Sent by email only to ftc@sra.org.uk

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Changing our requirements on first-tier complaints

The Legal Services Consumer Panel welcomes the opportunity to respond to this supplementary consultation. The Panel has consistently called for reform in how legal service providers handle complaints at the first point of contact, and we welcomed the SRA's 2025 consultation as an important opportunity to rethink existing systems and introduce more robust, consumer centred measures. This supplementary consultation, focused on how firms communicate with clients once a complaint has been raised, addresses a gap the Panel has repeatedly identified: that consumer confidence depends as much on how a complaint is handled as on the outcome it produces.

Our response draws on the Panel's Tracker Survey, our August 2025 response to the SRA's first tier complaints consultation[1], our position paper A Regulatory Framework for the Future, and our engagement with the Legal Ombudsman and other regulators on complaints handling. We have also drawn comparisons with the Financial Conduct Authority's Dispute Resolution: Complaints sourcebook (DISP)[2], which has for many years required firms in a much larger and more diverse regulated population to meet equivalent communication milestones. We consider this a helpful precedent for the proportionality and feasibility of the SRA's proposals.

There is an important point the Panel wishes to make at the outset. The Panel's Tracker Survey shows steady improvement in headline satisfaction, with 90 per cent of consumers satisfied with the service they received from their legal services provider in 2026 and 91 per cent satisfied with the outcome of their matter[3]. Despite this, the same survey found that only half of consumers (50 per cent) said they would know how to go about making a complaint if they were dissatisfied, and that 40 per cent of dissatisfied consumers took no action at all, a notable shift from previous years[4]. This means that half of all consumers cannot be confident they know how to exercise their right to complain, and a growing share of those with a genuine grievance are not raising it anywhere. The Legal Ombudsman's own data reinforces these concerns: in the first three quarters of 2025 to 26, it found that complaints handling had been poor in 46 per cent of the complaints it investigated[5]. First tier complaints to firms rose to more than 41,000 in 2025, the highest figure since data collection began in 2012 and an 11 per cent increase on 2024, while the proportion resolved at first tier fell slightly, from 82 per cent in 2024 to 80 per cent in 2025[6]. Against this backdrop, the Panel considers the proposals in this consultation to be necessary, proportionate and overdue.

Question 1

Do you agree with our proposal to add a new requirement that, when a complaint is first notified, clients are provided with a timeline for resolution of their complaint? Please give reasons for your answer.

Yes, the Panel strongly agrees. Consumers who complain are often anxious and uncertain, and the Panel's Tracker Survey has repeatedly found large numbers of consumers who do not know how the complaints process works. Restating the timeline at the point a complaint is first notified, rather than relying on information given at the outset of the retainer that a dissatisfied client may not recall, directly addresses this. Research carried out for the Legal Services Board found that consumers consider it important to be given a timeframe for resolution when they first raise a concern[7]. This also benefits providers: reducing a complainant's anxiety and uncertainty is likely to increase the provider's own ability to resolve the complaint successfully at first tier.

This proposal also has a well-established precedent in a comparable regulated sector. Under the Financial Conduct Authority's Dispute Resolution: Complaints sourcebook (DISP), firms handling financial services complaints are required, within four weeks of receipt, to send either a final response or a holding response that explains why the complaint is not yet resolved and indicates when further contact will follow. Firms are further expected, by the end of eight weeks, to send a final response or to explain why they cannot yet do so, and if they have not resolved the complaint by that point the complainant gains the right to refer it to the Financial Ombudsman Service regardless[8]. That twin communication milestone operates across a substantially larger and more varied population of regulated firms than the SRA regulates, which demonstrates that requiring an early, explicit timeline commitment at the point a complaint is raised is both operationally deliverable and proportionate. The Panel does not consider that restating an existing eight-week expectation at the point of complaint imposes any material new burden on firms, since the information itself is already required to be available. For this to be meaningful in practice, particularly for neurodiverse consumers, for whom vagueness can itself increase anxiety, firms should state the date on which the complaint was received and the specific date the eight week point falls, rather than referring only to a duration.

Question 2

Do you agree with our proposal to add a new requirement that clients are given regular updates on the progress of their complaint? Please give reasons for your answer.

Yes, the Panel agrees, subject to the requirement being framed so that updates are substantive rather than administrative. The SRA's thematic review found examples of solicitors using defensive or dismissive language when clients complained, and the Legal Ombudsman's finding that 46 per cent of investigated complaints involved poor handling suggests that silence, or communication that reads as procedural rather than genuine, is a significant driver of consumer dissatisfaction and escalation to second tier. Regular updates that demonstrate proactivity, and that explain any delay or need for further information as it arises, will provide the reassurance the Panel's research shows consumers want.

