



Practice Note 5

Client Engagement Letters

The IOP: turning a job into a career and an occupation into a profession

1. Who We Are

This Practice Note 5 is produced by the [Institute of Paralegals](http://www.theIOP.org). We are the oldest incorporated professional body for paralegals in the whole of the United Kingdom. A not-for-profit organisation, we are recognised by the UK government. The Institute is your professional home if you are a paralegal, aspiring paralegal, law student or paralegal law firm whether based in the UK, Hong Kong or internationally. We set the competency standards for paralegals and legal secretaries, issue legal qualifications and work with government, e.g. to promote apprenticeships to the legal profession. Please visit www.theIOP.org for more information.

2. Other Practice Notes

Other Practice Notes available are:

- a) Practice Note 1 – Prohibition on providing reserved activity services
- b) Practice Note 2 - Setting up a paralegal business/law firm
- c) Practice Note 3 – joining the paralegal profession
- d) Practice Note 4 – the route to qualification career path

3. Introduction

This Practice Note contains a very long precedent letter as it attempts to cover numerous major problem areas. It is for you to decide which elements are necessary according to your own specific circumstances (tailored as necessary to your own needs, circumstances and policies).

Square brackets are used where we offer a choice of alternative wording.

Please ensure that you also comply with all regulatory requirements if you are regulated by the Ministry of Justice or Office of the Immigration Services Commissioner (or are subject to Legal Services Commission service obligations).

4. Disclaimer

Whilst we have taken every effort to produce the best precedent we can, the Institute gives no guarantee that this letter is suitable for your purposes, nor legally correct or complete. You should use it only after careful consideration and taking legal advice if appropriate.

5. Template

Dear X,

RE: ACTING FOR YOU

Thank you for instructing XXX.

This letter sets out the work XXX has agreed to do for you and the terms under which we will do it.

This letter is legally binding. If you are happy with what it says then please sign and return the attached copy to us.

If you are not happy with anything in it then please discuss it with us immediately as we cannot work for you until we have a formal agreement in place.

This letter should cover everything we have agreed to do for you, and everything which you expect us to do. So if something you expect us to do is not mentioned in here then please speak to us urgently as you should assume that we will not be doing it.

Please make sure that everything important to you is mentioned in this letter.

I apologise for sending such a long and detailed letter, but experience shows that it is the best way to avoid any misunderstandings between us. Please take the time to read this letter thoroughly, and ask us if you have any questions.

A. Scope of Work

XXX has agreed to provide you with the legal services listed in the attachment at the end of this letter.

The list is based upon our introductory [discussion] [correspondence] on X, when we agreed what your objectives are, the issues involved and the options available to you, together with what we believe is the most appropriate action.

Please tell me immediately if the attachment does not give a complete and accurate list of the services you expect us to provide for you.

B. About Us

We are a paralegal advisory firm. We are legal professionals, but we are not lawyers (i.e. solicitors or barristers).

XXX is a private limited company registered in England & Wales, Company No. X. Our registered office address at X, but our main place of business (and where you will come if we need to have a meeting) is X.

Our main switchboard telephone number is X, our fax number is X. Our office e-mail address is X and our website address is X.

Once you have agreed to these terms and we begin work, then the reference for your matter will be XXXX. Please quote it in all correspondence and phone calls.

[We are registered with, and regulated by, the Ministry for Justice. For more information please visit www.claimsregulation.gov.uk/ or phone them on 0845 450 6858 / 01283 233309.]

[We are registered with, and regulated by, the Office of the Immigration Services Commissioner with regard to providing immigration advice and services. For more information please visit www.oisc.gov.uk/ or phone the OISC on 020 7211 1500.]

[We are [also] members of, but not regulated by, the Institute of Paralegals. For more information please visit www.InstituteofParalegals.org or phone the Institute on 020 7887 1420.]

We are registered for VAT with HM Customs and Excise. Our VAT registration number is: X.

C. Your Details

We have the following information about you. Please tell us immediately if any of it is incorrect or incomplete:

Client name: X

Client address: X

Client telephone: mobile: X work: X, home: X

Client fax: X
Client e-mail: X
Client nationality: X
Date of birth: X

All our invoices for work done will be addressed to the above named client.

