



## Minutes

### Legal Services Consumer Panel meeting

**Date:** 27 January 2016

**Time:** 13:00-16:00

**Venue:** One Kemble Street, London WC2B 4AN

#### Present:

Elisabeth Davies	Chair
Andy Foster	Member
Cathy Gallagher	Member
Michelle Goddard	Member (Items 5 to 15)
Marlene Winfield	Member
Lola Bello	Consumer Panel Manager
Stephanie Chapman	Consumer Panel Associate
Ramandeep Bhatti	Legal Services Board
Julie Myers	Legal Services Board
Vibeke Bjornfors	Legal Services Board (Item 9 only)
Professor Stephen Mayson	University College London (Item 8 only)
Steve Brooker	Legal Services Board (Item 8 only)
Neil Buckley	Legal Services Board (Item 15 only)

#### Item 1 – Welcome and apologies

1. The Chair welcomed the Legal Services Consumer Panel ('The Panel'). The Chair advised that Frances Harrison and Philip Marsden had sent their apologies and that Michelle Goddard would be joining the meeting slightly later.

#### Item 2 – Declaration of interests

2. None.

### **Item 3 - Panel minutes – 30 September 2015**

3. The Panel noted the 30 September 2015 minutes.

### **Item 4 – Matters arising**

4. Item 6 - the Panel Associate advised the LSB's initial report on unregulated legal services is being presented to the Board in March and the LSB project lead is coming to the Panel meeting in February with an idea of the draft report.

### **Item 5 - Shaping our work programme 2016-17**

5. The Panel Manager presented a paper on the Panel's Work Programme for 2016-17, and invited Panel Members to discuss the outlined approach.
6. The Panel agreed with the core of the narrative, however, they suggested some changes to reframe key points.
7. The Panel agreed that the content of the work programme supports the narrative, however, they suggested that it should be clearer in the narrative how the priorities fits with access to justice.
8. The Panel agreed with the top listed priorities, subject to the addition of the relationship with the Legal Ombudsman. The medium priorities needed some changes as discussed.

**Action Point: In line with the comments made, the Panel Secretariat will develop a draft work programme for approval at the February meeting.**

### **Item 6 - Consumer segmentation**

9. The Panel Associate presented a paper on consumer segmentation.
10. The Panel said :
  - It was important to be clear about who was going to use the segmentation model, and who would it be of most value to – the value it added to regulation and how consumers would benefit from it.
  - The Panel considered existing models of segmentation, including those developed by the Financial Conduct Authority, Legal Services Board and Legal Ombudsman.
  - The Panel agreed that it did not have the resources to commit to a full scale segmentation piece.
  - There was a suggestion that the most cost effective option was to analyse the work that already exists, including information from the approved regulators, and the underlying Experian data used by the Ministry of Justice. This could be combined with the tracker survey findings, which could be re-shaped and expanded to pursue

more of the information found from the other segmentation models. There were concerns about the technical expertise needed to do this, and whether this was straying into developing an actual segmentation piece.

- The Panel agreed to explore producing a position paper which explores what is feasible by way of secondary data analysis.

#### **Action Points:**

- **The Panel agreed to include segmentation in the work programme, with flexibility around its scope.**
- **The Panel agreed to explore if this idea could be grounded and explored in a specific project – for instance, how segmentation would apply to the LSB commission on information remedies.**

#### **Item 7 - External developments in the legal sector**

11. The Panel Manager presented a paper which outlined two key external developments in the legal sector: the Competition and Market Authority's (CMA) inquiry into legal services, as well as the imminent government consultation on regulatory Independence between the representative and regulatory arm of the profession.
12. The Panel Manager advised that the Panel Secretariat are meeting with colleagues from the CMA to see if there are any Panel reports they can use to inform their study. CMA representatives have also accepted an invitation to the next Panel meeting, where the Panel can discuss the investigation in more depth.

**The Panel noted the CMA inquiry in legal services and the imminent government consultation on regulatory Independence.**

#### **Item 8 - Legislative reform**

13. The Panel welcomed Professor Stephen Mayson and Steve Brooker, Head of Research and Development at the LSB, to discuss the LSB's work on options for legislative reform.
14. At its October meeting, the LSB Board agreed that Professor Mayson be asked to work with the LSB to develop an LSB response to the questions posed in the 'Legislative options beyond the Legal Services Act 2007' July paper – effectively the LSB's vision for an effective legislative framework.
15. Professor Mayson invited the Panel to discuss the six key questions set out in the July paper:
  - What should be the number, nature and presentation of any regulatory objectives?
  - What should fall within the scope of regulation? How should that be addressed?
  - Should regulation be focused on activities or the providers who carry them out?
  - How can the independence of legal services regulation from both government and representative bodies best be assured?
  - Does the regulatory framework need to give consumers a voice? If so, what is the best way to achieve that?

