

## Prettys Solicitors LLP – Terms of Business

### 1. These terms and how we can change them

1.1 **Our agreement with you.** These terms, together with our engagement letter to you, form our agreement with you to provide legal services. These terms apply to each matter we work on with you. If there is a conflict between these terms and our engagement letter, the engagement letter will prevail. Unless you write to us indicating otherwise, your continuing instructions will amount to an acceptance of the agreement.

1.2 **Changes to these terms.** We can change these terms in response to legal, regulatory and technological changes, and we may increase our hourly rates as explained in paragraph 6.2(e). If we do so, we will notify you and you can contact us to terminate our instructions before the changes take effect.

### 2. Consumers' cancellation rights

2.1 **Consumers may have a right to cancel.** If you are an individual who is not instructing us in connection with your business, you may have a legal right to cancel our agreement with you and receive a refund of any sums you have paid us in advance. You are likely to have these rights if we take instructions from you outside of our offices or at a distance, for example online or over the telephone. Your right to cancel expires 14 days after our agreement is made and if you request us to start work during that period you will have to pay us for any work we do up until you cancel. Work which we start at your request during the cancellation period cannot be cancelled once completed, even if the cancellation period is still running.

### 3. Our services

3.1 **Matters outside the scope of our instructions.** We only advise on matters within the scope of our instructions, as set out in our engagement letter. Unless your engagement letter clearly says otherwise, even if a relevant issue arises during the course of our work together, we will not advise you on:

- (a) the tax aspects of a matter;
- (b) your wider tax or financial interests;
- (c) the law of jurisdictions outside of England and Wales;
- (d) accounting and commercial advice (including the viability and prudence of a matter); or
- (e) valuation or condition of property.

3.2 You may wish to seek separate specialist advice on these matters.

3.3 **Only you can rely on our advice.** Our advice is intended solely for you. We do not accept or assume responsibility to anyone other than the clients identified in our engagement letter. Unless we agree otherwise in writing, you must not share our advice with anyone else.

3.4 **Third party service providers.** We may instruct third parties (such as barristers, expert witnesses and enquiry agents) to provide services to you. However the third parties are instructed, you are responsible for the sums charged by third parties and their services are provided to you on their terms. We use reasonable skill and care in selecting and appointing third parties and provided that we do so, we are not responsible for the services the third parties provide.

3.5 **We are not responsible for matters outside our control.** If our services to you are delayed by an event outside our control, we will contact you as soon as reasonably possible to let you know and do what, if anything, we can do to reduce the delay. As long as we do this, we will not compensate you for the delay or any losses arising from the delay, but you always have rights to terminate your instructions, as set out in paragraph 10.1.

#### 4. **What you agree to do**

4.1 You agree to:

- (a) **Provide us with clear, timely and consistent instructions,** and respond fully, frankly and quickly to our requests for information and co-operate with us and those we instruct on your behalf. The information you give us must be full and accurate, to the best of your knowledge and belief. We do not verify the information you give us, unless we have expressly agreed to do so.
- (b) **Tell us straight away if your contact details change.**
- (c) **Take reasonable steps to properly secure your communications with us.** This includes protecting the email and computer systems used for your matter. This is important to protect your rights and funds.
- (d) **Respect our regulatory restrictions.** If we tell you that we cannot do something for you because doing it would breach our legal, professional or regulatory duties then you must respect this.
- (e) **Pay money on account and our invoices.** You must provide us with any required sums on account of costs (see paragraph 6.7), and pay our invoices in accordance with these terms, (see section 7).
- (f) **Verify any change of our payment details received by email.** If you are told about any change of our bank details by email, then even if it appears to come from our firm, you must call us immediately on a number you have used with us previously to check the email is genuine.

#### 5. **Our communications with you**

5.1 **Risks of email correspondence.** For convenience and speed, we will correspond with you by email and rely on communications coming from your email account. However, email is inherently insecure. We are not responsible for loss or damage caused by email use, provided we have taken reasonable security measures, including against viruses or similar harmful items. You can ask us not to use email, but this may slow the progress of your matter. In any event, we will not accept any emailed instructions from you to alter your banking details or instructions on where money should be sent without separately verifying the instructions with you.

