



**SCHLICHTUNGSSTELLE**  
der Rechtsanwaltschaft

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**The Ombudsman of the Legal Profession in Germany**  
**RAin Dr. Sylvia Ruge, Geschäftsführerin (Director)**

Dear colleagues, dear friends,

I am happy to have the opportunity to introduce to you today the Ombudsman of the Legal Profession in Germany. Please let me begin with an outline of the structure and the organization of the Ombudsman, followed by a description of a typical proceeding and a few statistical data.

The Ombudsman of the Legal Profession is an independent entity under the umbrella of the German Federal Bar. We were founded on January 1st, 2011 – almost 8 years ago. We settle disputes between lawyers and their clients – or should I better say: often their former clients. The disputes that we address arise from cases in which there is a conflict regarding payment or if clients assume that the lawyer rendered inadequate services.

The Ombudsman of the Legal Profession in Germany is an alternative dispute resolution entity or ADR entity, governed by the EU-Directive on consumer ADRs, which has been transferred into German law. Thus, we fulfill the especially strict legal requirements in force regarding consumer ADRs. These legal requirements are – amongst others – independence, neutrality, transparency and professionalism.

In order to fulfil these requirements, we are independent. This means we are not bound by the instructions of the German Federal Bar or any other organization. We are also organizationally separated from the German Federal Bar by having our own offices outside the Bar's headquarters. Furthermore, we have our own budget, which is independent from the Bar's budget. Ombudsmen are fully qualified legal professionals, meaning they are usually retired senior judges. They are – however –

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not lawyers, thus proving their neutrality. The staff members of the office supporting the Ombudsmen are all experienced lawyers.

We handle all of our procedures exclusively in writing. There are no personal hearings. The procedures are entirely voluntary, meaning the parties may take part in the proceeding, but they are not obliged to do so. Both clients and lawyers are entitled to file an application. Clients usually call upon us in cases where they have reservations against the fees charged by their lawyers. In other cases they contact us when they believe that they have received wrongful advice or representation by their lawyer, resulting in financial damages to the client. Lawyers usually file an application for conciliation in cases where clients are not paying the lawyer's bill.

Both parties enjoy full rights to be heard. They are invited to comment on the statement of the opposing party.

We check the claims independently and in strict neutrality. We are bound by the same legal framework as are the courts of law in Germany. We review the cases based on the current legal framework and the applicable laws and regulations. In addition, we are guided – whenever applicable – by considerations of plausibility and fairness.

The result of our work is a proposal for conciliation in order to settle the dispute – again in writing. Our proposal contains a description of the basic factual situation and all legal considerations in a language also comprehensible for a (legal) layman.

We do not always suggest that “both parties give in a little bit”. Our proposal can indeed fully support the position of one party only. In cases where – for example – the lawyer's bill is correct, we will suggest that the client pays the bill in full and as presented. Our proposal, however, also outlines – in easily understandable language – why we see no reason to criticize the lawyer's bill. On the other side, we suggest that the lawyer should correct his or her invoice in cases where we see mistakes. As a matter of course, if and when suitable we also suggest compromises between the parties.

Parties are free to accept or decline our proposal. Should both parties agree to our proposal they have entered into a formal "settlement out of court". In case one or both parties should decline the proposal, the attempt to settle out of court is considered a failure. In such cases, the parties may pursue their case in a court of law.

Regarding the duration of the procedure we are bound by legal requirements. Notice of rejection to enter into a conciliation procedure must be communicated to both parties within three weeks of receiving adequate grounds for dismissal. A rejection is possible, for example, where irreconcilable grievances make an out-of-court settlement impossible. This is especially the case if and when charges for criminal misconduct against one of the parties have been filed with the relevant public authorities. Or, when one or the other party has already presented the case to a court of law.

A final proposal for conciliation must be presented within 90 days after receipt of the complete documentation. The documentation is considered to be complete when we possess all relevant information and documents. We adhere to this timeframe, in fact we are even faster than required: The average duration of our procedures last year was just 76 days.

Per year, we receive about 1.000 applications. The Ombudsman of the legal profession is in charge of all lawyers registered in Germany, at present there are about 165.000.

57% of all applications deal with disputes regarding lawyer's fees, 43% deal with claims for compensation for damages incurred. Disputes regarding fees mainly focus on the correctness of invoices, the validity of agreements regarding lawyer's fees and a proper explanation of costs to be expected. In Germany, lawyers' fees are regulated under a specific law. Disputes regarding compensation for damages incurred mainly focus on wrongful advice and wrongful representation. In addition clients can have issues with the omission or faulty explanation of the chances of success.

About 66% of all proposals for conciliation are – in the end – accepted by both parties. About 78% of the lawyers agree to a conciliation procedure, meaning the large majority of lawyers welcome such a conciliation procedure.

In summary, I am happy to say that a procedure for conciliation is a very good alternative to a full-fledged procedure in a public court of law. It offers a simple and fast chance to settle disputes between lawyers and their clients, free of charge. Being a consumer ADR entity, we guarantee a professional, neutral and independent procedure. The parties involved are free to decide whether to accept or to decline the proposal. In case no solution can be found during a procedure for conciliation, clients or lawyers can always fallback on a court of law. There are only advantages to participating in a procedure for conciliation and no obligations.

Thank you for your attention.