



Solicitors Act 1974

1974 CHAPTER 47

PART II

PROFESSIONAL PRACTICE, CONDUCT AND DISCIPLINE OF SOLICITORS AND CLERKS

Intervention in solicitor's practice, Compensation Fund and professional indemnity

36 Compensation Fund

- (1) The fund, known as the " Compensation Fund ", shall be maintained and administered in accordance with the provisions of Schedule 2.
- (2) Where the Council are satisfied—
 - (a) that a person has suffered or is likely to suffer loss in consequence of dishonesty on the part of a solicitor, or of an employee of a solicitor, in connection with that solicitor's practice or purported practice or in connection with any trust of which that solicitor is or formerly was a trustee; or
 - (b) that a person has suffered or is likely to suffer hardship in consequence of failure on the part of a solicitor to account for money which has come to his hands in connection with his practice or purported practice or in connection with any trust of which he is or formerly was a trustee ; or
 - (c) that a solicitor has suffered or is likely to suffer loss or hardship by reason of his liability to any of his or his firm's clients in consequence of some act or default of any of his partners or employees in circumstances where but for the liability of that solicitor a grant might have been made out of the Compensation Fund to some other person ;the Society may make a grant out of the Compensation Fund for the purpose of relieving that loss or hardship.
- (3) A grant under subsection (2)(c) may be made by way of a loan upon such terms and conditions (including terms and conditions as to the time and manner of repayment, the payment of interest and the giving of security for repayment) as the Council may determine, and the Society may at any time or times, upon such terms and conditions

Status: This is the original version (as it was originally enacted).

(if any) as the Council think fit, waive or refrain from enforcing the repayment of the whole or any part of the loan, the payment of any interest on the loan or any of its terms or conditions.

(4) Where—

- (a) a grant is made otherwise than by way of loan, or
- (b) a grant is made by way of loan and a condition specified in subsection (5) is satisfied in relation to it,

the Society shall be subrogated, to the extent specified in subsection (6), to any rights and remedies of the person to whom the grant is made in relation to the act or default in respect of which it is made, and shall be entitled, upon giving him a sufficient indemnity against costs, to require him, whether before or after payment of the grant, to sue in his own name but on behalf of the Society for the purpose of giving effect to the Society's rights, and to permit the Society to have the conduct of the proceedings.

(5) The conditions mentioned in subsection (4) are—

- (a) that repayment of the whole or part of the loan has been waived;
- (b) that the borrower has failed to repay the whole or part of the loan in accordance with the terms and conditions of the loan.

(6) The extent to which the Society is subrogated under subsection (4) is—

- (a) for a grant made by way of loan, the amount in relation to which a condition specified in subsection (5) is satisfied, and
- (b) for any other grant, the amount of the grant.

(7) Where the Society refuses a grant, the Council shall state the reasons for the refusal.

(8) The Council may make rules about the Compensation Fund and the procedure for making grants from it.