



Maximising Opportunities, Minimising Confusion.

Strategy 2018-21 and Work Programme 2018-19

April 2018

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Our vision

- A market where everyone can access legal services that meets their needs and where consumers are placed at the heart of regulation.
- Our remit is to represent the interests of the many different consumers of legal services, including small businesses and charities. A core emphasis is on the needs of vulnerable consumers.

Foreword

Our role as a Consumer Panel is to continue to make sure that consumers are at the heart of regulation. We do this by learning from evidence and practice across the legal services market and other comparable sectors.

Our three year strategy 2018-2021 has a sharper focus, as we endeavour to be even clearer about the issues that empower and protect consumers in a competitive market. It is a deliberate choice on our part to reflect on the progress made so far to open up services to greater competition. Additionally, we aim to use our modest resources to prompt real practical improvements in service choice and delivery for all consumers. We recognise, of course, that our relationship with the EU will be the evolving context throughout this period.

Evidence from our annual tracker survey and other research pieces suggests that liberalisation has led to incremental innovation and consumers are gradually becoming more empowered. But consumers still lack the information and tools needed to really engage with the market and drive competition.

The Competition and Market Authority's (CMA) report in December 2016 has now set the agenda for greater transparency and we remain committed to supporting, advising and challenging the regulators to ensure that the CMA remedies offer real benefits to consumers.

Our Information Remedies Report,¹ published after the CMA's market assessment, was aimed at supporting the regulators in implementing the CMA's remedies. The report recognised and noted the challenges of implementing the CMA's remedies, and suggested ways to mitigate against the pitfalls.

We welcome greater innovation and flexible services that deliver good outcomes for

consumers, but these must not increase the risk of detriment to services. So we will also continue to challenge regulators to find the appropriate balance between flexibility and consumer protection. In particular we are concerned about an appropriate regulatory response to technological innovation and development.

Transparency, innovation and flexibility must deliver good outcomes for all consumers. As well as maximising opportunities for all. We know that we need to continue to minimise confusion, especially for the most vulnerable consumers. So we will maintain a watching brief in this area including our training on how to address vulnerability, and our work on consumer segmentation.

As well as our three year strategy, we present our Work Programme for 2018/19. This programme will continue to rely on our ability to work constructively with the Legal Services Board (LSB) and the regulatory bodies to achieve a common vision. This is how we can make the biggest impact. The programme is structured around business as usual, including a refocused annual tracker survey, together with a small number of special projects.

At the end of this document we set out our success criteria. In 2018, we will undertake a stakeholder survey to test these.

Dr Jane Martin CBE



Chair

¹ [The development of Information Remedies in Legal Services, LSCP, 2017.](#)

About the Panel

Our purpose

- 1.1. The Legal Services Consumer Panel is a central feature of a regulatory framework in England and Wales, which is designed to transform the legal services market around the needs of its users.
- 1.2. Created by the Legal Services Act 2007, we are an independent arm of the LSB. As a permanent, discrete champion for consumers, we have an essential responsibility to ensure that regulators are able to consider and act on the user perspective, putting the consumer interest at the heart of regulation.

Our vision

- 1.3. A market where everyone can access legal services that meet their needs, and where consumers are placed at the heart of regulation.
- 1.4. Our remit is to represent the interests of the many different consumers of legal services, including small businesses and charities. A core emphasis is on the needs of vulnerable consumers.

How we work

- 1.5. The Panel provides high quality, evidenced-based advice and

challenge to the LSB, in order to help it make decisions that are shaped around the needs of users.

- 1.6. The Panel's geographic remit is England and Wales. The Panel will remain alert to any differences in needs and tailor our policy advice accordingly.

Who we are

- 1.7. The Panel is made up of eight lay² members whose appointments are approved by the Lord Chancellor. Our members' varied experience and expertise include: charitable, private and public sectors; advice provision; consumer research; trading standards; and complaints handling. Panel members are not able to be practising lawyers. More information about the Panel members can be found on our website [here](#).

Our approach to regulation

- 1.8. We support regulation which creates the right balance between access to justice and consumer protection. We will challenge and support regulation to enable consumers to benefit from high quality services.

² There are currently 7 panel members.

Our future focus

- 2.1. Our three year strategy reflects the key issues for consumers using legal services to maximise opportunities and minimise confusion. This requires a regulatory framework, which balances the need for greater transparency, innovation and flexibility with adequate consumer protection and redress.
- 2.2. The Panel has identified two strategic aims that will provide the underpinning framework for our research and policy agenda over the next three years.
- 2.3. Our primary aim will focus on the drive to improve transparency in

the market through information remedies. Our focus on information remedies will also emphasise the need for all consumers to understand the difference between regulated and unregulated providers and any reduction in protection that may flow from their choice of service providers. Our first aim will be supported by a further aim to protect consumers (including micro and small businesses) and keep pace with changing risks.

