

*These notes relate to the Legal Services (Scotland) Act 2010
(asp 16) which received Royal Assent on 9 November 2010*

LEGAL SERVICES (SCOTLAND) ACT 2010

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 4 – the Legal Profession

Chapter 3 – Solicitors and Other Representatives

Guarantee Fund

Section 128 – Use of Guarantee Fund

260. This section amends section 43 of the 1980 Act to allow licensed providers to be covered by the Guarantee Fund, so that the clients of licensed providers have the same protection in the event of loss owing to fraud by a licensed provider or any person within it whilst in receipt of legal services as clients of traditional firms. This protection exists where the approved regulator has chosen not to maintain a compensation fund of its own.
261. [Section 128](#) also extends the cover of the Guarantee Fund to those suffering pecuniary loss through the dishonesty of a conveyancing or executry practitioner, repeals section 21C of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 requiring the Society to set up and maintain a compensation fund in respect of such practitioners and requires that that compensation fund is transferred into the Guarantee Fund.