Oakwood Solicitors Ltd (Respondent) v Menzies (Appellant)

Case ID: UKSC 2023/0115

Case summary

Issues

1. Was the Court of Appeal wrong in its interpretation of section 70(4) of the Solicitors Act 1974 (the "Act") because (i) it found that there does not need to be a "settlement of account" in order for there to be a "payment" under section 70(4) of the Act; and (ii) it did not take into account the regulatory framework and protection of consumers in construing section 70(4) of the Act?
2. Was the Court of Appeal wrong to find that the Respondent had complied with Rule 4.3 of the Solicitors' Account Rules?

Facts

The Appellant, Mr Menzies, suffered serious injuries as a result of a road traffic accident that took place in November 2015. Mr Menzies instructed the Respondent, Oakwood Solicitors, to act for him in a claim for damages. Oakwood Solicitors were instructed under a conditional fee arrangement, meaning that they would only be paid if Mr Menzies' claim was successful.

Mr Menzies' claim for damages was settled in March 2019 for £275,000. Oakwood Solicitors received the balance of Mr Menzies' damages totalling £210,004.85. Oakwood Solicitors provided an interim bill in April 2019, noting that negotiations with the defendants for recovery of costs from them were still ongoing. Oakwood Solicitors said they would retain 25% of Mr Menzies' damages on account until negotiations with the defendants were completed. After negotiations concluded, Oakwood Solicitors provided Mr Menzies with a final bill on 11 July 2019, stating that their total fees were £73,711.20, of which they had recovered £38,000 from the defendants. This resulted in a shortfall of £35,711.20. Oakwood Solicitors deducted this shortfall from the amount they had retained on account and then paid out of the remainder of the amount they had retained, £22,629.09, to Mr Menzies.

On 1 April 2021, Mr Menzies brought proceedings to request an assessment of the final bill. The Costs Judge found that as the claim had been brought more than 12 months after payment of the bill, it was barred under section 70(4) of the Act, but he granted permission to appeal to the High Court. The High Court allowed Mr Menzies' claim for an assessment, but the Court of Appeal overturned the decision of the High Court. Mr Menzies now appeals to the Supreme Court.

Judgment appealed

[2023] EWCA Civ 844

Parties

Appellant(s)

Dean Menzies

Respondent(s)

Oakwood Solicitors Ltd

Appeal

Justices

Lord Briggs, Lord Sales, Lord Hamblen, Lord Leggatt, Lord Richards

Hearing start date

3 July 2024

Hearing finish date

3 July 2024

Watch hearing

3 July 2024 Morning session Afternoon session