5.2 **Blocked emails.** Our filtering software may prevent us receiving emails from you or in relation to your matter and we are not responsible to you for losses resulting from this.

5.3 **Opening hours.** We are normally open between 9.00 am and 5.00 pm Monday to Friday, except for bank holidays. Our staff may sometimes respond to communications and work outside of our normal office hours, but this is at our discretion and we ask you to respect that there will be times when we are not available.

5.4 **Whose instructions we can act on.** We are entitled to assume that anyone who instructs us on behalf of a client has actual authority to do so, and that (unless agreed otherwise) any one of a joint client may provide instructions on behalf of all of the joint client. Where instructions are given on behalf of a company, LLP or other organisation we are entitled to assume that these terms have been brought to the attention of and approved by the directors of the company, members of the LLP or, in the case of any other organisation, the appropriate officers of that organisation.

5.5 **We can adjust to your communications needs.** As a firm, we wish to support and promote equality and diversity. If it would assist you for our services to be delivered in a different way, please let us know and we will investigate how we can assist. A copy of our Equality and Diversity Policy, which includes information on reasonable adjustments, is available on request.

## 6. **Our fees, disbursements and expenses**

6.1 **How we calculate our fees.** Our fees for our services are by default calculated on the basis of time spent but may, if so stated in our engagement letter, be fixed, capped or staged.

6.2 **Fees on a time spent basis.** If our fees are calculated on a time spent basis:

- (a) **Six-minute units.** We calculate the time spent by us in six-minute units, rounded up (an hour is broken down into ten units, each of six minutes) and charge it at the hourly rate for the person doing the work. Where a task (such as reading or writing a short or standard letter or email or making a phone call) takes less than six minutes of a person's time, the time spent is rounded up to six minutes.
- (b) **Scope of time spent.** The time spent on the matter will be for all work in connection with your matter. This includes time spent:
  - (i) in virtual or in person meetings, hearings and calls with you or any other people connected with your matter;
  - (ii) making notes of such meetings, hearings and calls;
  - (iii) writing, reading and responding to any type of correspondence (including letters, emails and texts) with you or people connected with your matter;
  - (iv) instructing (by any means) appropriate third party providers;
  - (v) reviewing and advising on documents;
  - (vi) researching legal or factual issues;
  - (vii) dealing with file opening, file closing and other regulatory and compliance matters;
  - (viii) running any required identification or anti-money laundering checks;
  - (ix) in internal discussions and supervision of staff;
  - (x) travelling;
  - (xi) in relation to credit, tracing and other investigative matters;
  - (xii) billing; and
  - (xiii) negotiating alternative payment terms.
- (c) **Timing of time spent.** If you instruct us, we may charge for time spent in connection with your matter both before and after you instructed us to proceed.
- (d) **Hourly rates.** The current hourly charges for our solicitors, legal executives, paralegals and specialists/executives range between £100 and £425 plus VAT; and for our trainee solicitors and credit controller between £70 and £175 plus VAT. We may also charge for work carried out by support staff that would otherwise be regarded as the work of a fee earner.
- (e) **Increases in hourly rates.** We may increase our hourly rates, for example at the start of a new year. We may also increase our rates if your instructions change, for example if the matter we are working on for you becomes more urgent, or if a fee earner's role changes (e.g. if a trainee solicitor qualifies as a solicitor). We will give you advance notice of any increases.

- (f) **Estimates are not binding.** Any estimate of the total charges (fees, disbursements and expenses) for dealing with your matter or reaching a certain stage in it, as well as estimates or automated quotes provided on our website, are not binding. We may update estimates as a matter progresses and you must pay all our charges even if they exceed any estimate.

6.3 **Fixed and capped fees.** If we have agreed a fixed or capped fee with you:

- (a) **Changes in assumptions.** If the assumptions on which the fixed or capped fee are based (as set out in our engagement letter) prove incorrect we may increase our fixed or capped fee or switch to charging you on a time-spent basis. If we switch to charging on a time-spent basis, we will provide you with an estimate of our fees to complete the matter.
- (b) **What we can charge if you terminate our instructions (or we stop acting for you).** If you terminate our instructions (other than because we are at fault) we will charge you (at our discretion) either:
  - (i) a reasonable proportion of the fixed or capped fees (which may be 100% of those fees); or
  - (ii) on a time-spent basis for the work we have done prior to termination.

