

Peterkin & Kidd

Solicitors and Estate Agents

Price Transparency for Clients

Introduction

Peterkin & Kidd Solicitors and Estate Agents is a Firm registered with the Law Society of Scotland. Among many legal practice requirements, the Law Society has issued Guidance on what is called Transparent Pricing. This is information to be made available to clients and potential clients about fees, outlays and costs that may be incurred when instructing solicitors. The Guidance is in place for all firms in Scotland that offer legal services to consumers/private clients.

Here on our website we provide some examples of pricing for the range of services in which we practise. These are, as required, only illustrations, not definitive costs. This is because a legal case or transaction is a lot like a fingerprint – no job is the same as any other job, and the uniqueness of the work is thus matched by the charges for it. Some kinds of work carry a fixed fee, others are calculated by a scale or unit cost varying with the amount of time or other effort that is appropriate for the completion of the case or transaction. Over and above fees, outlays are charges and costs paid out by the Firm on behalf of the client to other companies, offices, organisations – e.g. the sheriff court, the Registers of Scotland, searching companies, local authorities and others. These charges are incurred by the client as a necessary part of the work being done. The Firm makes no direct margin or profit on these outlays but may, from time to time, be paid a commission depending on the level of business given by searching companies. Otherwise these outlays are passed on to the client at whatever cost is charged by the organisation being paid. We always seek the best value for the level and reliability of service for the client.

So while we have outlined these examples, and we hope they are helpful in describing the shape or configuration of the charges for your work, you can be almost sure that none of them exactly matches it except by chance in a few limited cases. But this unavoidable mismatch is dealt with by another Law Society of Scotland requirement. All work to be carried out by solicitors in this firm or any other must be preceded by a written estimate or quotation of fees, VAT and outlays to be incurred or expended. This costing is part of an obligation to issue clients with Terms of Engagement – a set of information made up of a formal letter and other related documentation.

Clients or potential clients reading this Price Transparency material should contact one of our solicitors for the specific and detailed estimate/quotation of fees as well as discussing the work to be done and any other preliminary matters.

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Areas of work

Will

A Will is an important document to get right - in content, expression and execution. It is a mistake to think either that a Will is not necessary or that it is necessarily straightforward. In Scotland the law of inheritance can be complex and very often not what the ordinary client expects in terms of the rights of family members to a share – or not – of the estate. So this Firm's work will almost certainly involve discussing and advising on options and risks to achieve even the most basic Will. 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 fee charge. For a basic job of consultation, advice, preparation of a simple single Will, completion, execution and storage, the fee may be £200 plus VAT £240. 'Mirror Image' wills for 2 people may cost a combined £250 plus VAT of £50. There are usually no outlays associated with this process.

Power of Attorney (Incapacity)

There are various kinds of Power of Attorney (POA). The most-used is a document that supports a person who is incapacitated mentally and/or physically and cannot carry out his/her normal business and/or personal care – known as the Combined Power of Attorney. It allows a trusted friend or family member or multiplicity of people to do what is needed, armed with full legal rights conferred by “the Adult” as the grantor of the POA is known under the Adults With Incapacity (Scotland) Act. The document is lengthy and complex and must be tailored to the specific needs and circumstances of the Adult. A basic POA may require meeting and consultation with the solicitor, the drafting of the POA document, its completion and execution (i.e. signing and witnessing) – it must also be certified by the solicitor, and then registered with the Public Guardian Scotland (OPG) to take effect. For a basic single POA, the fee may be £225 plus VAT of £45. 'Mirror Image' POA's may cost a combined £300 plus VAT of £60. There may be an additional fee if a home or hospital visit is required. The outlay for each POA is currently £81, 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 – who may be a family member or another – to apply to the Sheriff Court to be appointed Guardian. This is a complex and very 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. In any Guardianship Application that involves Welfare Powers or Welfare Powers and Financial Powers Legal Aid is presently available regardless of means and those cases the only part of the cost to be covered relates to the legal Aid application and amounts to £150.00 plus VAT of £30.00. In cases not covered by Legal Aid the Terms of Engagement letter often requires to include a time and line/hourly/unit rate charge.

A possible fee in a case not covered by Legal Aid (based on that hourly/time and line formula) may be £1500.00 plus VAT £300.00. Outlays may include Sheriff Court initial dues £132.00, medical report fees £500.00, sheriff officers for service of application etc. £100.00 per person upon whom service by Sheriff Officers is required.

