

# 10 Questions to ask your Lawyer about Costs

## Information for consumers

This document largely reproduces a document under the same name first published by the Legal Ombudsman for England and Wales. We are indebted to the Legal Ombudsman for allowing us to copy and adapt that publication to suit our local circumstances in Queensland.

The information in this leaflet is useful for anyone who is using, or thinking of using, the services of a lawyer. This could be for a whole range of things, such as writing your will, buying a house, or going through divorce proceedings. Your lawyer should provide you with clear information about your costs.

## Introduction

If you use a lawyer, he or she should talk to you about the cost of their services. But you should also understand their charges. We have come up with ten questions to ask your lawyer about the cost of your service. We've also included some top tips to help you get the most from conversations with lawyers about costs.

As a consumer, you have the right to expect your lawyer to be clear about how much they are likely to charge you, and for the final bill to be clearly explained and in the range you expected.

Legal services can be complex, and the final cost can depend on things such as the type of service, individual details of the case, and how events develop. The expertise and experience of the lawyer may affect things too. However, most services are straightforward, and your lawyer should give you a clear idea of what you will be charged from the start. Even if things do get complicated, your lawyer should warn you when this happens, so there shouldn't be any surprises in your final bill.

A lawyer who values good service will happily answer your cost-related questions. Lawyers also have a duty to provide you with a costs agreement (when the costs are anticipated to exceed \$1500) when you appoint them. This letter should clearly explain the costs for the service and any terms and conditions that may affect the final price.

**Top Tip:** Ask questions. If you don't understand something, ask so you are clear. Legal services can be complicated, so there are no silly questions. Make sure you understand what is going on and how much you might be charged for it. Sometimes the answer can't be a fixed amount but it's good to get an idea of the price range.

## Q1 “Will I be charged for a consultation?”

Finding the lawyer who is right for you and the service you need is important. A consultation by phone, face-to-face, letter or online can help you make your decision. A lawyer can charge you for a consultation, but they should tell you before you book and explain any conditions. For example, they may offer the first 30 minutes free but charge for time above that.

A lawyer should speak to you about costs and provide the best possible information so you can make an informed choice.

If you have a consultation, make the most of the opportunity. Do your research to find the right lawyer – you can check online, talk to friends and family, or speak to consumer organisations to help you make your choice.

**Top Tip:** Don't assume that because some lawyers offer free consultation, they all do. Ask if there's a fee when you book a consultation.

## Q2 “How do you cost your service?”

This question can help you shop around to get best value for money. Two lawyers may provide very different estimates for the same service. Understanding why the quotes differ can help you make the right decision. For example, one lawyer may be more experienced or an expert in the area of law your case involves. If you have a complex case, you might think it's better to pay more as it may improve the outcome and cost you less in the long run. With a fairly simple case you might decide you don't need that level of expertise, so it may be better value to go with the cheaper estimate

Experience and skill are just two reasons why costs may differ. Estimates may vary for a whole host of reasons. Ask questions until you understand enough about the services on offer so you can pick one that suits you.

**Top Tip:** It's ok to shop around. Get advice to help you find a lawyer that you trust and feel comfortable talking to. Speak to family and friends or contact organisations like the [Queensland Law Society](#) for free guidance on finding a lawyer. You can contact the QLS by telephone on 1300 367 757.

### Q3 “Can you tell me more about the way you charge?”

Lawyers have different ways of charging and their charging method may also vary according to the service. For example, they may offer a fixed fee for writing a will, but an hourly rate for a probate service (the administration of a will when someone has died). Find out what charging method the lawyer will use and ask them to explain it to you in detail. Questions 4 and 5 can help with understanding fixed fee and hourly rate charges.

Conditional fee arrangements are also known as ‘no win, no fee’ arrangements. If you lose, you won’t, in general, have to pay your lawyer’s fees, but may need to pay some out of pocket expenses such as barrister’s fees or court fees. You may also be liable to pay some of the other side’s costs. If you win, you will have to pay your lawyer’s fees and in addition there is usually an uplift fee which is intended to cover the risk that the firm are entering into with this type of agreement.

You should in most cases, however, be able to recover some of your fees from the other side. If you are thinking about entering into one of these arrangements, make sure you ask detailed questions so that you fully understand the terms and conditions.

**Top Tip:** Ask what words mean. Sometimes lawyers use technical terms that you might not understand, so ask for an explanation. (**Note:** you might also want to refer to our publication [‘No win-no fee’ costs agreements](#)).

### Q4 “What is a fixed fee and what does it cover? Will I be charged for any other costs?”

The term ‘fixed fee’ can be used in different ways. It can be easy to assume that it covers all costs for the service you need. In some cases that may be true, but it may also just refer to the lawyer’s fees. For example, a ‘fixed fee’ in a property case may, or may not, include charges related to searches. Sometimes a lawyer may offer a ‘fixed fee’ for a stage of the case, so don’t feel embarrassed about asking your lawyer exactly what they mean by ‘fixed fee’. It’s not a silly question; the term isn’t self-explanatory.

Lawyers will sometimes give you an estimate of the costs. This isn’t the same as a ‘fixed fee’, so check what your lawyer means. This can be important as sometimes a lawyer may charge a fixed fee for a particular stage but give an estimate for the next stage. If that happens, or you aren’t sure, check what your lawyer means and ask for an estimate for the total cost of the case.

**Top Tip:** Ask if your estimate includes everything that you might be charged. Sometimes there are additional costs, such as stamp duty, if you are buying a house. It’s good to be clear about how much the whole legal transaction will cost, what you need to do, and what your lawyer will do for you.

