

Lawyers and the Uniform Law

This fact sheet identifies the key points for lawyers under the Legal Profession Uniform Law.

INFORMATION FOR LAWYERS

Costs and fairness disclosure

Legal costs must be fair and reasonable, measured against skill, complexity, urgency, quality and instructions. The nature, terms and amount of costs must be disclosed in writing.

Where matters are unlikely to exceed \$750 in total costs, law practices are not obliged to give clients a costs disclosure document. For matters above \$750 but unlikely to exceed \$3,000, practices must only make a simplified costs disclosure by giving clients a standard form instead of a full costs disclosure document. The form is available in the [Uniform Rules](#).

If a practice has not made a disclosure because the total costs were not likely to exceed \$750, or if it made a standard disclosure because the costs were not likely to exceed \$3,000, and fees overrun the estimate, the practice must act or risk losing a right to fees. When predicted costs thresholds are breached the practice must inform the client in writing of the expected change in costs and make the required disclosure at that point. Failure to comply with the disclosure requirements will void a costs agreement and can amount to misconduct.

Receipts of non-trust money

If a law practice receives or holds money that is non-trust money (other than money for the payment of legal costs due to the practice), it must give the person who provided the money written notice that:

- the money will not be treated as trust money;
- the money is not subject to the provisions relating to trust money in the Uniform Law or Rules; and
- a claim against the fidelity fund cannot be made in respect of the money.

Non-trust money includes money received by a practice for a licenced financial service it provides and money received for investment purposes (unless received or

invested in the ordinary course of legal practice).

Compliance audits

The Victorian Legal Services Board can audit any law practice's compliance with the Uniform Law and Rules and other applicable professional obligations if there are reasonable grounds to do so. In determining whether such grounds exist, the Board can consider complaints made about lawyers within the practice.

After completing the audit (or investigation or examination of a practice's trust records), the Board can issue a management system direction requiring a practice implement and maintain appropriate management systems to enable the practice to comply with the Uniform Law, Rules and other obligations.

Directions will oblige a practice to periodically report to the Board on the management systems implemented and maintained by the practice and the practice's compliance with those systems.

Professional discipline and dispute resolution

The Victorian Legal Services Commissioner can make binding determinations in consumer matters including:

- cautioning the lawyer;
- requiring the lawyer to redo the work in question at no cost or to waive or reduce the fees for the work;
- requiring the lawyer to undertake training, education, counselling or be supervised; or
- ordering the lawyer to pay compensation up to \$25,000 where loss results from the lawyer's conduct.

The Commissioner can deal with disputed costs up to \$185,460, and can determine the costs payable where the amount in dispute is less than \$18,550.

The Commissioner's regulatory tools for investigating complaints include search warrants and the power to enter premises.