

Not to be used before 00:01 hours, 25 November 2013

Consumer Panel publishes first independent benchmarking report into Legal Ombudsman's complaints handling performance

The Legal Services Consumer Panel has carried out a study to benchmark the complaints handling performance of the Legal Ombudsman against nine other consumer redress schemes.

Carried out at the request of the Legal Services Board, the assessment, being published today, focused on four areas and found:

- Caseload – a relatively low proportion of contacts to the Legal Ombudsman become investigations for a range of reasons: premature complaints, complaints which are outside of the scheme's jurisdiction and consumer confusion about who to complain to. However, these issues are largely outside the Legal Ombudsman's control
- Timeliness – the Legal Ombudsman compares well to its peers on case resolution times and complainant satisfaction with timeliness. 39% of cases lead to final Ombudsman decisions, which contributes to extending decision times. While there are efforts to reduce this number, this needs to be balanced against the need to respect people's wishes should they want a full investigation and the outcome detailed in writing
- Quality – complainant perceptions of fairness are relatively high, especially bearing in mind the Legal Ombudsman upholds fewer complaints than some other schemes. Less positively, in 70% of cases where an ombudsman made a decision, the complainant rejected it. The Legal Ombudsman is less likely to be recommended by complainants than in other schemes, while it also receives a relatively high proportion of complaints about its own service. However, its lower uphold rate is likely to be a factor in these figures
- Cost – the Legal Ombudsman's unit cost of £2,168 is higher than comparable schemes. Factors such as the complexity of its caseload and having more ombudsman decisions help to explain why legal services complaints are costly to deal with, but in the Panel's view the service's current unit cost has implications for plans to widen its jurisdiction. The Panel is aware that the Legal Ombudsman is taking steps to reduce its unit cost

In addition to assessing the Legal Ombudsman's performance compared to other consumer redress schemes, the Panel's report offers wider reflections on the future of consumer redress. This comes in light of forthcoming changes to the law that will extend access for consumers to out-of-court mechanisms for resolving disputes with businesses across the economy.

Elisabeth Davies, Chair of the Legal Services Consumer Panel, said:

"The Legal Ombudsman provides a vital safety net that helps consumers to use a lawyer with confidence. Many consumers are nervous about using legal services and think law firms will not consider their complaint properly, so people need to know whether the Legal Ombudsman is resolving complaints fairly and effectively.

"Since consumers end up paying for the cost of regulation we want to see the Legal Ombudsman's unit cost - currently over £2,000 per case - come down significantly. At the same time as making its current service more efficient, this would be necessary for the viability of a voluntary scheme for unregulated lawyers. Options for handling complaints in a different and far cheaper way therefore need to be seriously explored, enabling many more legal services consumers to access redress.

"The overall picture is that of a relatively new scheme seeking to improve the service it provides as complaint patterns settle down. Given recent history it is positive that complaint backlogs which beset the previous regime have been avoided. Clearly there is still scope to learn and improve and we hope this report will be a useful resource for the Legal Ombudsman and others."

-ends-

For more information, contact Steve Brooker, Consumer Panel Manager, on 020 7271 0077.

Notes to editors

1. The Legal Services Consumer Panel was established under the Legal Services Act 2007 to provide independent advice to the Legal Services Board about the interests of consumers of legal services in England and Wales. We investigate issues that affect consumers and use this information to influence decisions about the regulation of legal services.
2. The Panel's report is here:
http://www.legalservicesconsumerpanel.org.uk/publications/research_and_reports/index.html
3. The nine other schemes included in the study were:
 - Financial Ombudsman Service
 - Ombudsman Services
 - Office of the Independent Adjudicator
 - Pensions Ombudsman
 - The Property Ombudsman
 - Prisons and Probation Ombudsman
 - Tenancy Deposit Scheme
 - Dental Complaints Service
 - Communications and Internet Services Adjudication Scheme