



Legal Aid, Sentencing and Punishment of Offenders Act 2012

2012 CHAPTER 10

PART 2

LITIGATION FUNDING AND COSTS

Referral fees

56 Rules against referral fees

- (1) A regulated person is in breach of this section if—
 - (a) the regulated person refers prescribed legal business to another person and is paid or has been paid for the referral, or
 - (b) prescribed legal business is referred to the regulated person, and the regulated person pays or has paid for the referral.
- (2) A regulated person is also in breach of this section if in providing legal services in the course of prescribed legal business the regulated person—
 - (a) arranges for another person to provide services to the client, and
 - (b) is paid or has been paid for making the arrangement.
- (3) Section 59 defines “regulated person”.
- (4) “Prescribed legal business” means business that involves the provision of legal services to a client, where—
 - (a) the legal services relate to a claim or potential claim for damages for personal injury or death,
 - (b) the legal services relate to any other claim or potential claim for damages arising out of circumstances involving personal injury or death, or
 - (c) the business is of a description specified in regulations made by the Lord Chancellor.

- (5) There is a referral of prescribed legal business if—
- (a) a person provides information to another,
 - (b) it is information that a provider of legal services would need to make an offer to the client to provide relevant services, and
 - (c) the person providing the information is not the client;
- and “relevant services” means any of the legal services that the business involves.
- (6) “Legal services” means services provided by a person which consist of or include legal activities (within the meaning of the Legal Services Act 2007) carried on by or on behalf of that person; and a provider of legal services is a person authorised to carry on a reserved legal activity within the meaning of that Act.
- (7) “Client”—
- (a) where subsection (4)(a) applies, means the person who makes or would make the claim;
 - (b) where subsection (4)(c) applies, has the meaning given by the regulations.
- (8) Payment includes any form of consideration whether any benefit is received by the regulated person or by a third party (but does not include the provision of hospitality that is reasonable in the circumstances).