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| 1 | <p>EQUIP CONSUMERS</p> <p>Advise on appropriate and proportionate regulation which equips consumers with the information and tools they need to choose and use legal services effectively.</p> |
| 2 | <p>PROTECT CONSUMERS</p> <p>Support and challenge the regulators to protect all consumers adequately and keep pace with changing market risks.</p> |

Strategic Aim 1

Equip Consumers

Advise on appropriate and proportionate regulation which equips consumers with the information and tools they need to choose and use legal services effectively.

- 2.4. The UK wide legal services turnover (uninflated) is £31.8bn. Yet the CMA report found that “*the legal services sector is not working well for individual consumers and small businesses*”³. Consumers find it hard to make informed choices because there is very little transparency about price and quality.
- 2.5. Informed consumers can exert pressure on providers to improve their services and drive competition. And there are positive signs that consumers are gradually becoming more empowered. But the pace of change is too slow, which remains a concern.
- 2.6. Since 2012, there has only been a small increase in levels of shopping around (19% in 2012 to 27% in 2017).
- 2.7. The remedies outlined by the CMA provide an opportunity for the regulators to refocus the market on consumers’ needs, drive up competition, and ensure that the market delivers good outcomes for consumers.

Strategic Aim 2

Protect Consumers

Support and challenge the regulators to protect all consumers adequately

Tracker Survey and other research findings in 2017:

- 27% of consumers shop around for legal services, compared to 19% six years ago.
- Just 6% of consumers find the price of a service on the providers’ website.
- Prices vary significantly for the same legal services: it pays consumers to shop around.
- There has been no change in the proportion of firms displaying prices on their website between 2015 and 2017 (18%).
- None of the approved regulators publish first-tier complaints data.

and keep pace with changing market risks.

- 2.8. Our research shows consumers feel vulnerable when using legal services and value the protection that regulation offers them. However, LSB’s research into vulnerable consumers’ experience of legal services⁴ found a market inept, in our view, at responding to the needs of vulnerable consumers.
- 2.9. This research finding is corroborated by the Panel’s joint research with the Approved Regulators on Client Care Letters.⁵ This also found that the needs of vulnerable consumers’ are not being met. At present, there appears to be no clear regulatory strategy around how to deliver

³ CMA, *Legal Services Market Study*, 2016.

⁴ *Research report on how people with dementia (and their carers) experience legal services*, LSB, July 2017.

Research report on how people with mental health problems (and their carers) experience legal services, LSB, July 2017.
⁵ *Research into Client Care Letters*, LSCP, October 2016.

good outcomes for vulnerable consumers.

- 2.10. Our research⁶ has shown that consumers lack the confidence to complain about poor service and many discover significant gaps in redress when they try. Confidence in complaining about a lawyer (44%) is lower than confidence in complaining about supermarkets (70%), banks (55%) and mobile phone companies (51%). 49% of dissatisfied consumers – so called ‘silent sufferers’ - did not complain. This cannot be acceptable in a market where consumer engagement is important for competition. The sector must work harder to find the underlying causes and address them.
- 2.11. Competition and technology are changing the way legal services are delivered. This change is mainly for the better, but these market forces are also presenting new types of risks which regulators must keep pace with. There is also pressure on regulators to reduce regulatory burdens and modernise. As a consequence we have seen a drive towards more flexible services, including proposals to remove rules which may preclude service providers from innovating. Change is necessary, but in doing so, regulators must take care to strike the right balance between access to justice and consumer protection.
- 2.12. Regulators drive towards flexible services should be mindful of the need to balance this against an increase in consumer confusion. The Panel has found itself increasingly advising on the need to minimise consumer confusion. We remain concerned that

Tracker Survey and other research findings in 2017:

- 49% of dissatisfied consumers did not complain.
- 46% of people were confident their consumer rights would be protected when using lawyers.
- Vulnerable consumers reported difficulties in engaging with Client Care Letters due to their length and complexity.
- For consumers with mental health problems, it is important to feel listened to and understood, have services adapted to support them, have continuity of personnel, and have costs transparency.
- Consumers suffering with dementia accessing legal services welcome initial phone contact to discuss service adaptations; clear information before meeting on the legal issue, options and costs; home visits; ‘dementia friendly’ services (e.g. plain English, patience and respect); and a clear meeting record.

regulators across the sector are not paying enough attention to fragmentation, for example the prospect for differences in Professional Indemnity Insurance and the Compensation Fund. We will continue to highlight these issues and where necessary call for a sector wide approach and standardisation in consumers interest.