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Purchase of Residential Property (Conveyancing)

The Firm deals with transactions for clients buying a home, whether it be a flat, house, new-build property land to build upon. The work may involve: communications and advice by the solicitor with the client, correspondence with estate agents and the seller's solicitor, drawing up a range of documents including a formal legal offer and further missives, examination of title, inspection of searches and reports, drawing of a new title (disposition) and mortgage security where necessary, arranging completion/settlement of the transaction, obtaining and managing the funds from both client and mortgage lender, completion of Anti Money Laundering procedures, submission of LBTT (Scottish Stamp Duty) return and making payment of tax where due to Revenue Scotland, registration of new title (and mortgage security where funding comes from a lender), reporting to client and lender after registration.

The fixed fee for this work may be £700 plus VAT £140. The fixed fee will vary depending on the price, location and type of property but this will be advised prior to the commencement of work.

An additional charge of £200 plus VAT of £40 to £250 plus VAT of £50 normally may be made if there are shared equity requirements such as Help to Buy Scheme.

On occasion additional work in excess of that anticipated may arise and the Terms of Engagement letter will specify circumstances in which additional charge may be made.

An unsuccessful purchase may be charged up to but not in excess of the prospective charge for the purchase proceeding to settlement depending on the stage reached.

Outlays are (for a transaction with price of say £160,000 part-funded by a mortgage) £400 to Registers of Scotland for registration of the title, £80 for registration of the mortgage, £20 for Advance Notice for mortgage, £300 for LBTT (though less if first purchase and more – payment of Additional Dwelling Supplement/ADS - if buying a second property). Any direct charges made by a platform utilised by the mortgage lenders will be passed on. For example, LMS currently charges £18. LBTT and title registration dues change on sliding scales according to the price of the property so the foregoing illustration is not applicable to properties of different prices.

Sale of Residential Property (Conveyancing)

The Firm deals with transactions for clients selling a home, whether it be a flat, house, or land to build upon. The work may involve communication and advice by the solicitor with the client, correspondence with estate agents and the purchaser's solicitor, drawing up a range of documents including a formal legal acceptance of the buyer's offer and further missives, provision of title, ordering of searches and reports, revising of a new title (disposition) and discharging mortgage security where necessary, arranging completion/settlement of the transaction, managing the funds from buyer's lawyer and redeeming outstanding mortgage to the lender, registration of discharge where necessary, reporting to and settling with the client.

The fixed fee for this work may be £700 plus VAT £140. The fixed fee will vary depending on the price, location and type of property but this will be advised prior to the commencement of work. Outlays are £80 for registration of the mortgage discharge, £20 for Advance Notice for title, £195 for title, property and mining searches.

On occasion additional work in excess of that anticipated may arise and the Terms of Engagement letter will specify circumstances in which additional charge may be made.

An unsuccessful sale may be charged up to but not in excess of the prospective charge for the sale proceeding to settlement depending on the stage reached.

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Remortgage of residential property (Conveyancing)

The Firm deals with transactions for clients who are remortgaging a home. The work may involve communication and advice by the solicitor with the client, examination of title, drawing up a range of documents, including a new mortgage security and a discharge of the old mortgage, ordering and inspection of searches and reports, obtaining and managing funds from the new mortgage lender, redeeming outstanding mortgage to the old lender, registration of discharge arranging completion/settlement of the transaction, registration of new mortgage security, reporting to client and lender after registration.

The fixed fee for this work may be £450 plus VAT £90. The fixed fee may be less if we acted in the purchase and there has been no material change to circumstances. Outlays are £80 for registration of the mortgage discharge, £80 for registration of the new mortgage security, £20 for Advance Notice for the security, £195 for title, property and mining searches.

Discharge of security

For those lucky enough to have paid off their mortgage, there is an exercise to update title deeds known as discharge of security. Security is the correct Scottish legal word for mortgage. The mortgage lender has a charge over the client's title while the loan remains under repayment, and this can be removed once full redemption has been made and the bank or lender no longer has a claim over the property.

For a basic discharge of security the fee may be £200 to £250 plus VAT £40 to £50 depending on complexity. The outlay is a charge of £80 payable to the Registers of Scotland.

Separation (settlement out of court)

When a marriage or domestic partnership breaks down there may be a range of legal matters to consider and settle. These may include property sale/transfer, sharing of financial assets and pensions, residence of and contact with children, financial maintenance - even who gets the dog. This kind of work more than most others cannot be costed exactly in advance as each case is as different as each family is from another. These matters, if the negotiation between ex-partners via solicitors is successful is captured in a legally binding Minute of Agreement (contract) signed by both parties and registered. The Terms of Engagement letter often requires to include a time and line/hourly/unit rate charge.

