

The Judicial Factor

Information for creditors

What has happened to the firm of solicitors?

Due to concerns raised by the Law Society of Scotland about irregularities with the accounting procedures of this firm, the Court of Session has taken steps to protect the interests of the clients and creditors by appointing a Judicial Factor.

The Judicial Factor is an officer of the court and the Factor's team all specialise in areas of accountancy and/or law.

The Factor now controls both the firm's and solicitor's assets, including bank accounts.

The initial appointment of the Factor is for a minimum of 21 days, giving the court the opportunity to consider the matter in more detail. The Factor takes immediate control of the firm while allowing for further investigations to take place. Throughout this initial process, the solicitor has the opportunity to challenge the appointment of the Factor. If, after 21 days, the court is satisfied that the appointment is necessary, it will appoint the Factor on a permanent basis.

What is the Judicial Factor's role?

1. To run the business

The first job of the Factor is to secure the premises and all of the accounting records. The Factor will control all the money held by the firm, including the day-to-day finances and will set up new bank accounts to manage the business. Only the Factor has the authority to pay creditors and collect any money still owing to the firm.

The Factor will update the accounting records to establish what money is held for each client. This can sometimes be a lengthy process depending on the state of the accounts.

If there is insufficient money in the firm's accounts to pay creditors, the Factor has authority to sell the firm's assets.

2. Make arrangements for ongoing legal work to continue

The Factor's team manages and secures existing files, deeds, papers and case work. In the short term, the team will usually carry on the business. However, if the appointment becomes a long term arrangement and the firm closes, another firm of solicitors often agrees to take on the ongoing work. The Factor will pass the remaining legal business or files to the other firm.

I am a creditor. How do I claim?

You can make a claim if you are owed money for goods/services provided to the firm.

To make a claim, please contact the Judicial Factor. When submitting your claim, please include any supporting paperwork (invoices etc). We will acknowledge the claim as soon as possible but please note that we will not contact you again until we can settle the claim. Please bear in mind that this might take long time.

The Factor has no power to give a preference to any creditor (unlike a bankruptcy case).

In some cases, a solicitor may also be sequestrated (ie made bankrupt). This is different from the appointment of a Factor. If this happens, the sequestrated firm will have trustees who will then deal with your claim.

Timescale

The Factor's team will try to sort out claims as quickly as possible. However, it can take time – in more complex cases, sometimes years – to determine the extent of claims on the firm or solicitor concerned.

Who to contact

If you have any questions or concerns, please contact us at:
The Judicial Factor
Atria One, 144 Morrison Street, Edinburgh EH3 8EX
(or LP1, Edinburgh-1 if sending by Legal Post)

Email: enquiry@judicialfactor.org.uk
Tel: 0131 476 8195

How you can help

Please make sure that you amend your records so we receive future correspondence and not the solicitor or firm, as they have no ability to pay you.

Complaint process

If you have any concerns about the actions of the Judicial Factor, you should first discuss your concerns with the Factor. If you believe that your concerns have not been dealt with appropriately, you should contact the:

Accountant of Court

Hadrian House, Callendar Business Park,
Callendar Road, Falkirk FK1 1XR