

Name: [REDACTED]

Membership no: [REDACTED]

1. Competency: 3

Learning Outcome: 3.4

Evaluate risks, costs and benefits to client.

2. Evidence provided:

[REDACTED] Letter to client [REDACTED]

3. Outline how the evidence demonstrates you meet the outcome

A situation where there alternative courses of action: In this case the limitation date was forthcoming and the Claimant solicitors telephoned me in an effort to settle the matter prior to issuing Court proceedings. The Claimant's solicitor had made an offer of £1000 for damages and advised that they had incurred £1670 in disbursements (ATE and medical report) and had over £6000 of profit costs on file. I argued that they would only recover these sums if they recover their full hourly rate and if their costs are reasonably incurred. The Claimant's solicitor greed and advised they would accept £5000 all in for costs.

Evaluate the options: I recognised that there were a number of options available to my client.


1. Accept the Claimant's current offer of £1000 for damages for the Claimant and £5000 for their costs in this matter which will settle this matter in its entirety.
2. Continue negotiating damages and costs to try to achieve a lower settlement and risk costs increasing if Court proceedings are issued.
3. Accept the offer of £1000 for damages to settle the matter but reject the offer of £5000 for costs and request a Bill of Costs so that we can assess the costs incurred in more detail and argue a larger reduction in costs.

I set out the risks, costs and benefits of each course of action and also provided my advice on what I thought the most appropriate course of action to take.

Evidence: The letter to the client clearly sets out these options.

4. Reflection and evaluation (what you learnt from the activity you undertook to meet the outcome). Note: you may want to complete this section at a later date once you have had time to reflect on your practice and experience.

The client ultimately makes the decision as to the preferable course of action to choose, but in order for their choice to be an informed choice, they should be made aware of the risks, costs and benefits in involved in each of the options available to them.

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| 5. Completion date: 28/08/2014 | | |
| 6. Signed (applicant) |  | Date: 10/09/2015 |
| 7. Signed (supervisor) | | Date: 10/09/2015 |

21 August 2014

URGENT RESPONSE REQUIRED

Dear

I write further on this matter.

I have received an informal offer to settle the Claimant's claim from the Claimant's solicitors and wish to provide you with advice on this offer. Please note that this offer is forthcoming due to our efforts to press the Claimant's solicitors on the amount of their costs before confirming any damages settlement.

Limitation

Please note that limitation for this matter will expire very shortly on 9 September 2014 and the Claimant's solicitors have advised that should we fail to agree a settlement amount they will have no choice but to issue Court proceedings in order to protect their client's position.

Offer

The Claimant's solicitors offer to settle this matter in its totality is £1000 for damages for the Claimant and £5000 for their costs in this matter.

In a without prejudice discussion with the Claimant's solicitor she advised that their disbursements for this matter amount to £[REDACTED] their profit costs currently amount to £6000. If we accept their offer above the [REDACTED] would immediately save £2670 in costs. Further, if we do not accept their offer [REDACTED]'s solicitor has confirmed she will issue Court proceedings in order to protect her client's position and the [REDACTED] then be liable for the additional profit costs of preparing pleadings a [REDACTED] proceedings, Court fees and the costs of drafting a final bill of costs once the claim does settle. These additional costs are likely to be in the region of £25,000 (at least), even if the matter settles fairly soon after proceedings are issued. [REDACTED] therefore has an opportunity to save £5,170.00 in total by accepting the Claimant's offer for damages and costs.

Advice

The options available to the [REDACTED] are as follows:

1. Accept the Claimant's current offer of £1000 for damages for the Claimant and [REDACTED] for their costs in this matter which will settle this matter in its entirety. The [REDACTED] will save at least £2,670 in costs if we accept this offer.

2. Continue negotiating damages and costs to try to achieve a lower settlement. Whilst it may be possible to achieve a lower settlement in respect of the Claimant's costs, due to the forthcoming expiry of the limitation period the Claimant's solicitors are fully entitled to issue Court proceedings to protect their client's position if we fail to reach an agreement within the next week or so which means that costs will increase further. The firm of Solicitors representing the Claimant have a policy not to agree moratoriums of limitation so this is unfortunately not an option.
3. Accept the offer of £1000 for damages to settle the matter but reject the offer of £5000 for costs and ask the Claimant's solicitors to serve a Bill of Costs so that we can assess the costs incurred in more detail and argue a larger reduction in costs. The risk with this option is that the Claimant's solicitors will instruct a costs draftsman to draft the Bill which it's likely to cost in the region of £500 and will therefore incur further costs.

Given the potential further costs that may be incurred in continuing negotiations and the costs that can already be saved by accepting the offer I advise the [REDACTED] [REDACTED] accept the Claimant's current offer and settle this claim for £6,000 in its entirety as soon as possible.

The Claimant's solicitor has confirmed she will need to start drafting the Court papers next week in order to get the papers to the Court in time to protect her client's position. I would be grateful to receive the [REDACTED] instructions by 28 August 2014 at the very latest however it would be useful to receive instructions sooner than this if possible.

I look forward to hearing from you.

Yours sincerely

[REDACTED]

LEGAL & RISK SERVICES