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**Consultation on Repeal of Solicitors' (Non-Contentious Business) Remuneration Order 1994. Legal Services Act 2007: Proposed new rule on information about how to question a bill**

On 10 August 2009 Mr Peter J Williamson, Chair of the SRA Board, invited the Office of Fair Trading (OFT) to respond to the SRA's consultation on the proposed new rule on information about how to question a bill.

The OFT will not be responding fully to the detailed questions posed in the consultation document. However we would like to comment in general terms about the SRA's proposed changes.

We are in favour of the proposed rule changes if they are clearer and will help to ensure that all consumers of legal services are aware of their rights of redress in the event of a bill dispute, not just those who fit within certain limited circumstances.

However we note that consumers may still feel under pressure to pay a bill since a solicitor will be entitled to charge interest on an unpaid bill. The Solicitors' (Non-Contentious Business) Remuneration Order 2009 allows solicitors to charge interest on



bills for non-contentious business at a rate not exceeding the rate for the time being payable on judgment debts (which we understand is currently 8%). This means that a solicitor could potentially charge interest on an unpaid bill at a rate far higher than the Bank Base Rate. This could disincentive consumers from challenging a bill since, if they did not succeed, they would be liable for this potentially excessive interest burden.

The OFT would support the SRA considering ways to introduce a fairer way of calculating interest on bills that would not have this effect.

If you have any queries relating to the attached response, please do not hesitate to contact me.

Yours sincerely

**Michelle Yardley**  
**Markets and Projects- Professions**