## Q5 “You charge an hourly rate but I’d like an estimate for the cost of the whole service. What will my final bill look like?”

If your lawyer charges an hourly rate, they must give you an estimate of how much the overall service will be. They should also provide revised estimates as the matter progresses if necessary. If you aren’t sure, then ask your lawyer to give you an estimate for the whole service. Sometimes it can be hard to predict how much it will all cost. Ask so you know how certain the estimate is. Having a range of costs might be more helpful than a single number, which could shift up or down. The important thing is to understand how much the total bill could be.

You are entitled to ask the lawyer to set a limit on the costs. This means your lawyer has to check that you are happy to continue if the spend approaches the agreed threshold. Setting a limit can help you make sure you don’t spend more than you can afford.

Ask questions to understand exactly when the clock starts. For example, if you call your lawyer for an update on your case will you be charged for the call? Ask if, and how, your lawyer rounds up their charges. Many lawyers charge in six minute blocks – check if that’s how your lawyer works. Make sure you feel comfortable with the way they charge.

As with ‘fixed fees’, ask if there are any other costs that won’t be covered in the hourly rate.

**Top Tip:** Don’t just ask how much the hourly rate is. Ask for an estimate of how many hours it will take and what’s included. Also ask what might cause it to change and see how likely this is. Sometimes you’ll be given a range for the costs, but this will help you budget and know where you stand.

## Q6 “Could my costs change? How will you let me know if they do?”

Ask whether your costs might change as your matter progresses, and what might cause them to change.

There may be circumstances where costs do change. This is most likely if new information or developments make a case more difficult. For example, in a divorce case much is dependent on the other person’s cooperation to resolve it quickly. Even if both people intend to behave amicably, sometimes that resolve breaks down. If your costs look like they are changing, ask your lawyer about it. In general, your lawyer should tell you as soon as they are aware of any changes, but you don’t have to wait to ask for an explanation. If you have agreed a spending limit (see question 5), then your lawyer should stop work until you confirm that you want to continue.

If a case gets complicated even a 'fixed fee' arrangement can change. Your lawyer should explain when this might happen and also set out the terms and conditions in your costs agreement. Make sure you understand and ask if there is a 'get out' clause to say if additional costs can be charged.

Remember, you always have options, even in the middle of a legal transaction. If there is a big hike in the costs of using a lawyer, then your lawyer should tell you about them and let you know what your options are. You could use a different specialist who might cost less but take longer, or only use email to contact your lawyer. There might also be some stages in the process that can be missed out. Ask your lawyer how you can work with them to reduce costs.

**Top Tip:** Cost changes may not always mean an increase. If an estimate was based on the chance that it might get complicated, but ends up being simpler than first thought, then the price should go down. Make sure your lawyer talks to you throughout your case so you understand your final bill and can check you aren't being overcharged.

## Q7 “Are there any extra costs?”

This really is a catch-all question to help you budget for your service. You are basically asking your lawyer if they have given you all the information they reasonably can to make sure there aren't any nasty surprises in the future. Examples of the sort of information this question might raise are additional costs for things like expert reports (such as from a doctor), or photocopying.

Finally, don't forget to check if your estimate is inclusive of GST. Your lawyer should tell you, but check so that you don't get a higher bill than you're expecting.

## Q8 “Can I get help with the cost of my legal service?”

A lawyer should always talk to you about how the service will be paid for. If you receive benefits or are on a low income you might qualify for Legal Aid that may reduce or cover all of your costs. Even if your lawyer isn't registered to provide Legal Aid they should tell you about it so you have the option of going to a lawyer who can.

If you want to know more about help with legal costs, organisations such as [Legal Aid Queensland](#) and your local Community Legal Centre can give you free information and advice. You can contact Legal Aid Queensland by telephone on 1300 651 188.

## Q9 “When will I be billed and how long will I have to pay? Do you offer payment options?”

A lawyer should give you clear information on their billing process and offer reasonable time for you to make payments. They should also let you know if there are penalty charges if you don't pay on time. You may be asked to pay some money at the start either to cover certain expenses or as an advance payment of fees. Lawyers aren't obliged to offer you payment options, but some may be willing to negotiate. Asking the question might help you find a lawyer whose service fits your personal circumstances.

**Top Tip:** If your lawyer is holding any payments, they must be kept in a separate trust account. No interest is paid to clients for funds held in solicitors trust accounts. All interest earned is received by the Queensland government to fund the regulation of the legal profession and to part fund legally aided and community legal services.

## Q10 “What happens if I disagree with the amount I've been charged?”

Your lawyer should tell you their approach to resolving billing disagreements. Every lawyer should have a complaints handling system in place, so find out how their system works. You should not be charged by a lawyer for looking at your complaint – it is very poor service if they do. When you appoint a lawyer they are also obliged to let you know about our role at the Legal Services Commission and the options you have available to you to have your costs assessed by an independent assessor. (**Note:** you might want to refer to our publication Challenging Legal Costs).

**Top Tip:** Lawyers shouldn't charge for looking at a complaint you have made against them. If you are unhappy with the outcome of their investigation into a complaint you've made, you can contact us for advice (we have listed our contact details below) including about how to make a formal written complaint.

## Further information

You can read about the Legal Services Commission and what we do on our website at [www.lsc.qld.gov.au](http://www.lsc.qld.gov.au). You will also find a range of published documents to assist consumers in their dealings with lawyers.

The Commission may be contacted by telephone, email or by post.

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