

## **SOLICITORS COMPENSATION FUND (NORTHERN IRELAND) REGULATIONS 2025**

The Council of the Law Society of Northern Ireland with the concurrence of the Lady Chief Justice make these Regulations in exercise of the powers conferred by Articles 61, 74(1) and 75 of the Solicitors (Northern Ireland) Order 1976.

### **CITATION COMMENCEMENT AND INTERPRETATION**

- 1.1 These Regulations may be cited as the Solicitors Compensation Fund (Northern Ireland) Regulations 2025 and shall come into operation on 1<sup>st</sup> September 2025

In these Regulations:

"applicant" means a person applying for a grant out of the Compensation Fund under Article 56, 57 or 59 and includes a person lawfully applying on behalf of another person or their estate.

"defaulting practitioner" means:

- (i) a solicitor in respect of whose act or default, or in respect of whose employee's act or default, an application for a grant is made;
- (ii) a registered European lawyer in respect of whose act or default, or in respect of whose employee's act or default, an application for a grant is made;
- (iii) a recognised body in respect of whose act or default, or in respect of whose officer's or employee's act or default (in the case of a company), or in respect of whose member's or employee's act or default (in the case of a limited liability partnership), an application for a grant is made.

"recognised body" means a body corporate certified by the Society to provide the services of a solicitor in Northern Ireland.

“registered European lawyer” means a lawyer whose name was entered in the Register of registered European lawyers required to be maintained by the Society under Regulation 15 of the European Communities (Lawyer’s Practice) Regulations 2000 [SI 2000/1119] as it had effect immediately before 31 December 2020.

"the Order" means the Solicitors (Northern Ireland) Order 1976 and an Article referred to by number means the Article so numbered in the Order.

- 1.2 The Interpretation Act (Northern Ireland) 1954 shall apply to these Regulations as it applies to a statutory instrument.

## **GRANTS IN RESPECT OF PERSONS NOT AUTHORISED TO PRACTISE**

2. A grant in respect of a defaulting practitioner who did not have a Practising Certificate, was suspended from practice, had ceased to practise or had their name removed from or struck off the Roll shall not be made if the Council is satisfied that, at the date of the act or default, the applicant should reasonably have been aware that the defaulting practitioner did not have a Practising Certificate, was suspended from practice, had ceased to practise or had their name removed from or struck off the Roll .

## **GRANTS TO PRACTITIONERS**

3. No grant shall be made under Article 59 unless the Council is satisfied that no other means of making good the loss are available and that the applicant is fitted by reason of their conduct to receive such a grant.

## **REGISTERED EUROPEAN LAWYERS**

- 4.1 If a registered European lawyer is exempt from contributing to the Compensation Fund no grant shall be made:
  - (a) under Article 56 in respect of any act or default of the registered European lawyer nor their employee (unless the employee is a solicitor or employed by a partnership which includes at least one

person who is not exempt from contributing to the Compensation Fund);

(b) under Article 57 in respect of any act or default of the registered European lawyer.

4.2 No grant shall be made under Article 56 or 57 in respect of any act or default of a registered European lawyer, or the employee or partner of a registered European lawyer, where such act or default took place outside Northern Ireland, unless the Council is satisfied that the act or default was, or was closely connected with, the act or default of a solicitor, or that the act or default was closely connected with the registered European lawyer's practice, in Northern Ireland.

## **ELIGIBILITY**

5.1 A person is eligible to apply for a grant if, at the time the application is made, they are:

- (a) an individual applying on their own behalf or lawfully on behalf of another individual or their estate;
- (b) a sole trader, business partnership, body corporate, unincorporated association or mutual association with an annual turnover of and assets of less than £2 million;
- (c) a charity with an annual income net of tax of less than £2 million; or
- (d) a trustee of a trust with an asset value of less than £2 million.

5.2 The Council may take into account such evidence as it sees fit when determining eligibility under this Regulation and may make a broad estimate of any relevant amount.

5.3 In this Regulation a reference to 'annual turnover' and 'annual income' means the annual turnover and annual income in the financial year immediately preceding the year in which the application is made.

