

Sent by email only to consultations@cilexregulation.org.uk



3 August 2018

Dear David Pope,

Implementation of the CMA's transparency recommendations

The Legal Services Consumer Panel (the Panel) welcomes the opportunity to respond to CILEx Regulation's consultation on its rule change to implement the Competition and Markets Authority's (CMA) transparency remedies.

Overall, the Panel is pleased with CILEx Regulation's proposals. We support the decision to explicitly require CILEx Practitioners and firms to publish pricing information. We also agree with CILEx Regulation's phased approach, in particular, the decision to initially require firms providing residential conveyancing and probate services to publish the transparency information. Evidence from our annual tracker survey shows that price is the most important choice factor for those choosing conveyancers, compared with other service areas.¹ Therefore, CILEx Regulation's approach sends a positive message to providers of conveyancing services to be transparent about this key choice factor. We are equally supportive of CILEx Regulation's decision to implement the transparency remedies in the area of probate. Again, evidence from our annual tracker survey shows that consumers of probate services are less likely to shop around.² Therefore, increased transparency in this area may have a positive influence on consumers' ability to choose between providers.

We are pleased that CILEx Regulation will now require Practitioners and firms to provide consumers with service information. To support this, we would like to highlight evidence which shows that specialism comes third, behind reputation and price, as a choice factor for consumers.³ Moreover, service information has the potential to support and bolster price transparency. That said, the consultation document is vague about which service information Practitioners and firms will be required to publish. In our view staff mix and their qualification should be mandatory, as well as expertise or

¹ 82% of conveyancing consumers rate price as an important factor in choice, compared to 64% of those choosing a probate provider for example. Legal Services Consumer Panel, Tracker Survey 2018 (unpublished).

² 16% of consumers shop around for probate services, 40% for conveyancing services and the average is 27% overall.

³ 78% for reputation, 72% for price, and 70% for specialism. Legal Services Consumer Panel, Tracker Survey 2018 (unpublished).

area of focus. As mentioned above, specialism is the third choice factor for consumers when shopping around.⁴

We agree with CILEx Regulation's plans to require Practitioners and firms to publish information on redress mechanisms and regulatory status. We also support the compliance and evaluation approach outlined in the consultation document. This approach is likely to provide CILEx Regulation with early intelligence around how the transparency rules are being embedded. This should give CILEx Regulation an opportunity to amend the requirements, if needed, when it eventually introduces the transparency remedies into other areas of law.

We hope that CILEx Regulation progresses into a subsequent phase, one which incorporates quality indicators into regulatory requirements as envisaged by the CMA. The Panel continues to believe that consumers need both quality and pricing information to make informed decisions. Information on price is rarely efficient or optimal without information on quality. Without information on quality, price transparency could perpetuate consumers' misconception that price equates or correlates with quality, with some consumers thinking higher-priced services are better. The Panel believes that there is scope for all the Approved Regulators to explore and consider how they might begin to gather and make information on quality openly available to consumers and their representatives, and we look forward to supporting regulators in this future work.

Yours sincerely,

Sarah Chambers



Chair
Legal Services Consumer Panel

⁴ Ibid.