



How to get value for money when buying legal services

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While some of these 5 tips may be self-evident, it is surprising how frequently they crop up.

1. ***Decide what you want / need to do before you instruct the law firm.***

This focuses the minds of the parties and ensures that there are as few changes of direction as possible which helps to keep costs under control. It helps too if you can identify the outcome you believe that you need – provided your lawyer is experienced, they will soon put you right if you hare off in the wrong direction. Many will also give between 30-60 minutes “free” advice to help you and them determine what needs to be done and make sure there is a good fit between you.

2. ***Consider getting competitive quotes (“tendering”).***

If it is a large project, repetitive, or one that can be broken down into phases, consider getting competitive quotes from up to, say, three firms. This can give you a better sense of whether the fees that are quoted are accurate, competitive or too high (or too low). Also, remember that fees are only part of the equation – you will need to have a good working relationship, based on trust and respect, with the law firm / individual lawyer that you pick. (And they will be looking at you in the same way!) If you don’t like their approach, don’t hire them.

3. ***Be clear about the fees that you are willing to pay.***

While law firms charge by the hour, many will also agree to fixed fees (provided they feel that your instructions are clear - see point 1); or a reduced rate for repetitive work (e.g. standard letters). For the latter, the parameters will be closely defined, and it is possible that a narrow range of permitted deviations from an agreed process could make this more expensive than paying a prior agreed hourly rate. Remember: the law firm is looking to make a profit and their rates are calculated based on their overheads, just like any other business. If you try to get the work for too little they will not accept you as a customer and, even if they do take you on, if they feel it is not worth their while you will only get a minimal service (lawyers are human too, despite what Shakespeare says).

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4. ***Get regular up-dates on the amount of costs on the clock (work-in-progress).***

This avoids busting your budget. All law firms should be willing to agree to provide regular up-dates on the running total of their costs. They should also be willing to agree to invoice you every specified period (e.g. monthly) or if a specific amount of costs is reached. This leaves you in control and able to discuss the costs regularly and revise the work if it seems to be too expensive. It also enables the lawyer to warn you if things are turning out differently from how you and they envisaged. Communication is key to avoiding nasty surprises.

5. ***Pay the lawyer's bills promptly.***

Law firms (like all businesses) can charge interest on their unpaid invoices. They often rigorously do this because they will be charged interest by HMRC on any VAT or corporation tax they have not paid because you have not paid them. On large bills this can quickly mount up as the interest rate will not be as low as that currently charged by banks.

We hope you find this useful. If you have other topics you would like us to post or discuss, do let us know.

Do you have tips to add to these 5 value for money tips? We're always interested in hearing your thoughts, ideas and about your experiences.

See contact details further below.

This briefing note is intended to act as general guidance and is not intended to offer specific legal advice. Merlys is very happy to assist you with any aspect of the content in this article, as it relates to your business.



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