



Minutes

Legal Services Consumer Panel meeting

Date: 26 September 2018

Time: 13:00-17:00

Venue: One Kemble Street, London WC2B 4AN

Present:

Sarah Chambers	Chair
Adam Cooper	Member
Cathy Gallagher	Member
Frances Harrison	Member
Mark McLaren	Member
Marlene Winfield	Member
Lola Bello	Consumer Panel Manager
Laurentiu Ciocan	Consumer Panel Associate

Item 1 - Welcome and apologies

1. The Chair welcomed members to her first Panel meeting.
2. Apologies had been received from Michelle Goddard.

Item 2 - Declaration of interests

3. None were reported.

Item 3 - Minutes of 4 July 2018 meeting

4. The Chair presented the minutes from 4 July meeting, which had been agreed via electronic correspondence. Adam Cooper noted an amendment to the status of his employment.

The Panel noted the 4 July 2018 minutes.

Item 4 - Matters arising

5. The Chair presented the matters arising.

The Panel noted the matters arising.

Item 5 – MoJ introductory meeting

6. Steve Jarman, Head of UK Legal Services, Policy and Stakeholder Relations at MoJ introduced himself and his role to the Panel. He also outlined the key priorities for his team.
7. Steve noted that a key focus for the MoJ is technology. Steve said technology companies can support law firms to operate and deliver better and more efficient services for consumers. The MoJ are however considering elements around the ethics of artificial intelligence, redress for consumers and e-signatures in collaboration with the Law Commission. Steve added that they are also working closely on these topics with Richard Susskind, IT Adviser to the Lord Chief Justice of England and Wales. The MoJ's objective is to ensure that all these technological changes result in improved legal services.
8. On the Competition and Markets Authority (CMA) review, Steve noted the updates the MoJ has made on the GOV.UK website, populating it with up to date information and referencing the Legal Choices website. Steve reiterated the MoJ's acceptance of the CMA's recommendation to extend redress to consumers using unauthorised providers. However, he noted LeO's reservation around the appropriateness of using regulatory funds for the unregulated market.
9. The Panel followed up by asking questions about the steps the MoJ has taken (with or without BEIS) to review whether there is a case for extending redress to consumers, using unauthorised providers. They hope that new technology will play a positive role. The MoJ also reported that they are developing a public legal education programme to raise awareness of the differences between regulated and unregulated providers. The Panel queried how consumers would access the information and make sense of a landscape that is already complicated.
10. Steve explained the Government's current position on the UK's exit from the EU. He said the Chequers plan remains the Government's position. He also referred to the Government's technical note on European Court of Justice and its jurisdiction after leaving the EU.
11. The Panel asked how the MoJ would respond if the legal services sector does not head in the right direction, at a sufficient pace, with the implementation of the CMA's remedies. Steve confirmed that they will keep the matter under close scrutiny. Steve said they will continue to engage with regulators and the CMA to monitor developments.
12. The Panel raised concerns about the lack of quality indicators in the market. The MoJ said they rely on frontline regulators to deliver this through various avenues, including comparison websites. The Panel considered the limitations of comparison websites and suggested consumers and their representatives need also to access information on quality directly.
13. Steve welcomed the Panel's invitation to attend future meetings on an annual basis.
14. The Chair thanked Steve Jarman for his time.

Actions:

- **To arrange annual meetings for MoJ to attend the Panel.**
- **In the light of the latest regulatory framework for legal services review, at the right time, the Panel would like to invite Stephen Mayson to attend a Panel meeting.**

Item 6 – Chair’s and Members’ update

15. The Chair provided the Panel with a verbal update on her recent introductory meetings with the key stakeholders in the sector. In July, a number of Panel Members attended the Panel’s round table on Contextualising Complaints Data, which the Chair believed was a very useful event.
16. Cathy Gallagher informed the Panel about the LASPO Post-Implementation Review consultation group meetings she attended in April and July, organised by the MoJ’s Legal Services Unit. She also shared information about the Public Law: Access to Justice: Legal Aid Review, conference (themed the future of civil justice) which she attended in July in Manchester, hosted by Public Law Project. On the topic of legal aid, the Chair informed the Panel about her letter to the MoJ in response to the Post-Implementation Review.
17. Frances Harrison informed the group about the vulnerability conference she attended in July at the CMA. She said the conference was informative and insightful. She noted that one of the key takeaway points for regulators was that “defaults” (such as energy suppliers automatically defaulting to expensive Variable Tariffs at the end of a contract if no other contract is chosen) are extremely powerful and can either empower or seriously harm consumers.

