



Council for Licensed Conveyancers
WeWork
131 Finsbury Pavement
London EC2A 1NT

Sent by email only to consultations@clc-uk.org

25 February 2022

Dear Sir/Madam,

Re: Professional Indemnity Insurance Arrangements

The Legal Services Consumer Panel (Panel) welcomes the opportunity to respond to the Council for Licensed Conveyancers (CLC) consultation on Professional Indemnity Insurance (PII) arrangements.

The Panel is in broad agreement with the analysis in the CLC's consultation, and we support the preferred options proposed.

The Panel would have liked to see more data on the existing claims for Professional Indemnity Insurance and the Compensation Fund. Nevertheless, we are pleased that the CLC has carefully considered the consumer protection issues and favoured options that would not unjustifiably reduce consumer protection.

The Panel strongly supports mandatory stand-alone cyber insurance. We note that some PII insurers already require their insureds to take out stand-alone cyber insurance, to cover costs of restoration etc. The CLC rightly notes that cyber incidents present patent risks to clients. We also agree that cyber risks are evolving and are likely to become more sophisticated, complex and proliferate. As such, we believe that the regulator should intervene robustly, by being prescriptive, in the interest of both providers and clients.

Regulatory intervention is more likely to be effective than relying on all insurance companies to eventually require stand-alone insurance. Intervention will ensure that consumers are consistently protected across CLC regulated firms, without unnecessary gaps or delays. Moreover, mandating for stand-alone cyber protection is likely to concentrate the minds of providers to mitigate against risks. Finally, we note that in areas where there are likely to be large sums of money in circulation, eg. conveyancing and some types of probate, there is a higher risk of cyber

incidents and arguably a greater obligation on the regulators in this space to intervene robustly.

The Panel is keen to remain in dialogue on these matters.

Should you have any questions pertaining to this response, please contact Lola Bello, Consumer Panel Manager, (Lola.bello@legalservicesconsumerpanel.org.uk).

Yours sincerely,

A handwritten signature in black ink that reads "S Chambers". The signature is written in a cursive, flowing style.

Sarah Chambers
Chair
Legal Services Consumer Panel