## **APPLICATION**

6.1 Every application for a grant under the Order shall be made:

(a) (i) in Form 1 in the Schedule which may be submitted on paper or electronically; or

(ii) through the Society's website;

(b) within six months immediately after the loss, or likelihood of loss, or failure to account first came to the knowledge of the applicant;

and shall be supported by any relevant documents.

6.2 In addition to complying with paragraph (1) an application for a grant in excess of £5000 must be supported by a statutory declaration and the Council may also require a statutory declaration in respect of any other application.

6.3 Failure to provide documentation or to respond to enquiries in relation to the application or to fully cooperate in the processing of the application may be taken into account in the Council's consideration of the application.

## **OTHER REMEDIES AND CO-OPERATION**

7.1 The Council may, before deciding whether or not to make a grant, require the pursuit of any civil remedy which may be available in respect of the loss, the making of a formal complaint to the police in respect of any dishonesty on the part of a defaulting practitioner or may require the assistance of an applicant in the taking of any disciplinary action against the defaulting practitioner and such continued co-operation with the Council as necessary.

7.2 An applicant may be required by the Council to provide an undertaking to prove, if required, the insolvency or winding up of the defaulting practitioner together with a further undertaking to comply with all proper requirements of the Council in the exercise of any subrogated rights under Article 58(1)(c) or Article 60(e) or (f).

- 7.3 If an applicant who has received a grant behaves in a way which is likely to prejudice the recovery of any money or hinders the exercise of subrogated rights or fails to assist the police in any criminal inquiry then the Council may require repayment of all or part of the grant and to that end may employ such civil remedies as it considers necessary.

## **INTEREST AND COSTS**

8. Where a grant has been made the applicant may make an application for a supplementary grant:
- (a) of a sum in lieu of interest on a principal grant in respect of the period from the date of the loss until the date of the authorisation of the principal grant, subject to such interest being calculated at such reasonable rate as the Council may deem appropriate in all the circumstances; and
  - (b) for the reasonable legal costs properly incurred by the applicant solely and necessarily in connection with the making of the application. If the Council considers that the costs claimed are not reasonable or properly incurred it may make such payment (if any) in respect of costs as it considers appropriate.

## **LIMITATION ON GRANT**

- 9.1 In considering any grant the Council shall take into account any insurance payment that is or may be available in respect of the loss and shall also take into account the need to maintain sufficient monies in the Compensation Fund to meet the claims of other applicants or potential applicants balanced against the need of any single applicant. In any event the Council shall not approve a grant for an amount exceeding £750,000 (inclusive of any supplementary grant for costs or interest).
- 9.2 Where there is more than one applicant in respect of the same loss, all of those applications shall be treated as a single application and if the application is approved, it shall be made to whichever applicant or applicants that the Council considers appropriate and the limit on the total amount payable under paragraph (1) shall apply

## **NOTICE TO DEFAULTING PRACTITIONER**

- 10.1 Subject to paragraph (5), at least 14 days before determining a grant the Council shall send notice of the application to the defaulting practitioner at their last known address registered with the Society as their principal place of business or to their email address or to any solicitors instructed by them.
- 10.2 Where, by reason of their death, insolvency or other disability, notice cannot be given to a defaulting practitioner under paragraph (1) then notice may be given to their personal representative, trustee in bankruptcy or registered attorney or to any other person that the Council is satisfied may act on behalf of the defaulting practitioner or their estate.
- 10.3 Where the defaulting practitioner is a recognised body and it appears to the Council that any notice sent under paragraph (1) is unlikely to come to the attention of any of the body's officers or members then the notice may be sent to any liquidator or administrator of the recognised body or to any other person that the Council is satisfied may act on behalf of the recognised body.
- 10.4 Where the application relates to a registered European lawyer a copy of the notice under paragraph (1) shall be sent to the appropriate regulatory body for their home jurisdiction or jurisdictions.
- 10.5 If the Council is satisfied that any notice sent under this Regulation will not come to the attention of the defaulting practitioner nor that of any other person on their behalf, or that there is no person who may receive the notice on their behalf then no such notice is required to be sent.