The Panel noted the Chair’s and Members update.

Action:

- **The Panel Associate to circulate the Chair’s letter to the MoJ on the legal aid Post-Implementation Review.**

Item 7 – Projects update

18. The Panel Associate presented the projects update. The Secretariat asked the Panel to have the information from the Tracker Survey on transparency of services and consumer protection incorporated into the Panel’s Consumer Impact Report. The Panel agreed.
19. Frances Harrison noted the Vulnerability Training Working Group meeting. She said it was a good meeting and the working group will follow up on the agreed action points.

The Panel noted the project’s update.

Action:

- **The Secretariat should use its discretion to circulate to the rest of the Panel the briefings for the Chair’s introductory meetings with key stakeholders.**

Item 8 – Consultation responses

20. The Panel Associate presented the updates on consultation.

Action:

- **The Secretariat to share the draft response on Institute of Chartered Accountants in England and Wales’ consultation.**

Item 9 – The Panel’s good practice standards for comparison websites

21. The Panel welcomed the review of the draft good practice standards guide for comparison websites. The Panel made some suggestions for improvements and recommended that a footnote should be added with links to the CMA’s guidance and a specific reference to the General Data Protection Regulation under the “use of personal information” headline.

Action:

- **The Secretariat to amend the Good Practice document.**

Item 10 - External stakeholder engagement survey

22. The Panel made a commitment in its 2018/19 Work-Programme to carry out a stakeholder survey as part of its own effectiveness review. The Panel welcomed the draft survey and suggested a few minor changes to the questions in the survey.

Actions:

- **The Secretariat to circulate the final draft of the survey to the Panel.**
- **The Panel agreed to have the results of the survey before the Away Day in December.**

Item 11 – The Solicitors Regulation Authority (SRA)’s presentation

23. Richard Collins, Executive Director at the SRA, gave an update to the Panel on the SRA’s proposed rule changes and the reasons for reforming the Handbook. He also gave an update on the Professional Indemnity Insurance (PII) and Compensation Fund proposals.

24. Richard confirmed that the Handbook rule change application was submitted to the Legal Services Board (LSB) in June. He said the SRA changes proposed to:

- Focus on standards, but without prescription
- Remove unnecessary bureaucracy
- Produce a short, user-friendly handbook
- Give greater freedom about where and how solicitors can practise.

25. Richard acknowledged that there were challenges to consumer protections from the proposals. He reassured the Panel that feedback from stakeholders was important and being taken into consideration.

26. The SRA have noted that the rule changes pertaining to transparency had been approved by the LSB. This will help consumers and small businesses choose a solicitor better.

27. The Panel asked what insurance would be required of a regulated solicitor providing a (non-regulated advice) service by employment through a non-regulated business. Whilst "freelance solicitors" will be required to have "appropriate and adequate" PII, the PII needed for the employed person was unclear. The SRA will clarify.

28. The Panel asked what type of insurance would be available to protect services delivered by new freelance solicitors. The SRA said it would clarify this as well.

29. The Panel suggested that any information remedies should consider prescription.

30. The SRA reiterated their rationale for the PII and Compensation Funds proposals. Richard Collins said the reforms are a reminder that the SRA does not want to place a disproportionate regulatory burden on firms. He acknowledged the questions and concerns the Panel has raised to date and said these were being considered.

31. The SRA reminded the Panel that the LSB rejected the previous proposal on PII and the Compensation Fund due to lack of thorough research/data. Additionally, he said that the PII and Compensation Fund topic is "work in progress" for the SRA and they are open to further comments from the Panel.

32. The Chair thanked Richard Collins for his time.

The Panel noted the SRA’s presentation.

Item 12 – Away Day Discussion

33. The Chair reminded the Panel of the date and time for the next Away Day, and invited members to suggest possible venues. The Panel Manager also reminded the Panel that the Away Day is an opportunity for the members to focus on its priorities for the year 2019/20.
34. The Panel suggested that the following people should be invited to future meetings: Richard Suskind and Hazel Genn.

Item 13 – Draft agenda for 7 November 2018

35. The Chair presented the draft agenda for the 7 November meeting and the Panel welcomed the draft agenda.

In line with amendments, the Panel agreed the draft agenda.

Item 14 – Any other business

Action:

- **The Panel Associate to circulate the outstanding dates for Panel meetings in 2019.**