

# Tracker Survey 2016

## Briefing note: how consumers are choosing legal services

### Key findings:

- Six years of findings have shown...
- Consumers are increasingly shopping around, however overall the figure remains small with just one in four actively comparing.
- Satisfaction with choice remains higher than 2011 levels but has seen a slight dip on last year's figures from 70% to 68%.
- Reputation persists as the most important factor when choosing a legal service provider, but for areas such as conveyancing price was just as important.
- Fixed fees continue to be the most popular billing method and are now used in almost half of all transactions reported. The use of free services has declined year on year to an all-time low of 17% (2012: 24%).
- Public trust in lawyers has declined to 42%, from 47% in 2011. Confidence that consumers rights are protected when dealing with a lawyer is at 46%, similar to previous years.
- Local firms remain the most used service providers among many areas of law, though in personal injury they have been overtaken by national brands.

### Note on methodology:

*For the last six years the Panel has commissioned YouGov to conduct an annual survey in two parts: a nationally representative sample (1,864 adults); and a sample of people who have used legal services in the last two years (1,523 adults). Booster samples were obtained for Wales and BME groups. All the figures have been weighted and are representative of all GB adults (aged 18+). The results have been tested to the 95% confidence level – we are 95% confident that these findings are not due to chance. Fieldwork took place during 12 February to 4 March 2016.*

## Consumer behaviour

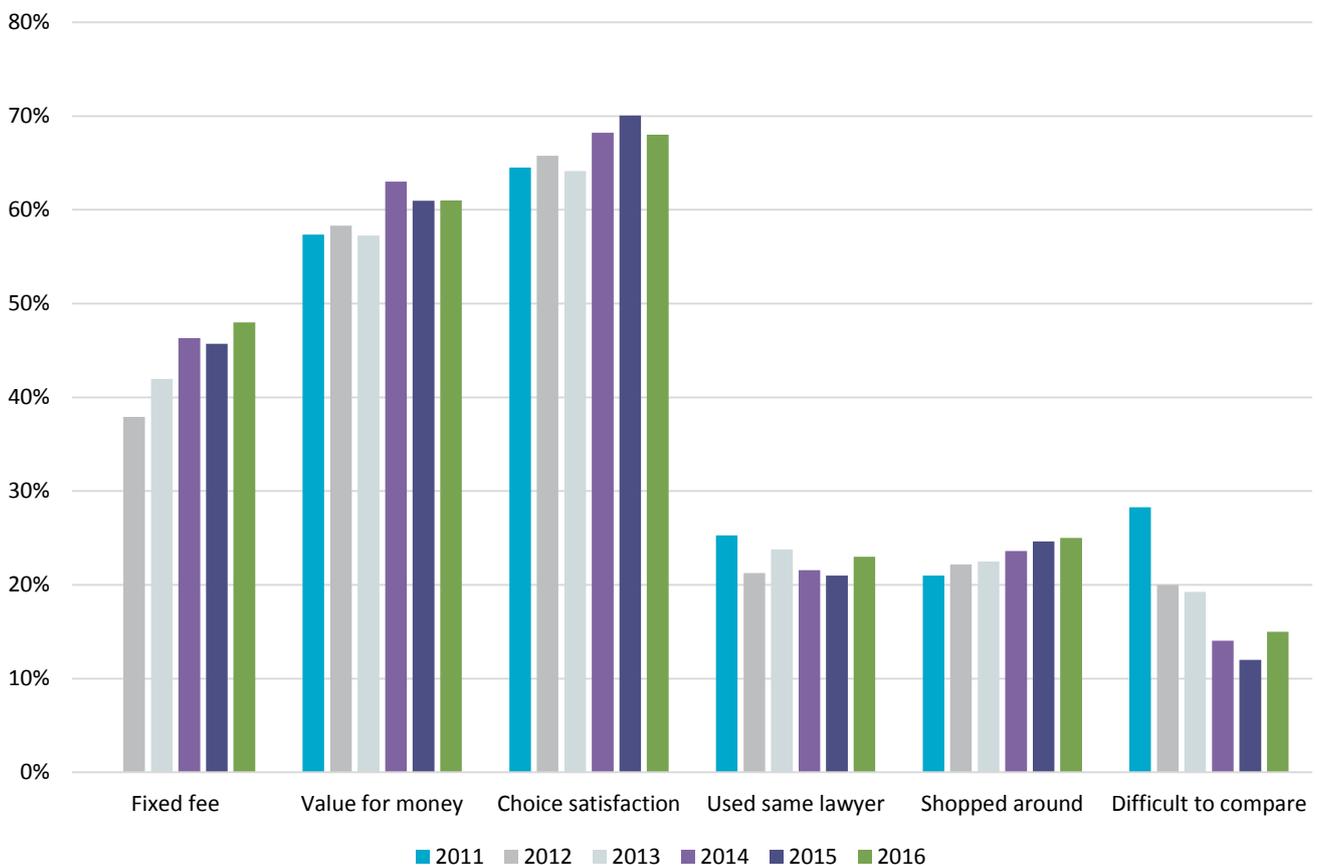
This year's data shows continuing signs of slow but steady improvement for those consumers who are empowered, however there remains a gap in knowledge, confidence and satisfaction between these and other consumers.