The Panel supports the flexibility the consultation paper describes, in which the frequency and channel of updates can be agreed with the client rather than fixed centrally. In 2023, the Panel's Tracker Survey found email to be the most preferred channel for progress updates, but firms should not treat this as a default that overrides an individual client's stated preference or accessibility needs. We would encourage the SRA's guidance to set a minimum content standard for what an update must contain (current status, any change to the expected timeline, and what if anything the client needs to do) so that the requirement cannot be satisfied by a token message with no real information. The guidance should also be clear about what should trigger an update, for example a delay to the expected timeline, and should confirm that an update needs to explain the reason for any delay, the revised timeline, and anything the client is required to do, so that the requirement does not become a token or box ticking exercise. We would also caution that this requirement should be proportionate to complexity: a straightforward complaint resolved within days does not need the same cadence of updates as a complex, long running matter, and the guidance should make this distinction explicit so that firms do not treat frequent updates as a compliance exercise divorced from genuine engagement with the client.

Question 3

What are your views on our draft Complaints Handling Requirements Statement?

The Panel supports the principle of consolidating requirements that currently sit across the Codes of Conduct, the Transparency Rules and the LSB's Section 112 Requirements into a single statement. The SRA's own thematic review found that only one of the firms interviewed used the LSB's full definition of a complaint, with a further eleven of the twenty-five firms interviewed describing it instead as a judgment call, and that firms specifically asked for further guidance on this point[9]. A single, clearly signposted statement should reduce this kind of inconsistency and make it easier for both firms and consumers to understand what is required.

The Panel would also encourage the SRA to align the Statement and accompanying guidance closely with the Legal Ombudsman's Model Complaints Resolution Procedure, published in final form on 29 July 2026. The MCRP sets out a deliberately simple two stage framework that has already been piloted with firms and offers a practical example of how complaints requirements can be made easy to navigate, rather than risk creating an additional overlapping layer of requirements.

The Panel would also encourage the SRA to structure the Statement more closely around the practical steps a firm needs to take, for example: what counts as a complaint; what to do when a complaint is received; what to do while handling it; how to resolve or escalate it; and what to record and learn from it. The current draft remains repetitive and difficult to navigate, for example the definition of a complaint does not appear until page two, and a clearer, step-based structure would make the Statement easier for firms to use in practice.

We would ask the SRA to consider two points when finalising the Statement. First, that it be usability tested with firms, particularly smaller firms and those actually handling complaints day to day, given that the Statement is primarily a compliance tool for firms rather than a consumer facing document. The Panel returns to the question of consumer testing of firms' own complaints materials below. Second, that the Statement include a clear, visible statement of consequences for non-compliance. Given the scale of the issues identified in the thematic review and by the Legal Ombudsman, the Panel considers that a statement that reads only as good practice, without also making clear that these are enforceable requirements, risks being treated as guidance rather than as the mandatory framework it is intended to be.

Question 4

Are there any other areas you would find helpful for the guidance to cover?

The areas proposed cover the ground the Panel would expect. We would suggest the following additions.

- Worked examples of realistic timelines for complaints of differing complexity, including case studies, so firms have a practical benchmark rather than only the eight-week outer limit.
- Specific examples covering neurodiverse clients and clients with limited English proficiency or digital exclusion, given the Panel's Tracker Survey findings that a substantial minority of consumers do not know how to complain and given that some of these consumers will find standard written updates harder to act on.
- Guidance on how firms should support consumers who have a family member, carer or other advocate acting on their behalf, so that the guidance is not written only for a consumer engaging with a firm directly.
- Guidance on how firms should handle complaints that touch on referral arrangements or claims management involvement, an area the Panel has raised previously in relation to high volume consumer claims, where responsibility for a complaint can be unclear to the client.
- Clear alignment between the SRA's guidance and the Legal Ombudsman's own reforms, given that LeO's consultation on its Scheme Rules and differentiated case fees is running in parallel and proposes additional charges for firms that have not provided a final response at first tier[10]. Firms should not receive inconsistent signals from the two bodies about what good first tier handling looks like.
- Guidance on what firms should tell consumers when a complaint appears to involve both a service issue and a possible conduct concern, so that consumers are not passed between the firm, the Legal Ombudsman and the SRA, while making clear that the firm must continue to address any service element of the complaint that falls within its own responsibility.

We also encourage the SRA to embed behavioural science and inclusive design principles into the development of the guidance.

Question 5

Do you have any comments on the regulatory impact of our proposals on first-tier complaints? Please include any supporting evidence where you can.