- How should the legal services regulator(s) be structured?

16. Panel members made the following points

- The current landscape is unsustainable
- There was a clear need for careful consideration around whether it is activities or providers that should be regulated.
- It is important to look at the whole spectrum or ecosystem in order to minimise detriment and regulation – holistic system that focuses on the end point - consumers.
- There is a clear need for risk based regulation
- There are effective systems in some places, there is no point in changing these.
- The Panel emphasised that the regulatory framework needs to embed and enshrine consumer protection, representation and engagement. The Panel noted that its Consumer Impact Report highlights the problems with leaving regulators to their own devices in this area.
- The Panel explored the issues around transitional arrangements for the not for profit sector.
- The Panel noted that protection must be consistent, not be determined by whether a service is free, but there is also a need to avoid several layers of regulation. For example a current problem is the overlap between the Solicitors Regulation Authority and the Office of the Immigration Services Commissioner.
- Professor Mayson thanked the Panel for their time and views and advised that this work would be going to the LSB Board in April.

**The Panel noted the presentation from Professor Mayson.**

**Item 9 - LSB affordability project**

17. The Panel welcomed Vibeke Bjornfors, Regulatory Project Manager at the LSB. Vibeke presented a paper on the LSB's affordability project. The paper gave an overview of the project and sought views on the proposed conceptual model to define areas of law that risks being unaffordable to consumers.

18. Vibeke invited Panel Members to discuss the conceptual model using illustrative examples to advise whether this is a suitable approach to assessing affordability. The Panel broadly welcomed the conceptual approach, recognising its strengths and limitations. The Panel made the following points:

- The complexity of the problems needs more consideration - common problems can turn into multiple problems and in turn can turn into complex problems
- There needs to be more of a holistic approach to affordability – consideration needs to be given to geographical distance, disability costs, increase in costs to those in an urban setting.

19. Vibeke advised the intention is to submit the conceptual model to the LSB Board in March 2016 with a view to publication soon afterwards.

**The Panel noted the LSB's work on affordability.**

#### **Item 10 – Chair’s and members update**

20. The Chair presented her report on her recent activities.
21. Michelle Goddard advised that on 8 December 2015, she was speaking on the panel of the Westminster Legal Policy Forum event, Meeting professional training and development needs: culture, leadership and continuing competence in legal services.
22. Andy Foster advised that he and Frances Harrison attended two legal roundtables aimed at Welsh lawyers on the future of procurement of legal services, with one being in London and the second in Wales.

**The Panel noted the Chair’s report and updates from Panel Members.**

#### **Item 11 – Projects update**

23. The Panel Associate presented the projects update.

**The Panel noted the Projects update.**

#### **Item 12 – Consultation responses**

24. The Panel Associate presented a paper on recent and upcoming consultation responses.

**The Panel noted:**

**Responses have been submitted to the Bar Standards Board’s consultation on *The future of training for the Bar: Academic, Vocational and Professional stages of training*; the Legal Ombudsman’s consultation on *Proposed ADR scheme rules*; the MoJ’s consultation on *Enhancing and protecting quality in criminal advocacy*; the QC Appointments consultation on *Application and appointment fees*.**

#### **Item 13 – Draft agenda for 24 February 2016 meeting**

25. The Chair presented the proposed agenda for 24 February 2016 meeting.

**The Panel agreed the proposed agenda for 24 February 2016.**

#### **Item 14 – Any other business**

26. None.

#### **Item 15 – Meet the new LSB CEO**

27. The Chair welcomed Neil Buckley, Chief Executive of the LSB.

28. The Panel took the opportunity to ask Neil some questions, which included the trust between the consumer and regulator, open data and the lack of information on price and quality and what consumers need from the Panel.
29. Neil discussed how he would like to work with the Panel going forward. He expressed that he wanted to engage with the Panel on their issues of interest and he appreciated the help and ideas of The Panel, but also respected the fact that the Panel are independent with their own ideas and ways of working.

**The Panel noted the points raised by Neil Buckley and thanked him for his time.**