Consumers who are actively engaged are increasingly satisfied with the choice on offer to them, although there are differences depending on service type. They found more choice in will-writing (84%), conveyancing (79%), and family matters (71%) than in tax or benefit appeals (48%), criminal charges (48%) and personal injury (48%). Unsurprisingly, those who shopped around felt they had more choice than those who did not (84% against 65% respectively).

The overarching trend appears to be that people are finding it easier to shop around, and less difficult to compare providers, although there have been slight decreases this year when compared with the last. While it is encouraging to see more the trend for shopping around going up, the overall numbers remain low at just one in four consumers shopping for a provider. Use of the same lawyer across different transactions is also holding firm.

The use of fixed fee arrangements is also continuing to increase, and hourly billing has continued to decrease in the last 4 years to just 7% (2012: 11%).

Value for money remains at 2015 levels (61%), with the highest scores seen in will-writing (73%) and tax and benefits appeals (70%), and lower scores in probate and conveyancing (55% in both). This represents a sharp drop for conveyancing (2015: 66%).

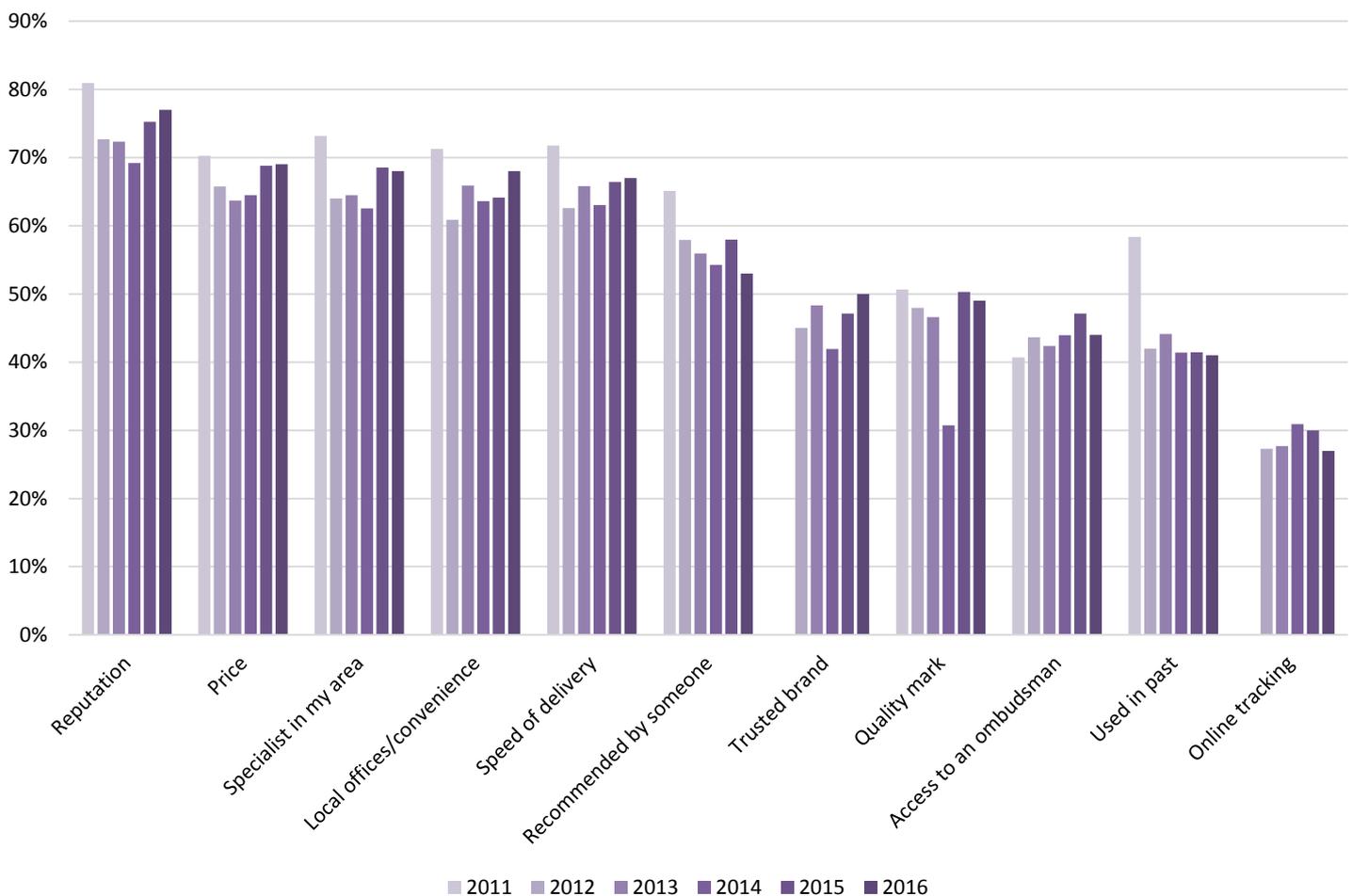


