



## Consumer Panel Briefing – Comparison Websites

### What is the issue?

Comparison websites allow consumers to compare and contrast information on products and services sold by multiple businesses on the same website.

Currently very few consumers use these websites when purchasing legal services, but most people think this situation will change. Different types of websites have begun to emerge, including: basic directories of law firms; customer review sites, lead generator websites, which pass on the user's details to subscribing businesses; and price comparison websites.

In other markets, there have been problems with comparison websites that have dented consumer trust, for example practices which mislead consumers or breach their privacy. It would be better to try to prevent a repeat of these problems by influencing legal services websites while they are still in their infancy, rather than rely on regulators to act later.

### The Panel's view

Some people think that comparison websites are not suitable for legal services, but overall the Panel considers they would help consumers compare their options and promote more competition in the market. However, what various people think about them will make little difference: like them or not, comparison websites will become a reality of this market.

The Panel developed 20 good practice standards for comparison websites, which we consider would underpin consumer trust. We carried out a mystery shopping exercise to test whether these standards covered the key risks facing consumers.

- We were pleased to find no evidence of commercial influence on the presentation of information on the sites that could lead consumers to make poor choices
- Some websites were open about issues such as who their owners are and how many law firms they are comparing, but others did not disclose these things
- Some websites made some dubious marketing claims
- There was much poor practice on data protection issues, for example consumers were often not given the option to opt out of receiving marketing materials, and personal information was being passed to third parties without their consent
- When we mystery shopped lead generator websites, often we got no response at all. The sites told us that law firms reject cases which do not make them enough profit

## What is the Consumer Panel doing about it?

In February 2012, the Panel published a report on comparison websites which included a series of recommendations and a draft set of good practice standards. The Legal Services Board accepted our recommendations and wrote to approved regulators in June 2012.

In May 2013, the Panel launched a self-regulation initiative in partnership with the Solicitors Regulation Authority and the Council for Licensed Conveyancers. This allows websites to self-certify that they adhere to our finalised set of good practice standards. Five websites have already done this and we hope that more will follow.

We have also worked to remove any regulatory barriers that prevent comparison websites from entering the market. One barrier is that websites want to access basic information held by regulators about law firms, such as contact details and membership of accreditation schemes. However, for various reasons the regulators have been reluctant to provide this information to comparison websites. In the case of the Law Society, they have refused to disclose this data on the grounds that doing so could harm their commercial interests.

We think this practice is damaging competition in the legal services market and goes against the Government's Open Data Strategy. The Legal Services Board has emphasised the need to open the professional registers in their communications with the regulators. We will continue to work with the regulators in order to achieve an acceptable outcome.

### For more information:

[List of websites that have self-certified against our standards](#)

[Good practice standards, May 2013](#)

[Report on comparison websites, February 2012](#)

## About the Legal Services Consumer Panel

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. Created by the Legal Services Act 2007 we are an independent arm of the Legal Services Board. 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.



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