## **NOTICE OF DECISION ON AN APPLICATION**

- 11.1 An applicant shall be informed in writing of the decision of the Council, in respect of the application, within 21 days of the decision being made and, if the grant has been refused, or a lower amount is granted than the amount applied for, then reasons for that decision shall be included in the written notification.

- 11.2 Where, in accordance with paragraph (1) an applicant has been informed that their application has been refused or has been allowed for an amount less than that applied for and if there is new information available since the making of that application they may, within 14 days of being informed of the Council's decision, request the Council in writing to review the decision.
- 11.3 Notice of the Council's decision on a review under paragraph (2) shall be given within 21 days of the review taking place.

## **NOTICE OR CORRESPONDENCE**

12. Any notice or correspondence from the Council or the Society under these Regulations may be given in writing or electronically.

## **WAIVER**

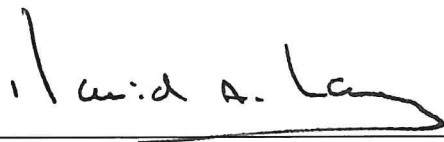
13. The Council may
- (a) extend any time limit prescribed under these Regulations if it thinks it appropriate to do so; and
  - (b) waive any of the other provisions of these Regulations, except Regulations 3 or 9.1, at the request of the applicant or with their consent.

## **REVOCATION AND TRANSITIONAL PROVISION**

- 14.1 Subject to paragraph (2) the Solicitors Compensation Fund (Northern Ireland) Regulations 2010 ('The 2010 Regulations') are revoked.
- 14.2 The 2010 Regulations shall continue to apply to applications for a grant submitted to the Society under those Regulations before the date on which these Regulations came into operation.

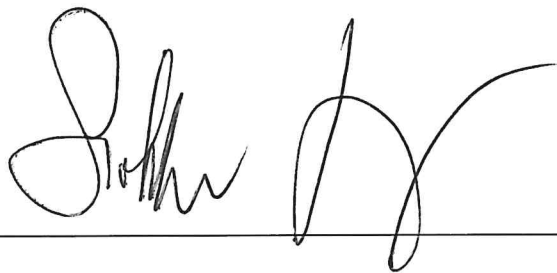
Made on behalf of the Law Society and the Council of the Law Society by resolution of the Council on 28 May 2025 and after consultation with the Lady Chief Justice

Signed:

A handwritten signature in black ink, appearing to read 'David A. Lavery', written over a horizontal line.

**David A. Lavery CB**  
**Chief Executive**  
**Law Society of Northern Ireland**

I concur:

A handwritten signature in black ink, appearing to read 'Siobhan Keegan', written over a horizontal line.

**Dame Siobhan Keegan**  
**Lady Chief Justice of Northern Ireland**

## SCHEDULE REGULATION 6.1

# Form 1 - Application for Grant

Solicitors (Northern Ireland) Order 1976

Solicitors Compensation Fund (Northern Ireland) Regulations 2025

Please read the [Supporting Notes](#) before filling in this form. Additional information is available to view on our website at: [www.lawsoc-ni.org/Compensation\\_Fund](http://www.lawsoc-ni.org/Compensation_Fund)

**ACCESSIBILITY:** If you require assistance in completing this form or require it in a different format then please contact 028 9023 1614.

### 1. Your Details

**Please provide your contact details:**

Name		Telephone Number	
Address		Email	

Are you making a joint application with another person?

☐ Yes

☐ No

If yes, please provide the details of the other person:

Name		Telephone Number	
Address		Email	

### 2. Eligibility

**Are you:**

**An individual?**

☐ Yes

☐ No

If Yes, are you applying on your own behalf or that of someone else?