Any work done by us will be on behalf of the above named client and no one else, and our only responsibility will be to look after the interests of the above named client and no one else.

Unless instructed otherwise (and in writing) we will only give out information about this case to the above named client.

We will only accept instructions in this matter from the above named client.

To help us keep in touch, please let us know as soon as possible if you change your address, telephone number or e-mail so that we can keep our records up to date.

[We would welcome hearing from you about any change to your contact details, even when this matter is finished, as that will ensure we can continue to send you information about us in the future which we hope will continue to be of interest.]

D. Costs

[The cost of doing the work listed in the attachment will be a fixed fee of £X.]

[We charge for our services on a time basis.]

[We will charge a fee which is fair and reasonable. We charge in units of 6 minutes rounded up to the nearest unit of 6 minutes as appropriate. For example, if a telephone call lasts 15 minutes you will be charged for 18 minutes.

Fees are based on the amount of time taken to complete the work required. However we may charge an additional amount if, for example, members of staff have to work outside normal working hours, or if your matter involves a complex, difficult or unusual aspect.]

[We shall charge you for any time spent by our executive staff (i.e. advisers not secretaries etc.) working in your file. This includes things like advising you, meeting you and others, dealing with papers, correspondence, all telephone calls, travelling and waiting time, etc.)]

[This matter will be handled by X whose time is charged at £X per hour. We estimate that this matter will take approximately X hours and so the cost will be £X if the situation does not change. The situation may change if new matters come to light or unexpected problems are encountered. If this happens then we will discuss them with you and get your permission to continue before incurring any additional costs arising from the changed situation.]

[As discussed, in matters such as this, it is difficult to estimate how many hours of work will be necessary to complete the matter. In this case, our provisional estimate of the final cost is something in the region of between £X and £X. We will of course notify you if this provisional estimate changes. Where we give an estimate of fees, you will appreciate that this is only an indication and is not intended to be a fixed quotation. We reserve the right to revise the estimate at any time if it becomes apparent that we will have to spend more time on the matter than originally envisaged.]

[As discussed, at this stage matters are too uncertain to allow us to give you an accurate estimate of costs to complete your case. However we can estimate the likely cost to be £X up until [name the stage of work]. At that point we will be in a better position to give you an estimate for how much it will cost to take the matter to the subsequent stage.]

This figure [includes] [does not include] VAT of £X.] [This [includes] [does not include] any costs, charges or fees we have to pay on your behalf in doing the work (commonly referred to as disbursements). We estimate the likely disbursements to be an additional £X which you will have to pay]. Please let us know if you want a breakdown of what

these are likely to be.

We will not incur costs beyond the above figure without your prior approval. We may require you to confirm that approval in writing to avoid confusion.

You may place a limit on the amount of fees to be incurred without your prior approval. If you wish to do so, please tell us in writing.

[Please note that we will charge for the work we do regardless of whether the matter is successful or not.] [We shall also charge for the work we do whether or not the matter reaches completion.] [The quoted fixed fee may be reduced if the matter is not completed. Whether it is reduced or not will depend on the reason for non-completion.]

E. Payment of Our Fees

It is normal practice to ask clients to make an advanced payment (commonly known as a payment on account) for costs and disbursements likely to be incurred in the near future. It will be very helpful if you can pay such requests promptly, but if there is any difficulty, please let us know as soon as possible. In your case, may we please have £X on account. This sum will be credited to your account with us and used to pay for costs expended upon your behalf and work to be done by us.

We shall deliver bills to you at regular intervals for the work we do. This should also enable you to budget for our costs. We hope you understand that in the event of a payment not being made, we must reserve the right to refuse to do any more work for you (either permanently or temporarily). We must also reserve the right to charge for unpaid work already done. Please feel free to discuss this point with us if you want to understand it in more detail.

Our bills should be paid within 14 days of your receiving them. Interest can be charged on unpaid bills after 14 days. We charge interest at 4% above the base rate of the NatWest Bank (taking into account that it varies from time to time).

Please also note that after ending our contract with you we are entitled to keep all papers and documents until all outstanding bills have been paid.

F. Contact Person

[I shall carry out most of the work in this matter personally.] [X will [handle your matter] [have overall responsibility for the supervision of the services we provide to you.] Please contact [me] [him] [her] on [contact details], or [X] on [phone] if [I am] [they are] unavailable.]