## Choice factors

Understanding what drives consumer decision making is critical for both providers and regulators. Consumers value staff competence and their ability to fulfil promises, as well as helpfulness.<sup>1</sup> So it is not surprising to see that reputation has been and remains a key factor when deciding which legal services provider to choose.

However, price is equally as important as reputation in some areas of law. For example in conveyancing and immigration, price was as important (81% and 74% respectively) as reputation (82% and 74% respectively). But price is ultimately one of many crucial factors: specialism, local offices and speed of delivery are all near or on par. It is unsurprising to see an increase in the use of fixed fees (see next page) when price is so highly considered, as consumers need to be able to manage their budget.

Specialism is also highly sought after in the more contentious areas of law, particularly immigration, where 100% of respondents felt this was important. However, we do not ask how consumers satisfy themselves that their provider is a specialist.



<sup>1</sup> UK Customer Satisfaction Index 2016, The Institute of Customer Service

## Charging methods

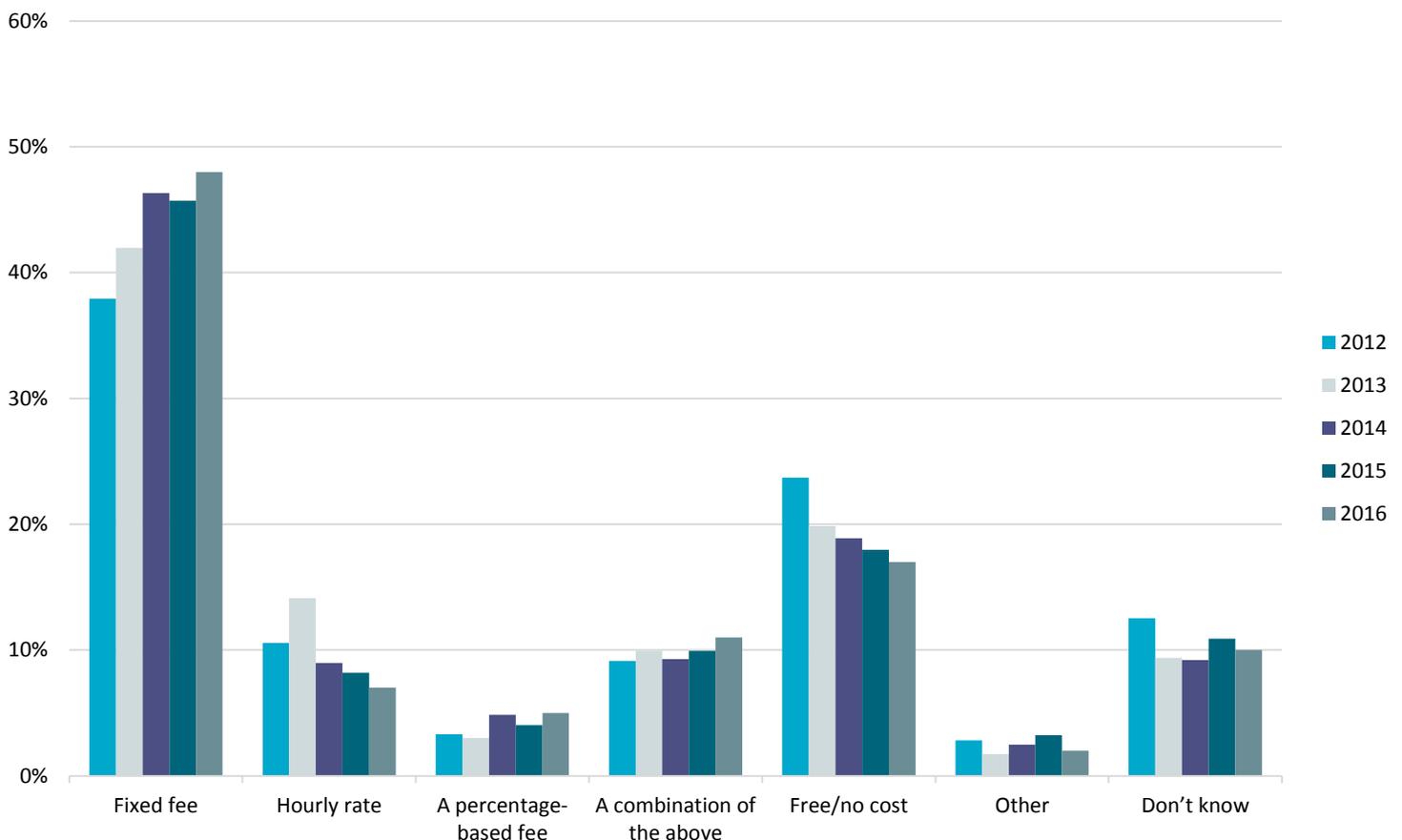
The popularity of fixed fees continues and is seen increasingly in areas such as will-writing, power of attorney and conveyancing. This is a key development and one which we have tracked closely; a fixed fee enables consumers to compare much more easily, and is an indicator of improved competition in the market.