The same rules apply if we stop acting for you for a reason set out in paragraph 10.1.

6.4 **Recovery of fixed costs in litigation.** Where we are instructed in proceedings in which you are awarded a fixed amount of costs, we are entitled to claim the full amount of these fixed costs from you to the extent that these costs are higher than our costs would otherwise be for the relevant work.

6.5 **Fee for providing information to auditors.** Unless we agree a contrary arrangement, we charge a standard fee of £250 plus VAT for providing information to auditors.

6.6 **Disbursements, expenses and VAT.** All hourly rates, estimates, fixed, capped or staged fees we quote to you are exclusive of the following, which you must pay in addition:

- (a) **Disbursements.** We may instruct third parties (such as barristers, expert witnesses and enquiry agents) to provide services to you or we may pay official fees or carry out searches for you. You will be responsible for associated charges and costs (disbursements). Your engagement letter will include an estimate of disbursements.
- (b) **Expenses.** In addition to our fees, we charge you our expenses which may include the costs of travel, document production (scanning, photocopying, binding) and payment transfers. In the case of payment transfers, the firm charges a banking administration fee for each telegraphic transfer (currently £35 plus VAT).
- (c) **VAT.** VAT on our fees and, where applicable, on disbursements and expenses, unless expressly stated otherwise.

6.7 **Payments on account.** We normally hold some money from you as security against non-payment of our charges (fees, disbursements and expenses) until a matter is concluded. We can require you to pay an appropriate amount on account before we start or continue work and to top it up from time to time. We are not obliged to use such money to pay our invoices, but we can do so at any stage of the matter. If you do not pay a requested amount on account, we are entitled to suspend or cease acting for you.

## 7. Our invoices

7.1 **Who we invoice.** We invoice in accordance with tax law, which generally means that we are obliged to invoice the person to whom legal advice has been supplied, even if the invoice may be paid by someone else.

- 7.2 **When we invoice you.** We invoice you regularly, normally monthly, and on completion of your matter or at the intervals indicated in your engagement letter. We may raise an interim statute invoice. Statute invoices are final for the period they cover and your rights to challenge them are time limited. All statute invoices (whether interim or final) will be marked accordingly.
- 7.3 **We can invoice disbursements and expenses at any time.** We can invoice you for disbursements and expenses for any period at any time, even after we have invoiced our fees for that period.
- 7.4 **Payment of the full amount of an invoice is due on issue.** Our invoices are payable on the day they are issued. You must pay our invoices in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).
- 7.5 **We charge interest if our invoices are not paid on time.** We charge interest on unpaid invoices, including before securing judgment, at:
- (a) (in the case of businesses) the rate applicable to the invoice under the Late Payment of Commercial Debts (Interest) Act 1998 (currently 8% above the Bank of England's Official Bank Rate); or
  - (b) (in all other cases) the judgment debt rate (currently 8%) prevailing when payment fell due.
- 7.6 **We claim compensation for late payment of our invoices by businesses.** In the case of businesses, we claim compensation for late payment of invoices under the Late Payment of Commercial Debts (Interest) Act 1998. Where appropriate, we claim the reasonable costs of recovering the debt primarily by reference to our Credit Controller's hourly rate.
- 7.7 **We are entitled to charge interest if we agree to delay raising invoices.** Where we agree to delay or postpone raising invoices, we are entitled to charge interest on our unbilled fees, disbursements and expenses. In such cases, we will charge interest as if we were raising invoices on the last day of each month in respect of unbilled fees, disbursements and expenses incurred in that month.
- 7.8 **You are responsible for our charges, even if you have third party funding.** Even if someone else has agreed or been ordered to pay our charges (fees, disbursements and expenses), or you expect this to happen, you are still responsible for paying us. This includes where you are claiming back part or all of our charges from another party in litigation, from an insurance policy, or from funds you hold as a trustee (such as if you are administering the estate of someone who has died).
- 7.9 **Costs in contentious matters.** In contentious matters, such as court or tribunal proceedings:
- (a) The court or tribunal may order other parties to pay some of your costs. In some cases, usually claims with a value of less than £100,000, these may be limited fixed costs. In other cases, these may be a percentage of your incurred costs.
  - (b) Even where a matter is not covered by fixed costs, as a general rule of thumb it is unusual for a court or tribunal to order another party to pay more than 50% to 70% of the costs that you have incurred.
  - (c) There is no guarantee that any person that is ordered to pay your costs will have the means to do so.
  - (d) You may be ordered to pay other parties' costs in some circumstances, such as if you are unsuccessful in making an application or at trial. This will not affect your liability for our charges.
- 7.10 **Multiple clients are jointly and severally liable for our invoices.** If we are instructed by more than one person, then we can require any of those persons to pay our invoices in full (joint and several liability).

