

6 November 2018



Minimise Consumer Confusion

The Legal Services Consumer Panel (the Panel) has responded to the Legal Services Board's (LSB) decision to allow solicitors to work in unregulated businesses by stating that the focus should now be on minimising the risk of consumer detriment and confusion.

The LSB and the Solicitors Regulation Authority (SRA) must now ensure that users of legal services understand any accompanying reduction in consumer protection. Consumers must be clear that they will not have access to the compensation fund or insurance pay-out, should anything go wrong. While the Legal Ombudsman is able to accept complaints about regulated solicitors, it must also be clear that their ability to investigate complaints by solicitors embedded in unregulated businesses may be affected by practical challenges. There must be no ambiguity in the communication to consumers prescribed by the SRA, to ensure consistency in messaging and standardisation.

The Panel would also like to see a robust, objective and transparent evaluation process within a two year timeframe. We would expect the LSB to take an active role in this evaluation process. We would also expect the LSB to monitor the consumer impact of these changes through its intelligence gathering exercises.

Sarah Chambers, Chair of the Legal Services Consumer Panel, said:

“Maximising the potential of these changes, which are designed to promote innovation and consumer choice, while minimising consumer detriment and confusion, must now take precedence. The SRA must fulfil its duty to consumers by focusing on their needs before purchasing services from solicitors in unregulated businesses. It should have a clear communication strategy, informed by consumer testing. More importantly, the practical obligation of crafting the message that will be presented to consumers must fall on the SRA, not unregulated businesses. The SRA must also stipulate clearly and unambiguously, the points at which consumers must receive this information.

It is also imperative that the oversight regulator who has granted permission for the establishment of this framework takes some responsibility for monitoring this shift in regulatory policy, to minimise the risk of consumer detriment.”

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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. The Panel's full submission to the LSB on the SRA's application can be found [here](#).