☐ Own behalf

☐ On behalf of someone else

If **on behalf of someone else**, please provide their details below:

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**A sole trader, business partnership, body corporate, unincorporated association or mutual association?**

☐ Yes

☐ No

If **Yes** please specify and provide details of your annual turnover and assets in the immediately preceding financial year:

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<b>A charity?</b>	
<input type="checkbox"/> Yes	<input type="checkbox"/> No
If <b>Yes</b> please provide details of your annual income net of tax in the immediately preceding financial year:	
<b>A trustee?</b>	
<input type="checkbox"/> Yes	<input type="checkbox"/> No
If <b>Yes</b> please provide details of the total amount of assets held by the trust:	
<b>3. Name of Solicitor Involved</b>	
<b>Please identify the solicitor you believe is responsible for your loss:</b>	
Name of Solicitor	Firm
Please clarify whether you were a client of this solicitor:	
<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>4. The Circumstances of Your Loss</b>	
<b>Please provide details of the circumstances of your loss:</b>	
<b>5. Your Claim</b>	
<b>Every applicant for a grant out of the Compensation Fund must satisfy us that they have suffered or are likely to suffer actual loss of money or money's worth.</b>	
Amount of loss  <i>This is the amount misappropriated by the solicitor or the amount for which the solicitor has failed to account. Please provide full details of how this loss has been calculated.</i>	£
Legal costs	£
Work paid for but not completed by your former solicitor	
Work required by your current solicitor to complete or remedy the issue	£
Costs in connection to making this application or other legal costs	£
<b>Total amount being claimed from the Compensation Fund</b>	<b>£</b>
<b>6. When did the loss first come to your attention?</b>	
<b>Every application shall be delivered to us within six months after the loss of likelihood of loss, or failure to account, first came to an applicant's knowledge.</b>	
<b>Please provide the date the loss first came to your attention and detail how you first became aware of the loss.</b>	
Date	
How	

### 7. The Statutory Compensation Fund is a fund of last resort

A grant out of the Compensation Fund is made wholly at our discretion. No one has a legal entitlement, but our intention is to administer the Compensation Fund in an even-handed and consistent manner.

The Compensation Fund is administered as a fund of last resort. This means that a grant may be limited or refused to an applicant where the loss is an insured risk or where the loss is capable of being made good by recourse to another person. We will only consider an application once all other ways of recovering your loss have been ruled out and alternative remedies have been exhausted.

Have you issued court proceedings or pursued other available remedies, including an insurance claim regarding your loss?

☐ Yes    ☐ No    If **Yes**, please give brief details:

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If **No**, are you considering taking court or other proceedings?

☐ Yes    ☐ No

Do you know of any other civil, criminal or disciplinary action which has been taken in relation to your loss?

☐ Yes    ☐ No    If **Yes**, please give the details, including the result, if known:

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### 8. Your Current Solicitor

Do you have a Solicitor currently acting on your behalf and assisting you with your application?

☐ Yes    ☐ No    If Yes, please provide details:

Name of Solicitor

Firm

### 9. Supporting Documentation

Please provide all available documentation to support your application.

A statutory declaration must be included for any claim of more than £5,000\*

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### 10. Other Information

If there is any other information you would like to bring to our attention in respect of your claim, please set it out here.

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### 11. Declaration

This application form should be signed by the applicant making the claim.

If the claim is accepted, we will confirm the amount that will be paid. By signing this declaration, you transfer to us your right to recover that amount from the solicitor responsible for your loss.

As a condition of you receiving a grant from the Compensation Fund, we require that if any payment is recovered from anyone else, it must be repaid to the Compensation Fund. By

signing the declaration in this form, you authorise and instruct that any such payment must be made to us.

By signing this form, you confirm that you have received a copy of our Privacy Notice relating to the processing of your personal data. A copy of the Privacy Notice can be obtained on our website.

By signing this form, you assign to us all rights of recovering that you may have against any other party in respect of your loss and confirm that you will fully cooperate to secure such rights, including the giving of evidence in any subsequent proceedings. You give us permission to gather and share any information about your claim as required and you acknowledge that you must tell us about any other relevant information.

You confirm that the particulars of your claim are complete and accurate to the best of your knowledge and belief. You acknowledge that you are at liberty to obtain independent legal advice regarding the meaning and impact of this declaration.