7.11 **Instructing directors or members must pay our invoices if a client company or LLP does not pay.** If we are instructed by a limited liability organisation, such as a company or LLP, the instructing director(s) or member(s) agree(s) to pay our costs (“indemnify” us) if the organisation does not pay. By giving us instructions the director(s) or member(s) confirm(s) his / her / their agreement to so indemnify us.

7.12 **How to complain about our invoices.** To complain about an invoice, please follow our complaints procedure (see paragraph 13). You can also ask the court to assess our bill of costs under Part III of the Solicitors Act 1974, subject to certain time limits and conditions.

## 8. How we hold your money and pay you interest on it

8.1 **Where we hold your money and associated risks.** We may hold money on your behalf in our client account. We are not responsible for any loss resulting from the failure of any bank. Our client account is in England and Wales and is covered by the Financial Services Compensation Scheme (FSCS). Subject to eligibility conditions, the FSCS only normally covers a maximum of £85,000 held by you with a bank, whether within our client account or otherwise. You may have additional protection if we are holding a temporary high balance for you for a specified reason. For more information visit the FSCS website (<https://www.fscs.org.uk/>) or ask the fee earner responsible for your matter.

8.2 **Interest on money we hold for you.** We are required to account for a fair sum of interest on money held in our client account. Our full policy on client account interest is available on request but please note that:

- (a) The rate of interest for money in our general client account is based on the rate of a separate instant access current account. This rate is significantly lower than the rate of interest that could be obtained through investing the money.
- (b) Interest accrues on cleared funds only.
- (c) We normally pay interest no more frequently than quarterly.
- (d) We do not pay interest in certain situations, including where the interest accrued is small (currently, less than £50).

## 9. How we limit our liability to you

9.1 **Liabilities not excluded.** Nothing in these terms limits any liability which cannot legally be limited, including without limitation liability for death or personal injury caused by negligence, fraud or fraudulent misrepresentation. Where you are an individual who is not instructing us in connection with your business (a consumer) and the matter is contentious (it involves a dispute with a third party), we do not exclude our liability to you for our negligence.

9.2 **Exclusion of indirect and consequential loss (business customers only).** Subject to paragraph 9.1, if you are a business, we will not be liable to you, whether in contract, tort (including negligence), for breach of statutory duty or otherwise, arising under or in connection with this agreement for any indirect or consequential loss.

9.3 **Losses we are not liable for.** Subject to paragraph 9.1, we will not be liable to you, whether in contract, tort (including negligence), for breach of statutory duty or otherwise, arising under or in connection with this agreement for any loss arising as a result of:

- (a) our complying, or endeavouring in good faith to comply, with our legal and regulatory duties, such as delays or disclosures arising in the context of compliance with anti-money laundering legislation;

- (b) errors or defects in third party services instructed by us on your behalf or used by us in the provision of services to you, provided we use reasonable skill and care in selecting and appointing those third parties (see paragraph 3.4);
- (c) circumstances beyond our reasonable control (see paragraph 3.5);
- (d) you failing to provide us with clear, timely, accurate, consistent and complete instructions (see paragraph 4.1(a));
- (e) loss or damage caused by email use, provided we have taken reasonable security measures (see paragraph 5.1); or
- (f) failure of any bank (see paragraph 8.1).

9.4 **Limits on our liability where other advisers are also responsible.** Subject to paragraph 9.1, our liability to you shall be reduced to the extent we can prove that you would have been able to recover a contribution pursuant to the Civil Liability (Contribution) Act 1978 from another adviser on the same matter. That contribution shall be assessed on the basis that the advisers contracted with you on broadly the same terms as we have, did not exclude or limit their liability to you, and were able to pay the sums due to you in full.

