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TIME TO OVERHAUL LEGAL SERVICES REGULATION – CONSUMER PANEL’S RESPONSE TO SIMPLIFICATION REVIEW

Four years of evidence of the consumer experience has demonstrated that the existing regulatory framework does not provide a sustainable model in the long term to offer consumers the best system of consumer protection or support a competitive market place. This is the Panel’s conclusion in its submission to the Ministry of Justice review.

Based on current evidence, a single independent regulator is the Panel’s preferred model to replace the current arrangements. Consumers should also have guaranteed access to the Legal Ombudsman for resolving disputes about all legal services transactions.

The Panel thinks it is the right time to *start* designing a new blueprint, recommending that the Ministry of Justice tasks the Legal Services Board with carrying out a review. This work should start right away in order to avoid uncertainty about regulation deterring new entrants.

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

“The current system isn’t delivering the outcomes consumers need, offering instead a confusing maze where consumers can find themselves at a dead end due to gaps in redress and regulation. The patchwork of regulators is an expensive duplication of effort that no-one can afford to persevere with.”

“The Legal Services Act introduced welcome competition reforms but passported in the old regulatory structures – as the market and consumer behaviour has changed, these structures now look increasingly out-of-date. They need to be replaced by a new system, delivering the required consumer outcomes and reflecting how modern consumers use legal services.”

“A single regulator, entirely independent of the profession, is most likely to give consumers confidence that regulation is protecting them, not lawyers. It could produce the simplest system to navigate for consumers, making it easier for them to know their rights and make informed choices.”

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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 submission to the Ministry of Justice is here:
http://www.legalservicesconsumerpanel.org.uk/publications/consultation_responses/index.html