G. Working on Your Case

Once your case is underway we will keep in touch with you, usually by email or telephone as it progresses.

Any important letters or documents that need to be sent will first be shown to you for approval.

We will endeavour to answer/return your telephone calls and emails promptly. However because of work commitments, both in and out of the office during the day, your call may not be returned or email answered immediately. Alternatively it may be dealt with by another member of our staff if that will allow your enquiry to be dealt with as quickly as possible.

Please do not visit us without arranging it first. We cannot see people without an appointment.

We will endeavour to update you with regards to the progress of your case at least once every 28 days. There will be occasions where this may not be appropriate however.

We will try to avoid changing our staff that you deal with, but if it is appropriate at any stage for the matter to be referred to another member of staff to handle then we will do so.

As your case progresses, it may be helpful to get some assistance from others outside XXX. For example, we might need

to involve experts who can advise on, and help deal with, certain aspects of the case, or it may become appropriate to instruct a barrister to advise or to represent you.

We will let you know if it seems appropriate to seek this further assistance and let you have details of who is involved. Usually, any advice from these sources will be given in writing, though a meeting may be arranged if appropriate. You would be responsible for their fees (in addition to our costs), although we will not incur these additional fees without your prior approval.

H. Communication, Suggestions and Complaints

We aim to offer an efficient and effective service to you, and we are confident that we will do so. However, if you are unhappy with any aspect of our service and [you cannot resolve it with your main contact person] [we cannot resolve it between ourselves] then you can always raise the matter with X on [phone] or via [email].

XXX has a formal complaints handling system which will be used if [I or] [X] cannot resolve matters to your satisfaction. An explanatory note about the complaints handling system is available upon request.

You will not be charged for time spent handling any complaints. We aim to resolve such complaints as quickly and professionally as possible.

[We are registered with and regulated by the Ministry for Justice. You can, at any time, make a complaint to the Ministry - contact details are as above.]

[We are registered with and regulated by the Office of the Immigration Services Commissioner with regard to providing immigration advice and services. You can, at any time, make a complaint to the OISC - contact details are as above.]

[We are [also] members of, but not regulated by, the Institute of Paralegals. You may contact the Institute if you are unhappy with any aspect of the service we provide - contact details are as above.]

In order to assist us with the smooth handling of your case, you will need to provide us with full instructions and respond to our requests for information, documents, etc as quickly as reasonably possible.

We are able to communicate with you by e-mail as well as by post, fax, and telephone. Unless you tell us otherwise, we will assume that you are happy for us to communicate by e-mail, even though email communications are not as secure as letters sent through the post.

I. Legal Documents and Case Papers

Until your case is resolved, it is extremely important that you keep safe all and any documents and papers relevant (or even just possibly relevant) to your case.

It is equally important for the good handling of your case that we get to see those documents and papers as soon as possible. If you have not already done so, kindly let me know what documents, if any, you have as soon as possible.

Once your case has ended then an important question is what to do with any legal documents (court papers, contracts, property ownership documents and leases, etc.) and your case papers (copies of correspondence, file notes etc).

You will own all the relevant legal documents and case papers relating to your file. The only case papers you will not own are those created by us for our own internal use in managing your matter.

When your case ends you will need to consider whether or not you wish to take your legal documents and case papers.

We recommend that you do, because we cannot keep your file indefinitely. We will keep your file for five years at most.

However please note that security/storage issues may at some point force us to copy all old files electronically, and dispose of the physical versions after copying. This agreement gives us the authority to destroy your legal documents

and case papers automatically without discussing the matter with you further.

So it is very important that when we finish your case, that you consider whether you want to take your documents and case papers.

If you choose to leave them with us you can still ask them at any time, subject to the above five-year maximum retention policy and the possibility that we may only have retained scanned copies, not the originals.

We reserve the right to keep record copies of all documents and case papers returned.

If it becomes necessary to retrieve papers or other items from storage in relation to continuing or new instructions to act on your behalf, then we would not normally charge for getting them. However in other circumstances we may make a charge, based on the time spent and costs incurred in retrieving your stored documents and case papers and forwarding them to you. We might also charge for reading correspondence and any other work necessary to comply with your instructions on this issue.

