

Legal costs – Your right to know

This fact sheet provides information about what your lawyer must tell you in regards to legal costs and who you can contact if you wish to dispute your costs.

FACT SHEET FOR CONSUMERS

Legal costs – Your right to know

When you engage a lawyer or law firm, you **must** be advised **in writing** about certain costs issues if costs are expected to be more than \$750 (see section 3.4.9 of the *Legal Profession Act 2004*).

You must be advised as soon as practical after you have engaged the lawyer or law firm. However, in all cases you should ask about the costs you may be charged – just because you are not told about costs does not mean you cannot be charged for them.

You **must** be advised about:

- The basis on which legal costs will be calculated, including whether a practitioner remuneration order or scale of costs applies to any of the legal costs;
- Your right to –
 - Negotiate a costs agreement with the law practice;

- Receive a bill from the law practice;
- Request an itemised bill within 30 days after receipt of a lump sum bill;
- Be notified of any substantial change to the matters disclosed.
- The estimated amount of the total legal costs or, if that is not reasonably practicable –
 - A range of estimates of the total legal costs; and
 - An explanation of the major variables that will affect the calculation of those costs.
- If the matter involves litigation, the estimated amount of –
 - The range of costs that may be recovered if you are successful in the litigation; and
 - The range of costs you may be ordered to pay if you are unsuccessful.

This disclosure must also include –

- A statement that an order by a court for the payment of costs in favour of the client will not

necessarily cover the whole of your costs; and

- If applicable, a statement that disbursements, that is, out of pocket expenses such as medical reports, may be payable by the client even if the client enters into a conditional costs agreement.
- Details of the intervals (if any) at which you will be billed;
- The rate of interest (if any) that will be charged on overdue legal costs, whether that rate is a specific rate of interest or is a benchmark rate of interest;
- Your right to progress reports;
- Details of the person you may contact to discuss legal costs;
- The following avenues that are open in the event of a dispute in relation to legal costs –
 - Make a complaint to the Legal Services Commissioner.
 - Apply to VCAT to set aside a costs agreement.
 - Apply to the Costs Court at the Supreme Court for review of your bill.

For further information about these and other options for disputing your costs, please refer to the LSC fact sheet titled '*Your right to challenge legal costs*'.

Non-legal services

Lawyers may also operate a non-legal business separately to their legal practice, providing they are appropriately licensed to do so. For example, a lawyer may work as an estate agent or a financial adviser.

As these types of services are not legal work (that is, a legal practising certificate is not required to perform these tasks), we may not be able to deal with complaints about these services or compensate you for lost money. Please refer to the LSC fact sheet titled '[Non-legal services provided by lawyers](#)'.

A lawyer or law firm may use Form B3 in the *Legal Profession Regulations 2005* to advise you about your rights in regards to legal costs.

This Fact Sheet is made in satisfaction of regulation 3.4.4 of the *Legal Profession Regulations 2005*. It has been developed in consultation with the Law Institute of Victoria Ltd and the Victorian Bar Inc.

More Information:

Legal Services Commissioner

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