

PRICE TRANSPARENCY GUIDE

McKinnon Hewitt, Solicitors is a Firm registered with the Law Society of Scotland. The Law Society of Scotland has issued Guidance on what is called Transparent Pricing. This is information to be made available to our clients and our potential clients about Fees, outlays and costs which 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 practice. These are illustrations only. Some types of work carry a fixed Fee and 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 and Organisations – for example the Sheriff Court, Registers of Scotland, Search Companies, Local Authorities and others. These charges are incurred by the client as a necessary part of the work being done. Our Firm makes no margin of profit on outlays they are simply passed on to the client at whatever cost is charged to us.

So, while we have outlined these examples, and hope they are helpful in describing the kind of 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 requirement. All work to be carried out by Solicitors in any Firm must be preceded by a written estimate or quotation of the Fees, Vat and Outlays. This costing is part of an obligation to issue clients with Terms of Engagement – a set of relevant information made up of a formal letter and other related documentation.

CLIENTS AND POTENTIAL CLIENTS READING THIS PRICE TRANSPARENCY MATERIAL SHOULD ALWAYS CONTACT OUR OFFICE FOR A SPECIFIC AND DETAILED/QUOTATION OF FEES, AS WELL AS DISCUSSING THE WORK TO BE DONE AND ANY OTHER PRELIMINARY MATTERS.

AREAS OF WORK

WILLS

A Will is an important document to get right in content, expression and execution. It would be a mistake to assume that a Will is either 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 share – or not – in the Estate. So, this Firms' 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, in those circumstances, would carry additional Fee charge.

For a basic consultation of advice, preparation of a single Will, completion and execution the Fee may be £190 plus VAT £38.

POWER OF ATTORNEY (INCAPACITY)

There are various kinds of Power of Attorney (POA). The most used is a document that supports a person should they become incapacitated mentally and/or physically so cannot carry out normal business and/or personal care – known as the Combined Power of Attorney. It allows a trusted friend, family member or multiplicity of people to do what is needed, armed with full legal rights conferred by 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 and registration forms, it's completion and execution (i.e. signing and witnessing) – it must also be certified by the Solicitor then registered with the Office of the Public Guardian for Scotland (OPG) to take effect.

For a basic POA, the Fee may be £290 plus VAT £58. There may be an additional Fee if an out of Office visit is required. The outlay is currently £87, charged by and paid to the OPG.

PURCHASE OF RESIDENTIAL PROPERTY (CONVEYANCING)

The Firm deals with transactions for clients buying a home, whether it be a flat, house, new build property or land to build upon. The work may involve communications and advice by the Solicitor with the client, correspondence with Estate Agents and the sellers' 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 settlement (completion) of the transaction, obtaining and managing 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 £700.00 plus VAT £140.00. We will provide you with a Fee quotation.

Outlays are (for a transaction with a price of say £120,000 part funded by a Mortgage, £260.00 to Registers of Scotland for registration of the Title, £80.00 for registration of the Mortgage, £20.00 for advance notice of the Mortgage, LBTT and Title registration dues change in sliding scales according to the price of the property so in the foregoing illustration some of the outlays are not applicable if the property is a different price.

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 purchasers' Solicitors, drawing up a range of documents including a formal legal Acceptance of the buyers' Offer and further Missives, provision of Title, securing and ordering Searches and Reports, revising of new Title (Disposition) and discharging Mortgage Security where necessary, arranging completion/ settlement of the transaction, managing funds from buyers' Solicitor and redeeming outstanding Mortgage to the Lender, registration of Discharge where necessary, reporting to and settling with the client.

A fixed Fee for this work may be £700.00 plus VAT £140.00 (illustration of a sale at £120,000). Outlays are £60.00 or £80.00 for registration of the Mortgage Discharge, £20.00 for advance notice of Title, approximately £180.00 for Title property and Mining Searches.

REMORTGAGE OF RESIDENTIAL PROPERTY (CONVEYANCING)

The Firm deals with transactions for clients who are re-mortgaging 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 £400.00 plus VAT £80.00, outlays are £80.00 for registration of the Mortgage Discharge, £80.00 for registration of the new Mortgage Security, £20.00 for Advance Notice of the Security.

DISCHARGE OF SECURITY (CONVEYANCING)

For those lucky enough to have paid off their Mortgage, there is a legal/conveyancing process to update Title deeds known as Discharge of Security. Security is the correct legal word for Mortgage. The Mortgage Lender has a Charge over the clients' Title whilst the loan remains under repayment, and this

can be removed once full redemption has been made and the Bank/ Lender no longer has a claim over the property.

For a basic Discharge of Mortgage Security, the Fee may be £150.00 plus VAT £30.00. The outlay is a charge of £60.00 or £80.00 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 negotiating who gets the family pet. 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 a time in line hourly/unit rate charge.

A possible outcome is a Fee, based on time and line rate, of £1,500 plus VAT £300.

Outlays may include a share of the registration dues of the Minute of Agreement; £44.00 paying for both extracts (copies); £22.00 if only one. Where a Pension Share is required, a Pension Sharing Implementation Fee to the Pension Administrator/Trustees may be £750.00.

SHERIFF COURT WORK

The Firm carries out Sheriff Court Work covering a range of civil matters.

Legal Aid may be available in certain circumstances – please ask us about this if you think you may qualify.

For defended actions in the Sheriff Court of all types whether contact dispute, divorce, adoption etc the costs can vary significantly, and you must also be aware that if you lose your case there is a possibility that you will be liable to pay the successful parties expenses as well as your own.

This is an area where there may be many unexpected developments as the case progresses and will frequently be the case that even the best estimate Fees are considerably exceeded. There may also be expert witnesses' Fees to be considered.

Other than undefended actions we will never carryout Court work on a fixed price basis. The hourly rate will be specified in our Terms of Engagement.

EXECUTRY (DECEASED PERSON)

Executry is the name used by Solicitors 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 Fees in advance. The Terms of Engagement often require a time in line/hourly unit rate charge. It also makes a difference to the amount of work whether or not there is available 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 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 of Confirmation (Scottish equivalent of Probate), dealing with the Sheriff Court process and forms, ingathering of the financial estate (i.e. collecting in all monies), accounting to the Executor and distributing the bequests and shares of the estate amongst beneficiaries. There may also be a home/heritable property to sell on the open market or transfer to a beneficiary. That work is not included in this example as it is a conveyancing process (see sale of Residential Property Conveyancing 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 in one case be £2,400 plus VAT £480. Outlays may include Court Confirmation dues of £282.00 plus £8.00 for each individual asset Certificate if needed.

GENERAL ADVICE & BUSINESS

As a general practice of 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.

Some examples of miscellaneous charges are as follows:-

For Notarising /certifying documents a Fee may be £50.00 (per document) plus VAT £10.00

STORAGE COSTS

An outlay will be added to your account of £20.00 plus VAT £4.00 for each file we hold on your behalf for electronic storage costs.

OUTLAYS

Please note that outlays are generally subject to annual increases and may be different from stated.