Please note that it can take up to 7 working days to retrieve your stored documents and/or case papers.

Please also note that we do not offer a safe custody deposit service. If your documents and/or case papers contain important items then you are very strongly advised to take them once your matter is completed.

We do not accept responsibility for loss arising to you from the loss of or damage to documents or other items held by us after the completion of your case.

J. Confidentiality

We will treat your affairs as strictly private and confidential.

However please note that in certain limited circumstances, the law obliges us to notify the authorities if we have suspicions that serious criminal activity is taking place or about to take place. This obligation does not cover past criminal activities, in respect of which we can advise in complete confidence. The one exception to this is where we have reason to believe that money-laundering is or has occurred. In such circumstances we would be obliged to notify the authorities about our suspicions.

K. Data Protection

The Data Protection Act requires us to advise you that we hold your details on our database and that we may use these details, from time to time, to send you information which we think will be of interest.

L. Liability Cap

Please note that XXX always caps liability whether in contract, tort (including negligence), breach of statutory duty or otherwise in respect of any claim or a series of claims which are related, expenses, legal fees and any other costs howsoever arising at £500,000 (five hundred thousand pounds).

By signing this letter you agree that our cap on liability is fair and reasonable having regard to all of the circumstances which were, or ought reasonably to have been, known to you or in your contemplation at the time of any engagement or provision of services by us. It is of course open to you to seek to obtain legal services elsewhere without such limitation.

M. Disclaimer

XXX alone will be responsible for the provision of the services under this agreement. You therefore agree that you will not bring any claim in respect of or in connection with any engagement for the services XXX provides whether in contract, tort (including negligence), breach of statutory duty or otherwise against any director, member or employee or consultant of XXX or of any company which is connected with XXX. Any remedies available to you exclude liability for indirect losses flowing from a breach of duty by a member of XXX. The types of losses excluded include (but are not

limited to) loss of profits, loss of goodwill and loss of opportunity). In all cases, whether in contract or tort, you have one year from the date of awareness of a loss to bring a claim subject to a long-stop of two years from the cause of action accruing. This exclusion does not apply to any liability which cannot be excluded under the law of England and Wales.

N. Ending This Agreement

You may end (i.e. terminate) this agreement at any time, ideally in writing.

You do not need to have or give any reason or advanced warning, although we would like to know if our service has fallen short so we can improve things.

Upon receiving a termination notice from you we will automatically issue a bill to you in respect of any unbilled time costs, expenses and disbursements. Your termination of this agreement does not automatically cancel any unpaid bills or work done but not yet billed for. If we are holding money on account for you then please contact us to discuss its return.

Equally, we are also entitled to terminate this agreement at any time and for any reason without advance warning.

If we do so then we will notify you in writing. The main reasons we normally stop acting for a client are when they do not pay our bills; if we can no longer assist them as they need; if we cannot get clear or proper instructions on how to proceed or where the client is abusive or too difficult to work with.

O. Governing Law and Jurisdiction

English law governs the terms of this agreement, and any dispute arising out of its terms will be subject to the exclusive jurisdiction of the English courts.

P. Next Steps

If you wish us to work for you on the above terms and conditions then please sign and return the attached copy of this letter. Alternatively, please feel free to speak to us about any points that concern you, or which you would like explained.

Yours sincerely,

X
[job title]

I accept the terms of conditions of this agreement and the scope of work set out in the attachment:

Print Name:

(Signed) -----

Date:

Attachment Scope of Work

The following is the work which XXX has agreed to do for you. Please ensure that it is what you expect us to do. If an activity is not listed here then please assume that we will not be doing it.

The scope of work listed below constitutes [the entirety] [the first stage] of our contract with you.

XXX will not be liable for any amendments or additions to the scope of work below unless and until agreed in writing with you with regard to both the work to be done and the additional fees, if any, we will need to charge.

[details of scope of work]

END OF TEMPLATE

6. Contact Us



Institute of Paralegals
No.1 Poultry
London EC2R 8JR
United Kingdom

Office: 02070 999 122 Overseas +44 2070 999 122
Fax: 02079 043 750 Overseas +44 2079 043 750

office@theIOP.org
www.theIOP.org
www.theParalegal.org