



MEDIA RELEASE

Hon. John Hatzistergos MLC
Attorney General
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NSW SEEKS TO FINE OVERCHARGING LAWYERS

Law firms that overcharge and exploit their clients could face financial penalties as part of a package of options to reform the legal profession, said NSW Attorney General John Hatzistergos.

Mr Hatzistergos will present the options to the Standing Committee of Attorneys General (SCAG) in Canberra today.

“The overwhelming majority of the legal profession act with integrity,” said Mr Hatzistergos. “However, there have been allegations of a number of lawyers grossly overcharging clients, particularly those with limited English-language skills.”

“The NSW Government has developed a package of options that seek to ensure greater transparency and accountability in the area of legal fees.”

The following options will be presented for consideration:

- Strengthening the existing provision that a written disclosure to a client may be in a language other than English if the client is more familiar with that language;
- Requiring law practices to provide periodic, itemised bills to clients in personal injury matters;
- Prohibiting law practices from seeking clients’ authorities to deduct legal costs from a settlement amount without having first informed the client of the settlement amount and issued the client with a bill (which must be itemised in personal injury matters);
- Providing that a bill or covering letter must be signed by a principal of a law practice (rather than a legal practitioner or other person); and
- Prohibiting law practices from charging excessive costs in a legal matter, and providing a financial penalty for breach of this provision without a reasonable excuse.

Mr Hatzistergos said these options could send a strong message to law firms that overcharging vulnerable clients is unacceptable.

“The risk of having an adverse finding against a law practice would make its principals careful to ensure their firm is compliant with the law.”

Mr Hatzistergos said he would ask Attorneys General at SCAG to consider the NSW options and refer them to a national working party which would consult stakeholders in home states and territories.

COAG is undertaking a wider review of national model laws on legal profession regulation.