9.5 **Caps on our liability.** We have professional indemnity cover of £20 million on each and every claim. Subject to additional limitation or exclusion of liability terms being agreed in writing between us, this is the aggregate limit of our liability to both you and to any other client for whom we are instructed in that matter. Subject to paragraph 9.1, the cap will apply whether the liability arose in contract, tort (including negligence), for breach of statutory duty or otherwise and whether it arises under or in connection with this agreement.

9.6 **No claims against our staff.** Services are provided by our staff for and on behalf of Prettys Solicitors LLP. Our staff do not assume any personal responsibility to our clients in relation to work carried out under these terms and any personal liability of any member of staff is therefore excluded. Any claims must be brought against Prettys Solicitors LLP. You agree not to bring any claim (including in negligence) against any employee or member of our staff including principals (that is members) as individuals in their personal capacity in connection with any loss or damage suffered in connection with our services. If you do bring a claim against any of our staff, they can rely on our agreement, including its limitations of liability.

## 10. How you and we can terminate our agreement

10.1 **You and we can terminate this agreement.** You may terminate your instructions to us at any time by telling us in writing. We can also stop acting for you, if we have reasonable grounds to do so, for example because you have broken our agreement by not giving us timely instructions or paying our invoices on time. We can also stop acting for you if the solicitor-client relationship of trust and confidence has broken down, if we discover a conflict of interest, if to proceed would otherwise be contrary to legal or regulatory duties, if the risk profile for your case has significantly changed, if you do not pay funds on account as requested (see paragraph 6.7) or if you experience an insolvency event. We will write to you explaining our decision, giving you as much notice as possible.

10.2 **Payments on termination.** If you terminate your instructions or we stop acting for you, you must pay our charges (fees, disbursements and expenses) incurred up to the point of termination, as well as any charges we incur after termination, for example in transferring your file to another adviser or removing ourselves from the court record.

10.3 **We can retain your documents until you pay.** If you do not pay our invoices on time, we can retain documents, deeds and other items relating to any matter we are working on for you until you have done so (subject to such information that may be available to you under data protection laws).

## 11. How you can use our advice and how we handle your documents

11.1 **Intellectual property rights.** We retain all intellectual property rights in the advice which we provide and the documents which we prepare, but permit you to make use of such work for the purposes for which they were prepared (but not for any other purposes).

11.2 **Treatment of your documents on completion.** When your matter completes or we stop acting for you, unless you request the return of any documents you have supplied to us, we will treat them in accordance with our document retention policy (available from us on request), under which documents will normally be destroyed seven years after the conclusion of a matter.

## 12. Our legal status, how we are regulated and our insurance

12.1 **Our legal status and VAT details.** We are a limited liability partnership (LLP) registered in England and Wales with company number OC404677. Our registered office is at 6th Floor, St Vincent House, 1 Cutler Street, Ipswich, Suffolk, IP1 1UQ. We may from time to time use the word "partner" to refer to a senior staff member or consultant but this does not mean that they are necessarily a member of the LLP. A full list of our members is available on request. Our VAT number is GB102154726.

12.2 **How we are regulated.** We are a firm of solicitors authorised and regulated by the Solicitors Regulation Authority (SRA) and our legal services under this agreement are regulated by the SRA. Our SRA number is 628398. You can find out more about the SRA and view the professional rules which apply to us on the SRA website (<https://www.sra.org.uk/>).

12.3 **Our ability to provide financial services.** We are not authorised by the Financial Conduct Authority. However, as solicitors regulated by the SRA, we are able to provide certain financial services incidental to our legal work. In addition, we are included on the register maintained by the Financial Conduct Authority so that we can carry on insurance distribution activity, which is broadly the advising on, selling and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by the SRA. The register can be accessed via the Financial Conduct Authority website at [www.fca.org.uk/firms/financial-services-register](http://www.fca.org.uk/firms/financial-services-register). Further information will be provided to you in advance of such work on our part, including providing you with a statement of demands and needs.

12.4 **How we are insured.** As required by our professional rules, we maintain professional indemnity insurance to protect clients in the unlikely event of a mistake being made in a case. A certificate of our qualifying insurance is available on request from the individual handling your case.

