

JCRA Media Release

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JCRA Welcomes Lawyers' Steps to Eliminate Scale Conveyancing Fee

The JCRA welcomes the decision by the members of the Law Society of Jersey, following discussions with the JCRA, to take steps to terminate the scale fee that applied to conveyancing services for the purchase or sale of property in Jersey. This will enable conveyancing lawyers to compete with each other on price, bringing potentially lower prices to consumers.

Part 2 of the Competition (Jersey) Law 2005 (the Law), which became fully effective on 1 November, prohibits competitors from directly or indirectly agreeing on the prices they charge for their goods or services.

Under the scale fee that applied to conveyancing transactions, lawyers were required to charge no less than a standard fee of one percent of the consideration for the sale or purchase of property in Jersey (limited exceptions were allowed for some first-time home buyers, or lawyers could charge no fee at all). These rules were reflected in the Law Society's Code of Conduct. The standard fee had been in place since 1954, and adopted under a 1939 law. As has been reported previously in the press, the Law Society has declined applications from individual lawyers to charge less than the one percent scale fee. The scale fee, therefore, had both the object and effect of fixing the price that lawyers charged for conveyancing services in Jersey.

The JCRA contacted the Law Society in August and subsequently met with senior representatives of the Law Society to inform them that the scale fee, as reflected in the Code of Conduct, would most likely be in contravention of the Law's prohibition on price fixing agreements. With the Law coming into full effect on 1 November, the JCRA encouraged the Law Society to take prompt and decisive action to eliminate this restriction.

We understand that the Law Society has now acceded to this request and is taking steps to eliminate the scale fee. Lawyers in Jersey should be free to determine their own prices for the provision of conveyancing services.

Bill Brown, Executive Director of the JCRA, said:

'The voluntary action taken by the Law Society follows the Jersey Dentist Association's decision last month to eliminate recommended fees. Both decisions were taken with the JCRA's cooperation and assistance. While we welcome these actions, the JCRA understands that other professional or trade associations in Jersey may still either fix or recommend prices. These are potentially serious infringements of the Competition Law because they deprive Jersey consumers of the benefits of competitors competing against each other on the price of the goods or services they provide. We strongly encourage any professional or trade associations that have recommended or fixed fees to end such practices immediately. The JCRA will continue its ongoing efforts to identify such practices, and failure to eliminate them risks potentially serious consequences under the Competition Law.'

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