



Regulation that supports lawtech and protects consumers

Tuesday, 9 July 2019, 14:00 to 16:00

Floor 13, Conference Room

One Kemble Street

London, WC2B 4AN

Agenda

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|---|---------------|
| 1. Welcome and introduction | 14.00 - 14.10 |
| <i>Sarah Chambers, LSCP Chair</i> | |
| 2. Introductory presentations | |
| Lawtech and access to justice; opportunities and limitations | 14.10 - 14.25 |
| <i>Roger Smith OBE, Professor of law at South Bank University</i> | |
| How can regulation promote and enhance lawtech? | 14.25 - 14.40 |
| <i>Alison Hook, Head of Regulatory Affairs at HookTangaza</i> | |
| Regulatory engagement and issues | 14.40 - 14.55 |
| <i>Nicole Sandler, Vice President Regulatory Policy at Barclays</i> | |
| Questions and Answers | 14.55 - 15.10 |

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| 3. Plenary session and discussion | 15.10 - 15.50 |
| <i>Sarah Chambers, LSCP Chair</i> | |
| 4. Next Steps | 15.50 – 16.00 |
| <i>Sarah Chambers, LSCP Chair</i> | |

Legal Services Consumer Panel

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Summary

Background to the roundtable event

- The legal services market has experienced an increase in the use of technology in the delivery of services over the past years. These technological innovations have the potential to lead to new and more responsive legal services from improved access, positive consumer outcomes and competition, to increased profitability for businesses. However, technological innovation can also raise a number of risks for consumers, legal service providers and regulators.
- In May 2019, the Legal Services Consumer Panel published a discussion paper on lawtech. The paper outlined how regulation could enhance and promote lawtech, while protecting consumers.
- Following the discussion paper, the Panel hosted a roundtable with cross-sectoral experts, legal regulators and service providers. The roundtable aimed to provide an avenue for learning and sharing ideas about what might be effective in the legal sector.

Keys points raised by the speakers

The presenters drew on their expertise from dealing and/or engaging with lawtech, fintech and international comparisons. The speakers made the following key points:

- The development of lawtech/AI is plugging in the access to justice gap, however it is at infancy stage. The UK is lightly regulated compared to other legal jurisdictions when it comes to lawtech.
- There is a potential for digital exclusion which regulators must be alive to, 20% of consumers might not be able to access lawtech services.
- Regulators and service providers should find better ways to understand the risk of lawtech services.
- Lawtech is driven by statistics and data; regulators should therefore consider ways to improve access to data and its quality and transparency.
- There is an investment challenge facing consumer-facing lawtech services, because not so much funding is diverted towards it.
- Lawyers need to re-engineer practice, they should come at it from the consumer's point of view and lawtech can enable a consumer approach.

- Enabling innovation requires removing barriers, creating safe environments for tech development, more sophisticated risk analysis, not treating it as a purely legal problem.
- Doing nothing as a regulator is not a neutral position, but it is a position of inaction that could enhance risks. Instead regulators should take a position that will mitigate risks [for consumers].
- Drawing on the experience of the Financial Conduct Authority, innovation sandboxes have mostly enabled regulators to understand what they need to regulate and how.
- The challenge is to find a framework for sharing data that is holistic and starts with the consumer owning the data, letting organisations use it. Technology does not understand borders.

Points made during the wider roundtable discussion

- Fintech seems to be more advanced than lawtech for various reasons; it is currently considerably more accessible and frequently used than lawtech. This allows for more innovation emanating from market disruptors.
- Consumer support through use of plain language and segmentation is important. There are differences, for example, in how younger and older people might use lawtech services, as well as the risks they may be prepared to take.
- Alison Hook recommended that regulators should:
 - Start a dialogue with tech businesses that have an interest in the part of the sector the regulator operates in, or with legal service providers using tech.
 - Build up internal knowledge and understanding of lawtech
 - Think about data. Where it lies and how it can be made available to others.
 - Develop technology strategies - understand the challenges specific to regulated sectors and what might concern regulators most in relation to the deployment of technology? (e.g. where is the greatest consumer risk?). Set a re-engineering challenge for the industry to rise to.
- A number of attendees agreed that regulators should play a more active role by working together, engaging with other sectors and jurisdictions. And crucially, discussing and learning from law tech providers.
- Regulators could improve consumers' trust in lawtech services by providing guidance to service providers on issues such as mitigating the risks, using plain language and explaining where liabilities lie when things go wrong.
- It was agreed that the Regulators Forum meetings should be used by regulators to share regular updates, and seek to collaborate on lawtech; and that the Legal Choices website could be a vehicle for informing consumers about risks and opportunities of lawtech.

Next steps

- The Panel referred to the 9 points made in its discussion paper and encouraged the regulators to actively consider and use them.
- The Panel also recommended that regulators should play an active role by coming together and collaborating to build a coordinated strategy on lawtech.

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List of attendees

Organisation	Attendance
LSCP	Chair
Hook Tangaza	Speaker
South Bank University	Speaker
Barclays	Speaker
SRA	Attendee
BSB	Attendee
CLC	Attendee
CILEx Regulation	Attendee
LSB	Attendee
LSCP	Attendee
The Law Society	Attendee
Bar Council	Attendee
Financial Services Consumer Panel	Attendee
University College London	Attendee
Teal Legal	Attendee
IPReg	Attendee
Eagle Labs	Attendee
Barclays Legal	Attendee
WLPF	Attendee
Law Gazette	Attendee