Fixed fees gives consumers a clear idea of what a service is likely to cost and enables them to make an informed decision. A recent study by the Legal Services Board and the Law Society shows that consumers' perception of high cost is a barrier to accessing legal advice. 10% of people with a legal problem choose to deal with it themselves because they felt it would cost too much.<sup>2</sup>

Of those who felt costs would be too high, 30% actively looked for prices online. However, we know that only a minority of providers actually publish prices (17%).<sup>3</sup> The ability to shop around based on price, an important choice factor, is therefore still limited at the moment by a basic lack of readily available information.

The use of free services remains on a downward trend, a worrying sign particularly given that these are more frequently used by BME groups (15%) than those from a white background (7%). They are also more frequently relied upon by younger users, 18-24 year olds (20%) than those likely to be nearing or post retirement, 55 years and over (8%).

Our data shows that 66% of consumers surveyed paid for it themselves, which is a 10% increase since 2012.



<sup>2</sup> Individual Legal Needs Survey, Legal Services Board, 2016

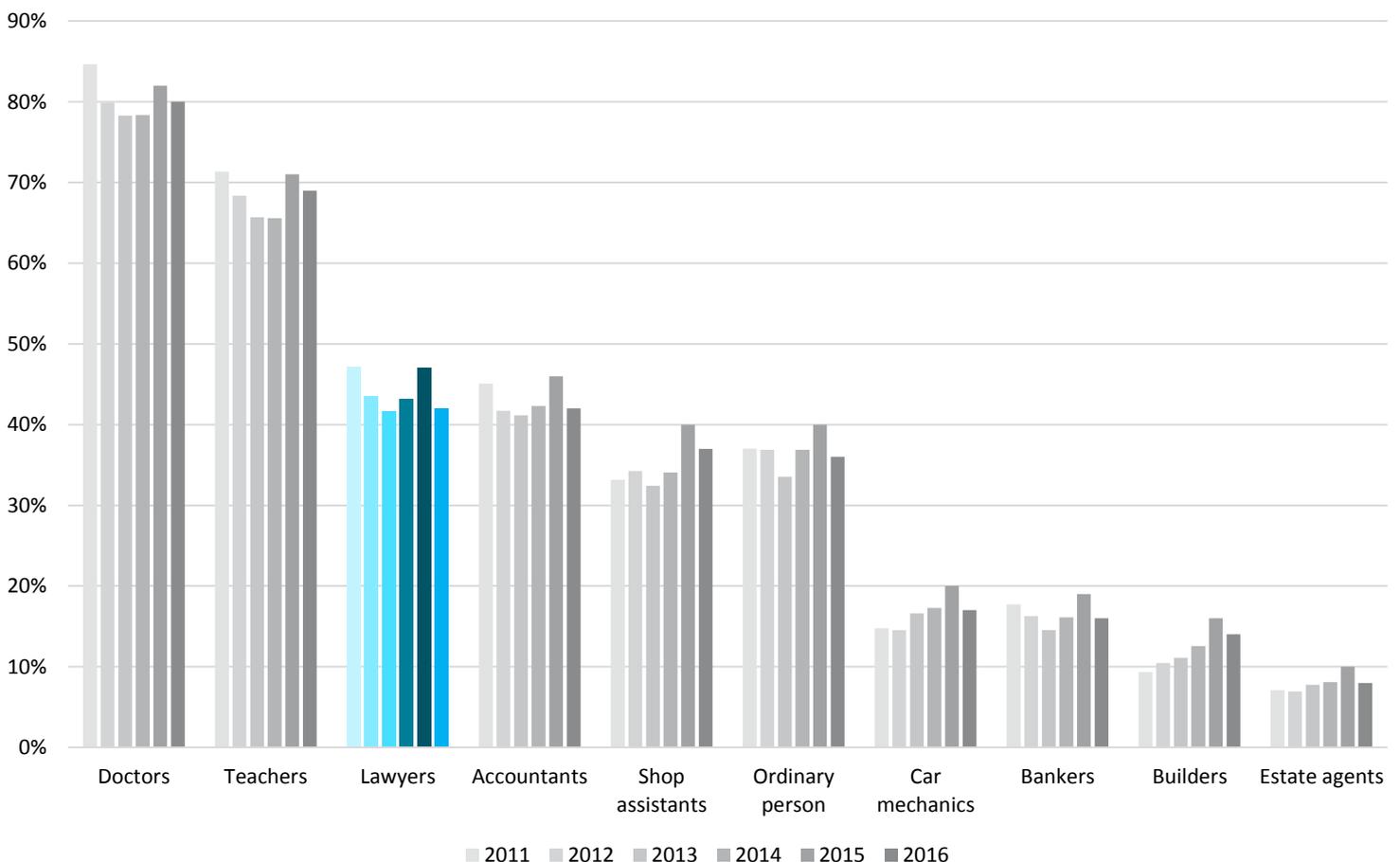
<sup>3</sup> Prices of Individual Consumer Legal Services, Legal Services Board, 2016

## Trust trends

Over the last six years trust in lawyers has declined, going from 47% in 2011 to 42% in 2016. We look at a number of factors to give us a sense of public confidence: trust, asking whether or not consumers feel their rights are protected when using a lawyer, and their confidence in complaining about a lawyer. All of these can be factors in why consumers choose not to use a lawyer to handle a legal issue.

