

Attention: Peter James
ICAEW
Chartered Accountants' Hall
Moorgate Place
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EC2R 6EA



Sent by email only to peter.james@icaew.com

13 September 2021

Dear Mr James,

ICAEW Consultation: Mandating transparency disclosures through regulation

The Legal Services Consumer Panel (Panel) welcomes the opportunity to respond to ICAEW's consultation on its transparency measures. The ICAEW proposes to address the failings of its voluntary approach by mandating for price and service transparency. The Panel fully supports this approach.

However, the Panel notes that the consultation document does not address the need for collating and publishing information on quality indicators. This is essential for the efficacy of price transparency. We hope that ICAEW gives this area urgent consideration.

Background and evidence of need

In its assessment of the legal services market, the Competition and Markets Authority (CMA) found that competition is not working well for consumers of legal services¹. To address the deficiencies it found, the CMA proposed several information remedies designed to empower consumers to shop around and make informed decisions. The need for information both on pricing and quality indicators were particularly highlighted.

Analysis of our annual tracker survey for 2021² shows that although 30% of legal services consumers shop around, this is even less among those who procure probate services, only 19% of whom shop around. This suggests that there is even more of a need for targeted action for regulators of probate services such as ICAEW.

It is also important to note that over the past two years, the most used legal services by consumers have been conveyancing (28%), will writing (20%) and power of attorney and probate (19%). This again bolsters the argument for ensuring that these sectors operate as efficiently as possible, and in consumers' interest.

¹ CMA, Legal Services Market Study, Final Report, December 2016.

² LSCP, Tracker Survey, 2021.

Our annual tracker survey shows that the overall use of fixed-fee arrangements is at its highest level since tracking began in 2012. We also know that the use of fixed fee arrangements is highest for services related to will writing and power of attorney. This shows that consumers will respond positively to predictability in price. The need for predictability reinforces the need for price transparency to facilitate consumer choice, and to promote fair competition in the sector.

Against this backdrop, we are supportive of the ICAEW's proposals to mandate for transparency.

Quality and service information

The consultation document has not addressed the need for quality indicators. There is no real information around developing or publishing quality proxies, even though the CMA, the Panel, and most recently the Legal Services Board have highlighted the need for quality information to sit alongside pricing information. Given that price and quality information are interdependent, the Panel would have liked to see this area explored in the consultation document.

The CMA recommended that regulators should ask firms to publish a description of the services they provide on their websites. This information should include details of the different staff who deliver services, a timeline showing when key stages of the work will be completed, and any factors that could affect these requirements.

The CMA envisaged that this information would help consumers to assess and compare what different firms offer.

We welcome ICAEW's proposal to set minimum standards on the following:

- a clear, brief description of the relevant services
- a brief description of any key stages of the services
- indicative timescales and any affecting factors, if possible.

However, we also think there should be information about the different staff that will deliver the services sought. This should, as a minimum, include the experience and qualifications of the staff that carry out the work and their supervisors.

The ICAEW's is moving in the right direction, but we will reiterate that pricing without quality indicators will continue to hamper consumers' decision making. Therefore, we hope to see in the nearest future, progress on tangible quality indicators.

The Panel remains committed to this important area. Please contact Lola Bello, Consumer Panel Manager, (Lola.Bello@legalservicesconsumerpanel.org.uk) with any questions pertaining to this response.

Yours sincerely,



Sarah Chambers
Chair, Legal Services Consumer Panel