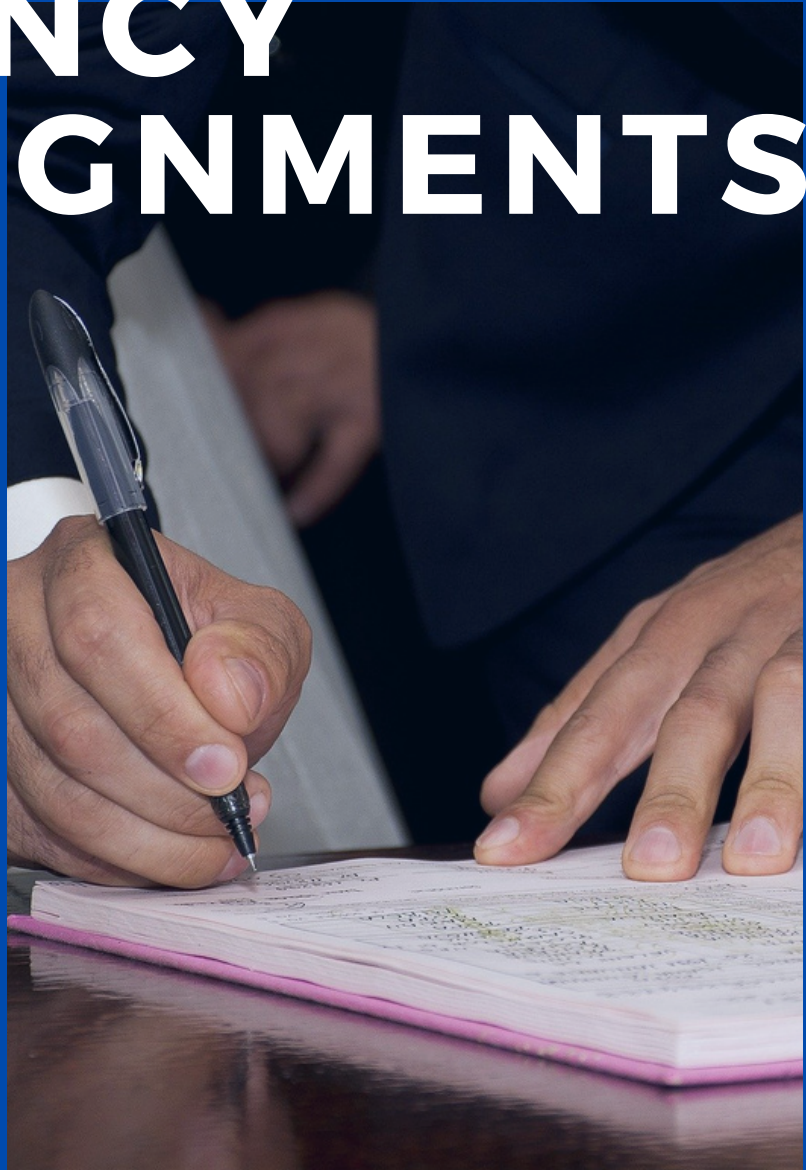


INTER- AGENCY ASSIGNMENTS



A GUIDE FOR SUB
CONTRACTORS AND
INSTRUCTING AGENTS

ABI | JULY 2022 |
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GOVERNING COUNCIL

WHAT IS INTER- AGENCY WORK?



There are a number of reasons why one agency (more often than not a sole trader) will instruct other sub-contractors:

- Geographical location. The sub agent is better placed to carry out the work cost effectively.
- Volume of work. At that point in time, the prime agent does not have capacity to carry out the instruction.
- Availability. The prime agent is unavailable. For example, holidays, sickness, or other commitments.
- Expertise. The sub agent offers a level of expertise / experience that exceeds that of the prime agent.

Generally, agents exchange instructions in order that they can offer their own clients a greater coverage of geographical locations and types of work. Sub agents accept instructions in order to collect fees indirectly from clients they have no relationship with but also in order to create a mutual arrangement with another agent for future assignments.

THE RESPONSIBILITIES

The prime agent has a legal and professional responsibility to the ultimate client and must therefore, in the selection of a sub agent carry out a degree of due diligence. This can largely be reduced by simply selecting an ABI member to act as the sub agent as the key areas are addressed through the membership criteria. The reputation of the prime agent must be preserved.

The sub agent has to act professionally at all times and follow the instructions precisely.

Written work should be of an acceptable standard and the sub agent should present reports that are well written, accurate, formal in style and unbranded. A white label product with absolutely no reference to the sub agent's firm.

