

## **Price Transparency Guide**

### **Introduction**

The Law Society of Scotland encourages all Scottish solicitors who offer legal services to consumers/private clients to make information publicly available about fees, outlays and costs.

Here on our website are some examples of pricing for our main areas of work. Please understand that these are only illustrations - not definitive costs. This is because every legal case or transaction is a like a fingerprint – no job is exactly the same as any other job. In some areas of work, there are cases/transactions which are fairly similar to each other, meaning that a fixed fee can be calculated & agreed before work begins. However, there are many cases/transactions where the amount of work eventually carried out is not possible to predict at the beginning. In those cases/transactions, fees are calculated on the basis of time charges or scales varying with the amount of time or other effort that is appropriate. In addition to our own fees, clients require to reimburse outlays i.e. charges and costs paid out on behalf of the client to other companies, offices, organisations (e.g. the relevant court, Registers of Scotland, search companies, local authorities) as a necessary part of the work being done.

So while we have outlined these examples and hope they are helpful, please understand that there is a good chance your own case/transaction may not match the examples given. However, there is a separate Law Society of Scotland requirement that all work to be carried out by solicitors in any firm must be preceded by a written estimate or quotation of fees, vat and outlays, including where appropriate details of fixed charges and/or hourly rates.

Before instructing us, you should therefore contact one of our solicitors to discuss the work to be done and any other preliminary matters so that a specific and detailed estimate/quotation of fees can be provided for your own case/transaction.

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### **Areas of work**

#### **Purchase of Residential Property (Conveyancing)**

If you are buying a home, the work will involve communications with you and from us, correspondence with estate agents and the seller's solicitor, drawing up & revising a range of documents including a formal legal offer, further missives and the disposition which transfers ownership, examination of title, reporting to client & lender, inspection of searches and reports and mortgage security work where necessary, arranging settlement of the transaction, obtaining and managing the funds from both client and mortgage lender, completion of Anti Money Laundering procedures, submission of LBTT (sometimes called stamp duty) returns

and making payment of tax where due to Revenue Scotland and registration of new title (and mortgage security where funding comes from a lender).

For urban properties, a fixed fee is likely to be charged for this work. The amount will vary depending on the price paid. For a purchase at price up to a maximum of £200,000 our fee will be fixed at £750 plus VAT. Higher purchase prices will be charged at a higher level with our fee for any purchase of a value of £200,000 or more being set at 0.5% of the purchase price plus VAT. If home visits, site inspections or additional security work is required (e.g. if there is government help-to-buy), additional charges will be involved.

Rural properties are more complex, usually because servitude rights are required over adjoining property not belonging to the seller for access, drainage or water supplies. In those circumstances, a fixed fee is still likely to be charged but at a higher level than for an urban property. Typically, our fees would be set in the region of the higher of £1,500 plus VAT or 1% of the purchase price plus VAT for rural properties due to the complexity of the work. You should always discuss the precise circumstances with us at the beginning of the transaction so that there is less scope for unexpected additional work. In complex cases, an hourly rate would require to be charged.

Sometimes, something unexpected can be recognised after title deeds are examined. This can lead to additional work and corresponding additional charges. This is more likely with rural properties than urban.

So far as outlays are concerned, the main outlays incurred which you should budget for are in connection with registration dues and Land and Buildings Transaction Tax. Again, the level of these outlays would be determined by the price of the property you are purchasing. The current registration fees charged by Registers of Scotland can be found on their website:

<https://kb.ros.gov.uk/fees/registration-fees>

Levels of Land and Buildings Transaction Tax change from time to time but the potential tax liability of your purchase may be calculated using Revenue Scotland's online calculator here:

<https://revenue.scot/calculate-tax/calculate-property-transactions>

As a tax, it is your obligation to pay whatever is due but we require to collect payment from you before we can register your title. If you already own a house, you may also require to pay Additional Dwelling Supplement at 6% of the price. Other outlays may be involved particularly if you are buying from a builder as they rarely provide the essential searches which are normally paid for by a seller (see below).

### **Sale of Residential Property (Conveyancing)**

We also deal with transactions for clients selling a home. The amount & nature of work is similar to that involved in purchasing a home. Less time is spent on title examination but more time is required in discussing the incoming offer with you, ordering searches and reports, preparing discharges of mortgage security where necessary, redeeming mortgages etc.

Again, a fixed fee is likely to be charged for an urban property. Similarly to the purchase of an urban property above, our fixed fee for the sale of an urban property up to a value of £200,000 will be fixed at £750 plus VAT. Any urban property sales transaction at a value of £200,000 or above would be chargeable at a fixed rate of 0.5% of the purchase price plus VAT.