⁶ [How consumers are choosing legal services, LSCP, 2017.](#)

Our aims for 2018-21

Strategic aim 1 – Equip consumers

Advise on appropriate and proportionate regulation which equips consumers with the information and tools they need to choose and use legal services effectively.

Strategic aim 2 – Protect consumers

Support and challenge the regulators to protect all consumers adequately and keep pace with changing market risks.

What we want to achieve during 2018-21

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| <ul style="list-style-type: none"> • Work with the regulators to implement and evaluate the CMA transparency measures including post-implementation assessment. • Develop a shared understanding among regulators about what constitutes the quality of legal services to support consumer choice. • Continue to highlight the specific difficulties facing vulnerable consumers and support regulators to understand how best to tackle these. | <ul style="list-style-type: none"> • Enhance understanding across the regulatory landscape about the different needs and experience of consumers. • Support affordable, diverse and flexible service provision to meet varying needs, and highlight potential risks. • Work with the Legal Ombudsman and the regulators to improve transparency around complaints data, and use this to improve quality across the sector. • Advise on how best regulators should respond to developments in technology to support consumers. • Advise on the need to standardise consumer protection and information where appropriate. |
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Work Programme 2018/19

Business as Usual

- Support the Remedies Programme Implementation Group in its drive to ensure the CMA remedies are implemented effectively.
- Work with the regulators to encourage adherence to the success criteria outlined in our Information Remedies Report.
- Refocus our annual tracker survey and use intelligence from the data to advice, challenge and support our aims.
- Work with the regulators to adopt and use consumer segmentation.
- Continue to deliver our vulnerability training to regulators.

Special Projects

- Host a roundtable event on how to contextualise and use complaints data.
- Publish a re-focused Consumer Impact Report.
- Carry out desk-based research on the benefits and risks of technological developments in legal services.

Maximising our impact

Evidence-based

- 3.1. Our ability to make an impact for consumers of legal services during the next three years will depend largely upon the quality of our evidence and our relationships with key stakeholders.
- 3.2. The Panel has carefully built its reputation on evidence-based policy, data and consumer insight. Our commitment to the tracker survey will continue over the lifetime of this strategy. We have limited additional financial resources to commission research. We are therefore enthusiastic about working with organisations who would like to partner with us.
- 3.4. We will maintain strong relationships with a range of other stakeholders including the approved regulators, representative bodies, fellow consumer organisations, the voluntary sector and others. We will continue to engage with these organisations through a variety of mechanisms both across our work and in support of individual projects.

Influence decision-makers

- 3.3. Maintaining and enhancing our ability to influence decision-makers will remain at the heart of our strategy. As an advisory body embedded within the LSB, our value stems from being able to work collaboratively with LSB colleagues whilst absolutely maintaining our independence. Similarly, we have a close relationship with the Legal Ombudsman – sometimes working jointly and other times providing external commentary, but always giving constructive challenge.

Measuring our success

Focused on impact

- 4.1. The Panel's overriding purpose is to improve outcomes for consumers of legal services. From the time we were established, we have consistently and rigorously assessed the effectiveness of our contribution towards these outcomes.
- 4.2. Armed with the Consumer Impact Report and our refined annual Tracker Survey, each year we ask the critical questions: What has changed for consumers? What has the Panel done? What should we do next? Our success depends on the quality of our advice, the effectiveness of our partnerships, and on how we use statutory and other tools to influence those who make change happen.

An effective Consumer Panel

- 4.3. The Panel uses six criteria as indicators of our effectiveness:
 - We have intelligence that keeps us in touch with the consumer experience.
 - We are respected for the quality of our advice which is timely, constructive and evidenced-based.
 - We can demonstrate that our recommendations have influenced policy decisions.
 - We are the first place that people go to learn the consumer perspective on legal services.
 - We operate transparently by publishing our activities and involving stakeholders in setting our priorities.

- We deliver value for money.
- 4.4. The Panel has also put in place a series of measures to assess whether we are delivering against these criteria.
 - For each project, we clearly identify the outputs, impact and outcomes we want to achieve for consumers.
 - We account for our activities in an annual report, which includes a record of policy and practice that has changed as a result of our work.
 - A record of our meetings with stakeholders is maintained along with invitations to address key audiences, for example in board meetings and on public platforms.
 - We conduct regular surveys to test the usefulness of our advice and conduct occasional reputation audits with selected stakeholders.



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