F E E S

Fees are a matter for the sub agent to be agreed with the prime agent before the assignment begins. As a general rule, the sub agent will be paid up to 66% of the gross fee although this can vary significantly in some cases. When agreeing fees, the primary agent must consider the following:

- Is it more important to provide an ongoing service to my client than to make a bigger profit on this individual case?
- Can I offer a fee that makes the assignment viable to the sub agent?
- Have I correctly agreed a fee with my own client that is sufficient to allow a viable sub contractual arrangement?
- Is the agreement a good basis to sustain an ongoing relationship with the sub agent?
- In the event of reciprocal instructions- would I offer my services at the same rate?

Similarly, the sub agent should consider:

- Am I making a profit or doing somebody a favour?
- Is it likely that a reciprocal arrangement can be reached going forwards?
- Will there be repeat work?
- Does this agent have a bad payment reputation?

LEGAL AID

There is a clear problem when the prime agent has to prepare an invoice for legally aided assignments (usually the service of non-molestation orders) when a sub agent has been involved.

The fee structure does not recognise the use of sub-contractors and this creates the issue of how a profit is made? Careful thought needs to be applied to this situation. The sub agent might agree to work at a fraction of the hourly rate offered but in London that is definitely not viable and in provincial locations the fee is already extremely low. The temptation to falsify an invoice will exist but doing so may expose the prime agent to severe problems including prosecution.

Fewer ABI members are prepared to accept legally aided instructions at all now and so the recommended approach to such tasks that require a sub agent is to refer clients to the ABI Legal Aid Panel and not attempt to sub contract these assignments.

INSTRUCTIONS

Personal data will inevitably be transmitted between the agencies and therefore it is necessary to ensure that both parties consider their respective UK GDPR roles and responsibilities. It is also important that the personal data is transmitted securely and stored safely in accordance with your own data policies.

Instructions should be **clear** and **specific**.

The instructions, effectively create a contract.

A timescale should be agreed and, where necessary, updated to meet changing circumstances but in all cases, each party should be working to the **same deadline**.

The sub agent should acknowledge **receipt** of the instructions and that they are **understood**.

The sub agent must keep the prime agent updated of the progress of the case as soon as practicable after each step taken.

Under no circumstances whatsoever should the sub agent make contact with the prime agent's client unless explicitly authorised to do so and, even then, shall never present as anything other than a sub agent of the primary agency.

When dealing with assignments, sub agents should **never** use their own agency name to introduce themselves or as reference. This extends to leaving calling cards, business cards, appointment letters and verbal communications at offices, on doorsteps and on telephones.

If identification is to be presented then this should be generic (ABI member etc). It would usually be acceptable to present as "**I am xxx of xxxx carrying out instructions on behalf of xxxx**" when dealing with the public but, ideally it is better practice to avoid mention of the sub agency.

STATEMENTS OF SERVICE & AFFIDAVITS

Where statements or affidavits are required, the prime agent may offset the reduced fee by preparing the documents for the sub agent and, at the same time, ensuring they are prepared to the standard accepted by the ultimate client.

Where sub agents prepare their own statements and affidavits it is very important that they do not include mention of their own agency or address. Instead, they should make it clear that they are an agent of the prime agent. Not an employee but an agent.

Such documents should be printed on white paper. Care should be taken to maintain and operate equipment correctly so that scanned copies are squared and easy to read. Hard copies should be presented on good quality paper to project a professional approach to the ultimate client and to ensure better print quality. Hard copies should not be folded when despatched.

Where the prime agent offers to prepare a statement on behalf of the sub agent then this should be done promptly in order that the sub agent can conclude that case and issue an invoice.

INSURANCES

Be prepared to request details of professional indemnity insurance from sub agents. Policies can vary and there is no 'one size fits all'. For example, a policy might cover 'investigations' but won't extend to 'process serving'. If a sub agent is not covered by insurance, then do not instruct that agent unless your own insurers will cover the work under your policy.

Check the level of insurance. If, for example, the prime agent has taken on a case that has a value of £1M at court but it collapses due to negligence / mistake on the part of the sub agent then the policy with £250,000 cover will not extend to the entire claim and an agent might become personally liable.

PAYMENTS

Agree terms at the outset. It is the sub agent's terms that are important. Agents that are slow payers, failed payers or offer lies and excuses quickly gain a bad reputation in the sector and will find that many agents decline their instructions thereby diluting their coverage.

Prompt payments yield trust and good working relationships.

QUESTIONS?

If you need any assistance or have any questions from this document please get in touch with any of the Governing Council or the Secretariat. Their details can be found below:

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