You will incur third parties outlays in a sale, namely outlays to Registers of Scotland if an existing mortgage requires to be discharged as well as the registering of an Advance Notice. Routine searches & reports in the Registers, local authority records and coal mining records which you will be required to provide the purchaser are likely to cost around £250 in addition. Where your sale results in a “first registration” in the Land Register, you may also require to provide a new title plan and a “Plans Report”. The combined cost of these will be at least £225.

### **Purchase/Sale/Lease of Commercial Property (Conveyancing)**

We deal with many kinds of different commercial property transactions for clients - purchasers, sellers, landlords and tenants - dealing with the purchase, sale or lease of many types of commercial property - retail, office, agricultural, workshop, manufacturing/light industrial. There are many different variables with commercial property as some transactions also involve security work (if a loan is involved), licensing, stock purchase, transfer of goodwill or transfer of employment. The result is that there are few similarities from one transaction to another. In certain cases, a fixed fee might be agreed in advance but that would in turn be based on a charging rate of £300 per hour. You should always have an initial discussion with one of our partners about the particular property & the scope of work likely to be required, so that it might be determined at the beginning whether a fixed fee is appropriate.

For purchases sales and leases of commercial property our fees are set at the higher of £2,000 plus VAT or 1% of the value of transaction.

Outlays for commercial purchases and sales are similar to those which apply to residential property but additional searches are sometimes necessary and the purchaser is often forced by the sellers into paying for some of these. LBTT is charged at different rates from residential transactions.

### **Discharge of security**

If you have paid off your mortgage, you will at some point require to obtain a discharge of the mortgage security which was registered when the loan was originally made. You will not be able to sell your home without obtaining a discharge at some point. Although you do not need to do this immediately, it is usually much easier to deal with this promptly as discharges can be difficult to obtain from a lender once records are lost e.g. when the lender is taken over by another financial institution.

For a basic discharge our fixed fee would normally be £150 plus vat (currently 20%).

The only outlay is a charge payable to Registers of Scotland for registering the discharge.

### **Will**

A will is an important document to get right - in content, expression and execution. It is a mistake to assume that a will is either not necessary or that it is straightforward. In Scotland the law of inheritance can be complex and very often not what the client expects, so far as the rights of family members are concerned. Our work in even the most basic will would almost certainly involve discussing and advising on options and risks. If there are more complex family circumstances, dispositions of assets and/or potential or actual exposure to Inheritance Tax, then the work required may be extensive and thus carry additional fees.

For a basic consultation on our premises, advice, preparation of a single will, completion, execution and storage, the fee may be £150 plus vat (currently 20%).

There are usually no outlays associated with this process.

### **Power of Attorney (Incapacity)**

There are various kinds of Power of Attorney (POA). The most common is a document that supports a person who is incapacitated and cannot carry out normal business and/or personal care – known as the Combined Power of Attorney. It allows trusted friend(s) or family member(s) to do what is needed, armed with rights conferred on him/her/them by the granter of the POA. The document is lengthy and complex and must be tailored to specific needs and circumstances. A basic POA is likely to require an initial meeting/consultation with the solicitor, the drafting of the POA, a second meeting for signing, witnessing & certification by the solicitor and then registration with the Office of the Public Guardian Scotland (OPG) to take effect.

For a basic single POA, the fee may be £325 plus vat (currently 20%). There will be an additional fee if a home or hospital visit is required. The outlay is currently £96, charged by and paid to the OPG.

### **Guardianship (Incapacity)**

Where creation of a Power of Attorney is not possible or is inappropriate, the alternative is for a suitable person - usually a family member - to apply to the Sheriff Court to be appointed Guardian. This is a detailed court process involving much documentation and formal reporting by various parties, officials and personnel to satisfy the court that the court order is necessary and appropriate. It also involves personal appearance at court by the solicitor to conduct at least one formal hearing in front of the sheriff before the order is permitted and awarded. The exact extent/amount of work cannot be specified in advance as it is dependent on so many different factors unique to each case. The Terms of Engagement letter will always specify time charges based closely on the current table of fees fixed for solicitors by the Sheriff Court authorities.

Total fees are likely to be at least £2,000 plus vat (currently 20%). Outlays will include Sheriff Court fees (currently £129) & the cost of medical & suitability reports (likely to over £500 altogether) and may also include additional Court charges and/or fees incurred to sheriff officers for serving papers on other parties.