A possible outcome is a fee, based on the time and line rate, of £1000.00 plus VAT £200. Outlays may include a share of the registration dues of the Minute of Agreement £22 if paying for both extracts (copies) £11 if for one only. Where a pension share is required (which can only be completed after Divorce), a pension share implementation fee is charged by the Pension Administrators/Trustees of, typically, £750.

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General advice and business

As general practice solicitors this Firm takes 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 creating of legal documentation. There really is no limit to the range of needs of clients when it comes to legal services and processes.

We often offer preliminary consultation without charge for a discussion or meeting, though we reserve the right to charge for all services and advice. Some examples of miscellaneous charges:

- For notarising/certifying documents a fee may be £50 plus VAT £10. No outlays.
- For advising on and corresponding with a neighbour who is encroaching on a boundary the fee may be based on an hourly rate of £220 plus VAT £44 per hour. No outlays.
- For advising on planning for retirement, property and wealth management, succession/inheritance planning, care costs and related matters, the fee may be based on an hourly rate of £220 per hour, plus VAT of £44. No outlays.

Executry (deceased person)

Executry is the name used by lawyers for the work required in winding up the estate of someone who has died. It is another area where it is difficult, and often impossible, to give accurate levels of fee in advance. The Terms of Engagement letter will set out the hourly/unit rate charge on a time and line basis together with the basis for other charges such as for realising assets. The fee for executry work may vary greatly depending on, amongst other things, the size of the estate, the number of beneficiaries, the diversity of assets, the difficulty in realising assets, the number of executors from whom instructions require to be taken and other variable matters. It also makes a difference to the amount of work whether or not there is available a valid Will signed by the deceased – more work and other costs are likely if there is no Will. The work may involve meetings and consultations between the family/executor and the solicitor, collating and 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 and forms for Confirmation (Scottish equivalent of Probate), 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.

There may also be a home/heritable property to sell or settle. That work is not included in this example as it is a conveyancing process (see Sale of Property above), nor is calculating and dealing with Inheritance Tax, which affects only a limited number of estates and generates considerable work.

The fee for executry work in winding up a particular estate may be in one case £5,000 plus VAT £1,000. A very simple basic executry without complications and/or a more than a very small number of assets may cost in the range of £1,000 to £1,500 plus VAT of £200 - £300. Outlays may include Court Confirmation dues of £261 plus £8 for each individual asset certificate if needed.

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Estate Agency

In Scotland many firms of solicitors including Peterkin & Kidd also provide property estate agency services. The Firm's work for a client who instructs us to market property may include our staff consulting with the client, advising on value and marketing strategy/process, valuing the property, preparing a sale schedule, registering it on online property portals, arranging a Home Report, dealing with enquiries, arranging/conducting viewings, negotiating with prospective buyers and processing offers received. Commission may be based on a percentage of the sale price of the property or, in limited circumstances, a fixed fee agreed beforehand.

For the sale of an urban property at a final sale price of £210,000, the commission may be 1% i.e. £2,100 plus VAT £420. Outlays may be a marketing fee which includes basic insertion of the property into the Rightmove and S1 Homes websites of 195 inclusive of VAT, the cost of preparing schedules, professional photographs, erecting For Sale board etc £150 inclusive of VAT and Home Report charge payable to surveyors of £480. The Home Report charge will vary according to the property size and value. Our Terms of Engagement letter will specify.

Other optional outlays may be incurred by you such as payment to insert property details in the ESPC or a Rightmove Premium Display. Those are optional and costs would be advised directly. Current charge for West Lothian "EH49" or "EH53" postcode – ESPC insertion is £150 and Rightmove Premium Display is £60.

Commercial Work

The firm of Peterkin & Kidd offers a number of commercial services to clients. This may vary from acting for landlord of tenant and commercial leases or commercial property transactions such as the buying and selling of commercial property or entering into Option or Promotion Agreements. Charges for commercial matters will normally be made at our hourly rate of £220 plus VAT of £44 in respect of straight forward commercial matters and £250 plus VAT of £50 for more complex matters such as Option and Promotion Agreements and business sales.

For entering into a Promotion Agreement, the fee in one case might be £10,000 plus VAT of £2,000.