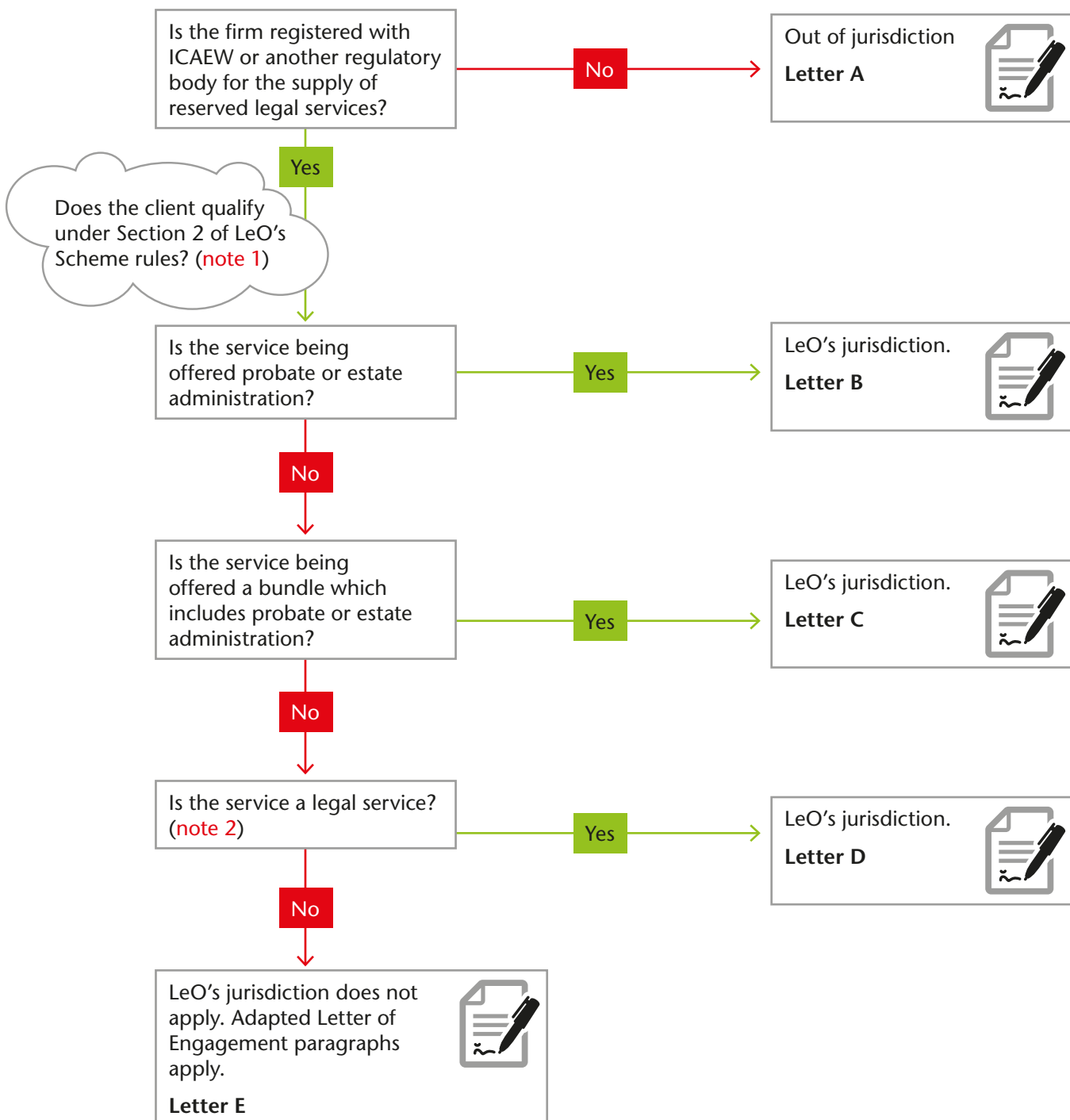




# Legal Services Letters of Engagement – decision path

Guide to required letters of engagement for firms authorised and licensed under the legal services act 2007



## Note 1 – Section 2 of LeO’s Scheme Rules;

2.1 A complainant must be one of the following<sup>1</sup>

- a. an individual;
- b. a business or enterprise that was a micro-enterprise (European Union definition) when it referred the complaint to the authorised person;<sup>2</sup>
- c. a charity that had an annual income net of tax of less than £1m when it referred the complaint to the authorised person;
- d. a club/association/organisation, the affairs of which are managed by its members/a committee/a committee of its members, that had an annual income net of tax of less than £1m when it referred the complaint to the authorised person;
- e. a trustee of a trust that had an asset value of less than £1m when it referred the complaint to the authorised person; or
- f. a personal representative or beneficiary of the estate of a person who, before he/she died, had not referred the complaint to the Legal Ombudsman.

For (e) and (f) the condition is that the services to which the complaint relates were provided by the respondent to a person –

- a. who has subsequently died; and
- b. who had not by his or her death referred the complaint to the ombudsman scheme.

Source; Legal Ombudsman Scheme rules issued February 2013;

[legalombudsman.org.uk/downloads/documents/publications/Scheme-Rules.pdf](http://legalombudsman.org.uk/downloads/documents/publications/Scheme-Rules.pdf)

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<sup>1</sup> Individuals are covered under section 128(3). The others are covered under the Legal Services Act 2007 (Legal Complaints)(Parties) Order 2010 made by the Lord Chancellor

<sup>2</sup> Defined in European Commission Recommendation 2003/361/EC – broadly a business or enterprise with fewer than 10 employees and turnover or assets not exceeding €2m.

## Note 2 – Definition of Legal Services;

The definition of legal services is set out in section 12(3) of the Legal Services Act 2007 under the term 'legal activities'. Legal activities are defined in section 12(3) of the Act as:

- All reserved legal activities as defined in Schedule 2 of the Act; and
- Any other activity which consists of one or both of the following –
  - The provision of legal advice or assistance in connection with the application of the law or legal dispute resolution; and/or
  - The provision of representation in connection with any matter concerning the application of the law or legal dispute resolution.

It does not include any activity of a judicial or quasi-judicial nature, including acting as a mediator.

For alternative business structures where the profession and professional service provided by the authorised individual is non-legal in nature, then ordinarily advice given in the course of that non-legal professional service would not normally be considered a legal service for the purposes of section 12(3) and the ombudsman's jurisdiction under section 128 of the act. In the case of accounting services (as defined under Annex 2 of ICAEW's Council Statement on Engaging in Public Practice), these should not normally fall within this definition.

However where legal advice or activity (as against compliance) forms a substantive part of the service then, though not considered a legal activity under section 12(3) it will be regarded as a 'legal service' under the ombudsman's jurisdiction where provided by an authorised individual.

Specific guidance on some of the unreserved legal activities more commonly provided by ICAEW members is given in the guide on accountants and legal services on the link here.

LeO has produced a document called *Guidance for accountants: An overview of the Legal Ombudsman Scheme*. It provides ICAEW accountancy firms that have become authorised providers of probate services, under the provisions of the Legal Services Act 2007, with an overview of the Legal Ombudsman scheme.