### **Other Courtwork**

Although we handle certain types of courtwork, we are currently able to do so only for established clients of the firm. There is no typical court action. All manner of human relations can result in court action being taken or defended. Sadly, once action commences, fees can accrue quickly and the total cost will grow the longer the case goes on. The total cost of conducting any tribunal application will depend on a number of factors beyond our control and cannot be accurately predicted in advance.

Our fees will be charged under Chapter III of the Table of Fees for solicitors in the Sheriff Court which allows for an hourly time rate and specific charges for drawing up pleadings, other documents, letters etc. At the present time a solicitor's time is charged at £41.00 per quarter-hour for work involved in handling your case. Long letters or other documents are charged at £20.50 per sheet. Short letters are charged at £5.30 each and telephone calls under 7 minutes are charged at £10.25 each. All of these rates are subject to vat at the current rate (presently 20%). These fees are varied from time to time, usually around May each year.

You will also require to pay any outlays we incur on your behalf e.g. to Sheriff Officers for serving documents. If we incur any substantial outlays, to other persons on your behalf, we will require you to provide us with funds in advance, to enable us to make those payments.

Interim accounts may be rendered to you every three months, at or about the end of January, April, July and October in each year. These will cover all work carried out to date (in so far as not already charged for) and any outlays which we have required to pay to other persons on your behalf. Payment may be deducted from any money held or recovered from you.

You are personally liable for payment of our charges whether or not you are successful and regardless of any expenses you may be able to recover from your opponent.

### **General/miscellaneous advice and business**

As general practice solicitors, we take on a range of clients and cases/transactions. Sometimes the work is preliminary advice, or assistance with a minor or brief legal issue requiring correspondence with other parties or solicitors, and/or creation of legal documentation. There really is no limit to the range of needs of clients when it comes to legal services and processes.

We may offer preliminary consultation for a fixed fee subject to a limit on the amount of time spent. In certain circumstances where we are consulted by long-established clients, there may be no charge but we reserve the right to charge for all services and advice provided.

Some examples of miscellaneous charges:

For notarising/certifying documents our fee might be £100 plus vat (currently 20%).

For perusal of titles or other documents and advising on an issue which might result in court action, the fee would be based on the time charges for courtwork (see above) but a fixed amount might be agreed at the outset e.g for spending an hour meeting you, checking documents and advising you on your legal obligations & rights, a fixed fee of about £300 plus vat (currently 20%) might be charged.

For advising on planning for succession, care costs and related matters (sometimes required at the same time as a will is being prepared), the fee would be based on an hourly rate of £300 plus vat (currently 20%).

### **Executry**

Executry is the work required in winding up the estate of someone who has died. It is an area where it is impossible, to give accurate levels of fee in advance. The Terms of Engagement will specify a unit rate charge for particular aspects of work based on an hourly rate of £300. It will make a difference to the amount of work involved whether there is a valid will - more

work and other costs are likely if there is no will. The work will involve meetings and consultations between the family, the executors (if not family members), other beneficiaries and the solicitor, valuing the assets and liabilities of the estate, corresponding with financial and other institutions (e.g. banks, building societies, share registrars, employers/pension administrators, DWP, HMRC, council tax departments, factors, mortgage lenders and more), drawing court documents, Inheritance Tax accounts and forms for Confirmation, dealing with the Sheriff Court processing the forms, ingathering the financial estate (i.e. collecting in all the money), accounting to the executor and distributing the bequests and shares of estate among beneficiaries and finalising any income tax, capital gains tax or inheritance tax due. Although inheritance tax affects only a limited number of estates, it generates considerable extra work and consequently, additional expense.

There may also be a heritable property to sell on the open market or transfer to a beneficiary. Again, the extra work involved in that will generate additional expense.

The total cost of handling an executry will therefore depend on a number of factors beyond our control and cannot be accurately predicted in advance. Circumstances vary enormously and often an estate of low or moderate value can be as complicated or more so than estates of larger value. However, the following table is a very rough guide to estimated fees for the administration of estates which are of average complexity:-

<i>Gross Value Of Estate</i>	<i>Estimated Fee for Administration (excluding VAT which is currently 20%) as a % of Gross Value</i>
Up to £50,000	3 - 5% (minimum £750)
On next £50,000	3 - 4%
On next £50,000	2 - 3%
On next £100,000	2%
On value above £250,000	1%

Outlays will include Court fees which are typically £261 (more for larger estates) plus £8 for each item of estate.