

For immediate release, Friday 27 May 2011

CONSUMER PANEL WELCOMES REFERRAL FEES DECISION

Commenting on the Legal Services Board's decision document on referral fees issued today, Dr Dianne Hayter, Chair of the Legal Services Consumer Panel, said:

"I am pleased that the LSB is insisting on greater transparency, tighter enforcement and more joined-up regulation of referral fees - these were the Panel's key recommendations for cleaning up the market when we examined this issue last year.

"Lawyers and their introducers should be clear that maintaining the status quo is not good enough. Our research showed the public is prepared to tolerate referral fees, but only if they take place in the open. Therefore, the Panel's support for referral fees remains conditional on achieving a more transparent market that works in the consumer interest."

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For more information, contact Steve Brooker, Consumer Panel Manager, on 020 7271 0077. The full report is available on our website:
www.legalservicesconsumerpanel.org.uk

Notes to editors

1. The Legal Services Consumer Panel was established under the Legal Services Act 2007 to provide independent advice to the Legal Services Board about the interests of consumers of legal services in England and Wales. We investigate issues that affect consumers and use this information to influence decisions about the regulation of legal services.
2. On 26 May 2010, the Consumer Panel published: a report on referral fees following a request for advice from the Legal Services Board; and the findings of independent consumer research. Both documents can be accessed on our website:
http://www.legalservicesconsumerpanel.org.uk/ourwork/referral_arrangements/index.html

3. On 27 May 2011, the Legal Services Board published its Decision Document on Referral Fees. The Decision Document can be accessed on the LSB's website: http://www.legalservicesboard.org.uk/what_we_do/consultations/closed/pdf/2011_0525_referral_fee_decision_paper_final3.pdf
4. The LSB has also prepared a response to the Panel's advice, which can be accessed on our website: http://www.legalservicesconsumerpanel.org.uk/ourwork/referral_arrangements/documents/20110526_LSBResponse_ReferralArrangements.pdf