

One of the areas that leads to the greatest amount of confusion, dispute and often complaints is attorney's fees. Because of this, any arrangement between an attorney and a client should be in writing and should clearly set forth what the fee is and how it is going to be paid. The contract also should make it clear that certain costs may be incurred and how they will be paid. Ethically, lawyers cannot finance litigation, so costs must ultimately be the client's responsibility although the lawyer can advance them.

Some cases can be handled on a contingent fee basis, meaning that the attorney receives a portion of any recovery in the case. This is appropriate in personal injury, workers' compensation and breach of contract cases. This is not permitted in divorce cases.

Some cases are handled on a flat fee or price per service basis, such as the preparation of a Will, Power of Attorney or Property Settlement Agreement.

Most cases are handled on an hourly basis, as it is considered the fairest way to handle a case when the total amount of time that will be needed is unknown. A Retainer Fee (Deposit) is provided by the client and is held in the attorney's escrow account under the client's name. The attorney should keep time records and send regular billing statements to the client showing the work that has been done. As the work is done, the fee is deducted from the deposit. The deposit may have to be replenished periodically. Any of the deposit that is not used will be refunded. This firm sends out monthly, detailed billing statements to all clients.

The Virginia State Bar has a Fee Dispute process to try to resolve disagreements between attorneys and clients. Mediation also often is useful.