

FORMAL OPINION NO. 70 \*

This Committee has been asked for its opinion concerning the ethical considerations involved in the use of a credit card arrangement in the collection of fees for legal services.

Under the procedure outlined, an attorney would agree with his client as to the fee for the attorney's professional services. The client would then make payment utilizing a credit card. The attorney would then collect the fee from the credit institution issuing the credit card--presumably at a discount--leaving the collection of the fee to the credit institution itself.

Neither the Code of Professional Responsibility nor the Canons of Professional Ethics proscribe such an arrangement in our opinion.

We are mindful of A.B.A. Formal Opinion 151 (1936) which distinguishes between the professional relationship between attorney and client and standard business transactions. There it was offered that:

"The committee is of the opinion that it is improper for an attorney, in billing his clients, regularly to offer a uniform discount if the bill is paid within a stipulated period of time. This problem is governed by Canon 12, which outlines the general elements to be considered in fixing the fee and concludes with the sentence: 'In fixing fees it should never be forgotten that the profession is a branch of the administration of justice and not a mere money getting trade.' Although the giving of discounts may be an entirely sound and proper practice in business, we do not think it is suited to the legal profession. Business transactions are frankly impersonal and commercial in character. On the other hand, the professional relationship between an attorney and his client is highly personal, involving

an intimate appreciation of each individual client's particular problem. Practices which overlook the personal element in the attorney's relationship with his client and which tend toward an undue commercial emphasis are to be condemned."

However, we see no debasement of our professional status in a credit card transaction. Surely, there are no ethical considerations involved as between an attorney and his client if the client borrows the full fee from a lending or credit institution, pays his attorney in full, and then repays the lender in installments. Thus, we find no impropriety in the basic credit card concept when there is a full disclosure to the client as to the nature of the transaction.

We must caution that the attorney utilizing such a credit card arrangement should not permit his name to be used in any direct or indirect advertising by the credit institution issuing the card, for this would clearly be violative of Canon 2. By the same token, the attorney should have nothing to do, directly or indirectly, with the collection of the amount owed by the client to the credit institution.

With a full disclosure to the client, therefore, it is ethically permissible for an attorney to permit payment of legal fees through the medium of a credit institution.

DATED October, 1973.

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\*This opinion supersedes I.S.B. Opinion No. 48 (October 22, 1969). DR 2-102(B)(6)(e), Idaho Code of Professional Responsibility, allows advertising the availability of credit arrangements, although "credit cards" are not specifically mentioned.