

## Do you refer cases to Solicitors? You could be committing a Criminal Offence Let us help you avoid this

This information leaflet gives you introductory guidance to avoiding committing a criminal offence when referring a case to a solicitor. It does not however give you legal advice. If you need legal advice please contact our Managing Partner and Head of Litigation Andrew Welch on 01942 774007, awe@stephensons.co.uk.

---

### This leaflet:

---

- Gives a brief introduction to new developments which may put you and solicitors at risk.
- Outlines some of the queries which can arise regarding referring cases to solicitors.
- Outlines how Stephensons can help.

---

### Overview

---

If you refer cases to solicitors you need to be aware of some recent developments in the law which may put you and the solicitors at risk.

The Compensation Act requires most organisations who refer cases such as Personal Injury matters to solicitors to be registered and authorised as a Claims Management Company. Failure to do so could mean that you are committing a criminal offence which carries with it heavy fines or imprisonment. The person or organisation referring the cases would be subject to those penalties and not just the solicitors.

From 1st July 2007 the solicitors profession is going to be regulated by a new organisation, The Solicitors Regulation Authority and there are strict rules requiring both referrers and solicitors to declare any financial arrangements they have to clients/customers.

---

### Frequently Asked Questions

---

#### 1. I am not a solicitor so any breach of the rules is a matter for the solicitors and not me, isn't it?

If you are referring cases to solicitors which fall within the very wide definitions set out in the Compensation Act and regulations then you could be regarded as a claims management company and if you are not authorised as such, you will be committing a criminal offence and it is you, as well as the solicitors, who will be punished. Also you cannot afford to ignore even those rules that just apply to the solicitors. If your solicitors got into trouble with the Solicitors Regulation Authority you may be dragged in as a witness and the case could attract unwanted publicity for you. Most organisations can do without that kind of hassle!

### 2. I refer cases to solicitors but they don't pay me referral fees, they pay me a "management" or "investigation" or "marketing" fee. That doesn't count does it?

Many of these rules are designed to catch virtually any financial arrangement. If you receive a benefit from referring cases to solicitors then you may be caught out.

### 3. My current solicitors have not mentioned any of this to me so why should I worry?

Some solicitors have taken the view that they and their contacts can ignore these rules. The Government has signalled a clear intention to enforce them and the regulatory authorities are prepared to do so. Anyone who ignores and rules runs the risk of becoming the "first scalp" for those authorities who will wish to show that they are going their job.

### 4. What can I do?

Referral fee payments and other financial arrangements are still lawful and permitted, provided that the rules are carefully followed. It is perfectly possible to be "legal, decent and honest" about this so that both the referrer and the solicitors have nothing to fear. There are a number of exemptions which may be applicable to you but they need to be carefully looked at.

---

## How can Stephenson's help?

---

Stephenson's LLP is a large firm of solicitors employing over 400 staff and providing a nationwide service. We are on the panels of a number of blue chip household names and we are fully committed to complying with all of the rules and regulations for the referral of cases. We can help you make sure that if you refer cases to us your customer/clients will receive a first class service, you will receive the appropriate payment and you will have nothing to fear from the authorities.

---

**DISCLAIMER :**      **These notes are prepared for general interest and it is important to obtain professional advice on specific issues. Stephenson's believe the information contained in these notes to be correct at the time of circulation. While all possible care is taken in the preparation of these notes, no responsibility for loss occasioned by any person acting or refraining from acting as a result of the material contained herein can be accepted by Stephenson's, the author, or the publisher.**

---

## About Stephenson's

Stephenson's provides legal advice for all aspects of your personal or business life. By understanding your circumstances and keeping the red-tape to ourselves, we focus on efficiently delivering what you need, when you need it. Operating from a number of regional locations, we rank among the top 100 UK law firms and are one of the fastest growing practices in the north west. With over 400 staff, you can trust our specialists to take care of things on your behalf, always putting your best interests first. So, for legal advice and action the way you want it, just turn to Stephenson's.