercise the right to cancel, you must inform us of your decision to cancel this contract by a clear statement (e.g. a letter sent by post, fax or e-mail). To meet the cancellation deadline, it is **necessary** for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired. If you cancel this contract we reimburse you for all payments received from you. Please note that, if you are legally aided, should you exercise your right to cancel, reapplying for legal aid for the same issue might be difficult if the contract is terminated.

12. Tax advice

Any work that we do for you may involve tax implications or necessitate the consideration of tax planning strategies. We may not be qualified to advise you on the tax implications of a transaction that you instruct us to carry out, or the likelihood of them arising. If you have any concerns in this respect, please raise them with us immediately. If we can undertake the research necessary to resolve the issue, we will do so and advise you accordingly. If we cannot, we may be able to identify a source of assistance for you.

13. Data protection

We use the information you provide primarily for the provision of legal services to you and for related purposes including updating and enhancing client records, analysis to help us manage our practice, statutory returns and legal/regulatory compliance. Our use of that information is subject to your instructions, the Data Protection Act 1998 and our duty of confidentiality. Please note that our work for you may require us to give information to third parties such as expert witnesses and other professional advisers. You have a right of access under data protection legislation to the personal data that we hold about you. The firm is registered with the Information Commissioner. Further information regarding data protection and privacy is available from the Information Commissioner's Office www.ico.gov.uk.

14. Equality and diversity

We are committed to promoting equality and diversity in all our dealings with clients, third parties and employees. Please contact us if you would like a copy of our Equality and Diversity Policy.

15. Communications

We shall communicate with you in the most effective way, as agreed between us. Our preferred method of communication is by email you should be aware that the use of e-mail is not secure for confidential matters. We take every precaution to ensure that e-mail is virus free but we cannot guarantee this. If you require correspondence to be addressed to a particular person or marked private and confidential then you must tell us.

16. Identity, disclosure and confidentiality requirements

The law requires solicitors to get satisfactory evidence of the identity of their clients and sometimes people related to them. This is because solicitors who deal with money and property on behalf of their client can be used by criminals wanting to launder money. To comply with the law, we need to get evidence of your identity. If you cannot provide us with the specific identification requested, please contact us as soon as possible to discuss other ways to verify your identity.

We are entitled to refuse to act for you if you fail to supply appropriate proof of identity for yourself or for any principal whom you may represent. We may arrange to carry out an electronic verification of your identity if we consider that a saving of time and cost will be achieved by doing so. The cost of any such search will be charged to you. If the amount is in excess of £10 including VAT, we will seek your prior agreement.

Solicitors are under a professional and legal obligation to keep the affairs of the client confidential. This obligation, however, is subject to a statutory exception: legislation on money laundering and terrorist financing has placed solicitors under a legal duty in certain circumstances to disclose information to the National Crime Agency (NCA). Where a solicitor knows or suspects that a transaction on behalf of a client involves money laundering, the solicitor may be required to make a disclosure. If, while we are acting for you, it becomes necessary to make such a disclosure, we may not be able to inform you that it has been made, or of the reasons for it, because the law prohibits 'tipping-off'. Where the law permits us, we will tell you about any potential money laundering problem and explain what action we may need to take.

External firms or organisations may conduct audit or quality checks on our practice. These external firms or organisations are required to maintain confidentiality in relation to your files. We may need to disclose your information to third parties (such as barristers, accountants or government agencies) to enable us to handle your affairs. We may also need to permit third parties (such as our auditors and the Solicitors Regulation Authority) to have access to your information for administrative or regulatory purposes. We may also outsource work. This might be for example costings, research and preparation to assist with your matter. Information from your file may therefore be made available in such circumstances. We will always aim to obtain a confidentiality agreement with the third party. We will not otherwise disclose your information to any third party unless permitted or required to do so by law. If you do not want your file to be outsourced please tell us as soon as possible.

17. Limit on our liability for professional negligence

Our liability to you for a breach of your instructions shall be limited to 5 times the value of our Fees before VAT and exchanging disbursements, unless we expressly state a higher amount in the letter accompanying these terms of business. We will not be liable for any consequential, special, indirect or exemplary damages, costs or losses, or any damages, costs or losses attributable to lost profits or opportunities. We can only limit our liability to the extent the law allows. In particular, we cannot limit our liability for death or personal injury caused by our negligence.

18. Complaints Procedure

Our complaints procedures, including complaints about the bill, will be set out in our engagement letter.

19. Provision of Service Regulations 2009

In accordance with the Provision of Service Regulations 2009 details of our Professional Indemnity Insurance are available at our offices at 1-3 Lansdowne Terrace, Gosforth, Newcastle upon Tyne, NE3 1HN. Our VAT number is 177061852. We are regulated and authorised by the Solicitors Regulation Authority (SRA) under number 58253. The SRA Code of Conduct sets out the regulatory framework imposed on service providers such as ours. The current edition of the SRA Code is available on the SRA website at www.sra.org.uk.

20. Legal Aid

If your matter is financed via legal aid, the terms and conditions may differ according to the type of matter and legal aid cover which applies. This will be explained to you in the engagement letter. You agree that you will keep us and the Legal Aid Agency informed of any change in your financial circumstances once in receipt of legal aid. Please note that although your own costs will be covered by legal aid, if you lose your case you could be ordered to pay the other side's legal costs. Any potential liability for costs under legal aid will be explained in the accompanying engagement letter.