The Panel considers the regulatory impact of these proposals to be modest relative to the harm they address. The SRA's own survey evidence for its 2025 consultation found that 96 per cent of firms already meet the existing requirement to share information with clients about how to complain at the outset of a matter[11], and the two new requirements build on that same communication touchpoint. Restating a timeline and providing updates are process disciplines that build on infrastructure firms already have, rather than new systems firms must build from nothing. These proposals should be seen alongside a wider need for a cultural shift within firms toward welcoming complaints, since the Panel's evidence suggests that non take up is linked in part to a perceived power imbalance between consumers and their legal services provider, not only to administrative process.

Against this modest incremental cost, the Panel would weigh the cost of inaction. First tier complaints rose 11 per cent in a single year to over 41,000, the proportion resolved at first tier fell, and the Legal Ombudsman is forecasting a 174 per cent increase in second tier complaints since 2019 to 20[12], alongside its own finding that handling was poor in 46 per cent of the complaints it investigated. Poorly managed first tier complaints that escalate unnecessarily to LeO carry a cost to firms in the form of case fees, and a cost to the wider system in the form of LeO capacity, which is itself why LeO is now consulting on charging firms an additional fee where no final response was given at first tier. Better communication at first tier of the kind proposed here, should reduce avoidable escalation and therefore reduce cost over time, not only for consumers but for firms and for LeO.

We would also point to the Financial Conduct Authority's experience as evidence of proportionality. Firms across financial services, a sector considerably larger and more varied than the solicitors' profession the SRA regulates, have operated under the equivalent four week and eight-week communication milestones in the FCA's Dispute Resolution: Complaints sourcebook (DISP) for a long time[13] without this being regarded as disproportionate regulatory burden. We do not consider that solicitors and firms face materially different practical constraints in meeting a comparable standard.

Question 6

Do you have any comments on our draft equality impact assessment? Please include any supporting evidence where you can.

The Panel welcomes the draft equality impact assessment and encourages the SRA to work closely with equality stakeholders to explore how these new communication requirements can better serve marginalised groups. In particular, we would ask the SRA to consider the following in finalising the assessment.

- Channel flexibility. In 2023, the Panel's Tracker Survey[14] found email to be the most preferred channel for updates overall, but this should not be assumed for consumers who are digitally excluded, and the assessment should consider clients who need updates in an alternative format or a non-digital channel.

- Neurodiverse clients, and clients with cognitive or communication needs, for whom predictable, plain and unambiguous updates are particularly important, and for whom an update that is vague about next steps may cause disproportionate anxiety.
- Language and literacy, including the needs of clients with limited English proficiency, consistent with the Panel's long-standing position that complaints information is of little practical use if consumers cannot find or interpret it easily.

We would also ask the SRA to commit to monitoring and evaluating the equalities impact of these requirements once implemented, rather than treating the current assessment as a final position, so that any unintended barriers can be identified and addressed.

Question 7

Do you have any further comments relating to our work on first-tier complaints that you would like to share with us?

The Panel supports this package of proposals as a proportionate and evidence based next step and encourages the SRA to proceed. We would highlight the following points.

- These proposals address how firms communicate once a complaint has already been raised. They do not address the prior barrier the Panel's evidence consistently identifies that half of consumers do not know how to complain in the first place. The Panel would welcome the SRA continuing to consider, alongside this work, how information about the right to complain is made more prominent before a client ever reaches the point of dissatisfaction, not only once they raise a concern.
- The Panel encourages the SRA to ensure the final guidance and Complaints Handling Requirements Statement are usability tested with firms, particularly smaller firms and those directly handling complaints, and that the consumer facing complaints procedures and communications firms produce as a result are separately tested with consumers, including consumers who have been through the first tier and second tier process.
- Given that data on complaints volumes and resolution is already collected and will be developed further, the Panel would welcome this data being published in a form that is genuinely useful and comparable for consumers choosing between providers, consistent with the Panel's broader work on transparency in legal services.
- Clarity on whether firms will be expected to evidence that they gave complainants a timeline and subsequent updates in practice, and how the SRA intends to monitor adherence to these requirements, since without this the new requirements risk being applied inconsistently.
- A commitment now from the SRA to assess the impact of these changes within 12 months of implementation, against a small set of consumer outcome measures such as first tier resolution rates, time taken to resolve complaints,

rates of escalation to the Legal Ombudsman, and findings of poor first tier handling, so that implementation is not treated as the end point.

The Panel would be glad to discuss any aspect of this response further. Should you have any questions pertaining to this consultation response, please contact Lola Bello, Head, Consumer Panel at lola.bello@legalservicesconsumerpanel.org.uk

Yours sincerely,

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