We can look at previous experiences to see if they have an impact on these measures. Those who have used a legal service before are more likely to trust lawyers (46%) than those who have not (41%). But there is a persistent trend of lower levels of trust and confidence among BME groups, with only 37% trusting lawyers to tell the truth against 47% of white British. This figure drops further still with Indian (29%) and Black African (30%) having the lowest levels of trust within the BME group. Looking at confidence that consumer rights are protected when dealing with lawyers, the BME group have less confidence in their rights being protected (41%) than those from a white background (49%). This gap had begun to narrow in 2014 but in the last two years has slowly grown again.

Confidence that consumer rights are protected when dealing with lawyers overall remains similar to 2013 and 2014 levels at 46%. Of those who had used a legal service in the last two years, 52% are confident that their rights are protected, compared to 44% of those who have not used a legal service. Of those who have represented themselves in court, 35% have confidence compared to 48% of those who had representation in court.



## Types of firm

We ask consumers who used a solicitor what type of law firm they chose to use. It should be acknowledged that respondents may not accurately identify the type of firm consistently or correctly, so these results offer indicative findings only.

Local firms remain the popular option, which is perhaps understandable when consumers rely on recommendations of friends and family when making decisions, as well as the prevalence of face to face advice. Last year we identified a rise in the use of national brands and large corporate firms within personal injury; this seems to have held true this year, and likely reflects consolidation in the market.

There were no significant differences in choice between social grades, and variations by age remain similar to previous waves of this research: older users tend to prefer small local firms, whereas younger users are more likely to have used a national brand or a large corporate firm. Those from the BME group were less likely to have used a small local firm than those from a white British background.

