

# Letter to Branches

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General Secretary: Billy Hayes ([www.billyhayes.co.uk](http://www.billyhayes.co.uk))

No. 320/2014

Ref AJR/CF

Date: 14th May 2014

## To All Branches

Dear Colleagues

### RE : FUTURE PROVISION OF LEGAL SERVICES (UNIONLINE)

This LTB will detail the future provision of legal services to CWU members.

The NEC has agreed the development of a wholly owned Trade Union law firm (known as Unionline) in partnership with the GMB Union. Let's be clear this is not a Trade Union merger but is the creation of a Trade Union law firm owned and managed by two independent Trade Unions.

Why has this happened?

### Background

Over recent years there have been significant changes in the way the legal profession operates. The Government has introduced various pieces of legislation that has deregulated the legal profession with the view of opening up the legal market place to new organisations. Previously, only qualified lawyers could own and operate a law firm. This is no longer the case. This has seen a revolution in the way legal provision is administered within the UK. Additionally, the Government also brought to an end the system of referral fee payments which used to allow payments to be made by Solicitors to organisations who provided them with claims. The referral fee system provided a regular income stream to the CWU which has now ceased.

There have also been significant changes in the system of processing claims with the introduction in what is known as the portal system. All personal injury claims which have a potential value up to £25,000.00 now have to be processed via this computerised system, which sets down strict time limits to which solicitors have to operate when processing compensation claims. Claims processed in this way are no longer subject to solicitors charging clients an hourly rate for acting on their behalf. Instead a system has now been introduced whereby solicitors can only claim fixed recoverable legal costs from the defendant in successful cases.

Collectively all these significant changes have lead the CWU to re-examine the way it provides legal services, in order to ensure we maintain the level of service to our members, whilst at the same time, making maximum use of its financial resource. The NEC has, therefore, agreed that the best way to maintain provision of legal services is via its own independent law firm.

**COMMUNICATION WORKERS UNION**  
**URGENT INFORMATION FOR 1 MEMBERS**

We have worked closely with our GMB counterparts in developing the first Trade Union law firm, which will be managed by senior representatives of each Union and overseen by our respective Union Trustees. All law firms have to be licensed by the Solicitors Regulatory Authority (SRA) who set down strict operating and compliance regulations which have to be met, which govern both its financial and legal operation. This requires professionally qualified personnel to be engaged within the law firm. In order to be compliant with the SRA we have entered into an agreement with a third party law firm, PM Law, who will provide the necessary regulatory and compliance expertise in return for a management fee. PM Law will therefore be involved in the management of Unionline but hold no ownership rights.

### **Unionline Operating Structure**

One of the conditions of the SRA is that Unionline could not be based in either a CWU or GMB building and we have therefore decided to establish our law firm in a separate part of PM Law's existing premises in Sheffield. Unionline will employ its own legally qualified staff, who will provide a new national free phone helpline where members can receive legal advice and also register their claims. Members will still be able to register their claims on line via a new dedicated website. Our members can still continue to submit claims via their local branch offices, using the LS3 form, as at present direct to CWU HQ.

In order to be compliant with the SRA regulations, Unionline has to carry out a level of in house legal work. This will include the Helpline and claims capture facility, as listed above, along with initial vetting of our members' claims, to determine whether the case has merit. Unionline's own solicitors will send client care letters out to our members, establishing for the first time, members will be clients of Unionline and not our Panel Solicitors.

Once claims have been assessed by Unionline qualified staff, members' claims will then be passed on to our existing panel firms on a solicitor agent basis and they will process these claims in the normal way. Once a claim reaches a conclusion our members will receive 100% of the compensation obtained on their behalf and the panel firm and Unionline will share the legal costs recovered from the defendants. Any surplus revenue will then be paid to the respective Unions, which can then be used for the benefit of the whole of the Union membership.

Unionline will operate its own case managements system in order to ensure service standards to our members are maintained and an accurate audit trail can be established to ensure revenue generated from cases provided via the CWU is allocated to the CWU and likewise for the GMB. The introduction of the computerised portal system and the fixed recoverable cost regime has lead to some of our panel firms already centralising their operation and some claims are no longer processed in the local solicitors' office. In order to ensure our commercial arrangement with our panel firms remains viable, it is essential that they receive adequate volumes of new claims. It will, therefore, be necessary to restructure the allocation of our members' claims across our panel firms, which will mean, in some cases, Branches use alternative existing CWU panel firms than previously used. I will notify Branches affected.

We anticipate Unionline going live no later than early June 2014 and further publicity will be provided to Branches and individual members via the normal CWU channels.

The creation of the first wholly owned Trade Union law firm, in partnership with the GMB, is an exciting and challenging opportunity which both Unions are convinced is the best way forward for the future provision of legal services. Branches should note that all existing claims currently being processed will continue to do so under their present contractual terms and only new cases, once Unionline goes live, will be processed under the new system. It will, therefore, take some time for the claims workload to develop within Unionline, which should give both Unions the opportunity to ensure the system operates effectively.

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As part of the process to publicise the introduction of Unionline, the CWU will be issuing new membership cards, which will contain the contact details of Unionline on the reverse side. This will be supplied via the June/July issue of the Voice. The new contact details are listed below, which should not be used until notification of the go live day has been provided to Branches accordingly.

**Unionline Helpline No. 0300 333 0303**

**Website :** [www.unionline.co.uk](http://www.unionline.co.uk)

**Please note that these changes do not affect those Branches in the Channel Islands and IOM. Their local arrangements will continue.**

If you have any queries regarding the above, please contact **Tony Rupa, Head of Legal Services, Communication Workers Union, 150 The Broadway, Wimbledon, London, SW19 1RX. Telephone 0208 971 7444 or via email [trupa@cwu.org](mailto:trupa@cwu.org)**

Yours sincerely

**Tony Rupa  
Head of Legal Services**

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