<b>Your Signature</b>	
<b>Your name in Block Capitals</b>	
<b>Date</b>	

## 12. Return

**Please complete and return this form along with supporting documents:**

Using our website portal:	<a href="http://www.lawsoc-ni.org/Compensation_Fund">www.lawsoc-ni.org/Compensation_Fund</a>
Emailed to:	regulation@lawsoc-ni.org

**Alternatively, should you wish to submit a paper application, please return this form to:**

Law Society of Northern Ireland  
Law Society House  
96 Victoria Street  
Belfast  
BT1 3GN

## Supporting Notes

### Supporting Notes

#### 1. Your details

1.1. Applicants are expected to complete, sign and return this form to us. It is the applicant's details which should be recorded in this section.

#### 2. Eligibility

2.1. Under the Regulations traders, business partnerships, corporate bodies, unincorporated associations, mutual associations, charities and trusts are only eligible to apply to the Fund subject to having a turnover and assets, (in the case of a charity net income and in the case of a trust assets) of less than £2million .

#### 3. Name of Solicitor Involved

3.1. Applicants should identify the name of the solicitor responsible for any loss.

#### 4. The circumstances of your loss

4.1. We normally require that the "dishonesty" or "failure to account" referred to in Articles 56 and 57 of the Solicitors (Northern Ireland) Order 1976 must have occurred within the course of a solicitor/client transaction of a kind which is part of the usual business of the solicitor.

#### 5. Your Claim

5.1. We have the power to make a further grant in respect of the reasonable costs of an applicant's solicitor or other professional adviser relating to a claim where a grant is authorised.

5.2. We may not, however, be prepared to make such a further grant or may grant less than the full costs if it is our opinion that all or part of the costs should not have

- been incurred, or might have been saved by an earlier approach to us, or were not incurred wholly or exclusively in connection with the claim, or we are of the view that the costs incurred are unreasonable or excessive.
53. For any loss sustained, or any sum of money that came into the possession of a defaulting solicitor, it is our policy not to authorise a grant to any applicant which would result in an aggregate sum exceeding £750,000, inclusive of all interest and costs, being paid from a combination of the Compensation Fund and any applicable Insurance.
54. We may also, in considering any claim, take into account the need to maintain sufficient funds in the Compensation Fund to meet the claims of other applicants.
6. **When did the loss first come to your attention?**
61. We may extend this period if satisfied that there are exceptional circumstances relating to the reasons for any delay which justify the extension of the time limit.
7. **The Statutory Compensation Fund is a fund of last resort**
71. In some cases, we may require an applicant to institute civil proceedings including, where appropriate, insolvency proceedings against the solicitor in respect of the loss suffered. The purpose of the proceedings may be to recover all or part of the alleged loss or to quantify precisely the amount of such loss. No applicant should institute proceedings unless and until our written consent has been obtained and the question of who is to be responsible for the costs has been decided, otherwise any application for a grant in respect of such costs may be rejected. If any successful applicant for a grant behaves in such a manner as is likely to prejudice such proceedings, we may require repayment of all or part of a grant and will exercise appropriate civil remedies to compel this. An applicant will be required to acknowledge the foregoing in a receipt to be signed by him/her before payment of a grant is made.
8. **Your current Solicitor**
81. If you currently instruct a solicitor to assist you with making a claim, please provide his/her details. Please note that we will correspond with your current solicitor on your behalf. Should you require independent legal advice from a qualified solicitor, a Directory of Solicitors is available to view on our website.
9. **Supporting Documentation**
91. At all times, the burden of satisfying us that a loss has been suffered within the scope of the Compensation Fund rests with each applicant, but we will give guidance and, so far as possible, for the purpose of the application, allow an applicant reasonable access to records under our control or to which we have access.
92. Every applicant for a grant out of the Compensation Fund must satisfy us that any alleged dishonesty is evidenced either by:
- 9.2.1. the conviction of the solicitor (or their employee), or by a finding of fraud in a civil action,
- 9.2.2. evidence leading to an inevitable presumption of theft.
- 9.3 Where an application is based on failing to account, the application must be supported by sufficient documentation to substantiate that a failure to account has occurred, and that the applicant is suffering or is likely to suffer hardship.
10. **Other information**
- 10.1. Where an applicant has suffered hardship resulting from the actions of a solicitor, applicants are encouraged to provide evidence of hardship to prove any claim.