## 13. Complaints and other concerns

13.1 **Our complaints process.** We hope that you are happy with the service we provide. If at any stage you have concerns or wish to make a complaint, inform the person handling your matter straight away about the nature of your concern. If you do not feel comfortable speaking with the individual handling your matter, then you can contact the engagement partner or our complaints partner directly. Our complaints policy is available on request.



13.2 **Complaining to the Legal Ombudsman.** Consumers and smaller organisations may be entitled to complain to the Legal Ombudsman about our service if they remain dissatisfied. Complaints to the Ombudsman should normally be made within six months of receiving our final response to your complaint and no more than one year from the date when the problem arose or, if you were not initially aware of the problem, within one year of the date when you should reasonably have known that there was cause for complaint. You can write to the Ombudsman at Legal Ombudsman, PO Box 6167, Slough, SL1 0EH or by email on [enquiries@legalombudsman.org.uk](mailto:enquiries@legalombudsman.org.uk) or call on 0300 555 0333.

## 14. Confidentiality

14.1 **When we may use and disclose your confidential information.** We will keep confidential information we obtain through our services confidential but we reserve the right to use and disclose it to:

- (a) deliver those services, which may include storing confidential information on our computers, in our email and in the cloud, and providing information to third party service providers;
- (b) comply with the law, including by performing conflicts of interest checks for new cases against a list of current and former clients, reporting suspicious activity to the National Crime Agency, reporting discrepancies in Companies House's and HMRC's registers and responding to freedom of information requests;
- (c) comply with requests by regulators and other competent authorities, such as audits by the SRA; and
- (d) where we have taken steps to ensure the confidentiality of your information:
  - (i) complete file reviews, both internally and (unless you have opted out) by independent assessors;
  - (ii) enable the review of our business by our business and financial advisers;
  - (iii) obtain, maintain, renew and comply with the terms of our professional indemnity insurance.

14.2 **How confidentiality applies to joint clients.** Where we are instructed by two or more clients in a matter, we are entitled to disclose to any other of the joint clients at any time any information which we would otherwise be prohibited from disclosing by virtue of our duty of confidentiality.

## 15. Data protection

15.1 **Our privacy policy.** For information about how we deal with your personal information, see our privacy policy as provided with these terms.

## 16. Anti-money laundering and financial crime procedures

16.1 **How we verify your identity, source of funds and check your credit rating.** As a firm of solicitors, we must comply with different legal and regulatory requirements aimed at preventing crime. We must also check whether the US Foreign Account Tax Compliance Act ("FATCA") applies to you and your matter. You agree to co-operate with us in order to verify your identity, your business structure, organisation history and sources of income and other matters relevant to discharging our legal and professional duties in this respect. We may check your credit rating. If we are unable to verify your identity or source of funds, we may decline to act for you or cease to act for you (see paragraph 10.1).

- 16.2 **Reports to the National Crime Agency.** If we have to report information about you or your matter to the National Crime Agency we may be prevented by law from informing you of this fact. If this happens we can stop work on your matter and withhold your money without notice or explanation to you, until the issue is resolved.
- 16.3 **Cash and bank transfers.** Strict limits apply to how we operate our client account (used to hold money on a client's behalf in connection with a legal transaction). We do not accept payment of more than £250 in cash. We cannot offer a banking facility and there are limits on how funds can be paid into and out of our client account. We are entitled to refuse to send monies that we hold to unverified third parties and to refuse or return monies from unverified third parties.
- 17. Other important terms**
- 17.1 **Nobody else has any rights under this contract, except our staff.** This contract is between you and us only. Other than our staff (see paragraph 9.6), nobody else has rights under it or can enforce it, nor may you transfer any of your rights or obligations under this contract to anyone else. Neither of us will need to ask anybody else to sign-off on ending or changing it.
- 17.2 **If a court invalidates some of this contract, the rest of it will still apply.** If a court or other authority decides that some of these terms are unlawful, the rest will continue to apply.
- 17.3 **These terms are governed by English law.**
- 17.4 **You and we may bring claims as follows:**
- (a) If you are a consumer, you can only bring claims against us in the English courts or (if you live in Scotland) the Scottish courts or (if you live in Northern Ireland) the Northern Irish courts.
  - (b) If you are not a consumer, you can only bring claims against us in the English courts.
  - (c) We may bring claims against you in any court entitled to decide the claim(s).

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