

**Not to be used before 00:01 hours, 5 December 2014**

## **THIRD 'CONSUMER HEALTH CHECK' OF LEGAL SERVICES REFORMS SHOWS PROGRESS, BUT STILL MORE TO DO**

The Panel's third assessment of the impact of the Legal Services Act shows that consumers are benefiting from the competition reforms, but progress is still less than it should be in several important areas.

Taking the five sections of the report in turn, the Panel found:

- Responsive services - positive signs of consumer power driving competition and many examples of innovation following the liberalisation measures, but people still lack information on lawyers' performance to compare options
- High quality advice - the technical quality of advice remains largely unknown and this evidence gap is a major concern. Service satisfaction among consumers is unchanged and the decline in trust in lawyers has levelled off.
- A diverse workforce that serves its diverse clients - there remain significant, although slightly narrowing, gaps in trust, confidence and satisfaction with legal services between population groups. DIY law, unbundling and paralegal businesses are emerging as market solutions to improve affordability, but require choices which balance access to justice and consumer protection
- Quick, fair and cost-effective complaints handling - there is low public confidence about complaining and too many consumers choose to suffer in silence, but there are signs lawyers are getting better at handling complaints.
- Consumers placed at the heart of regulation - independence from representative bodies is strengthened but a lack of cultural independence from the workforce is seen to have held back the pace of market reforms. Consumer research by the approved regulators is still minimal. The wider regulatory architecture does not provide a sustainable model in the long term

The Consumer Impact Report is the only report that measures the direction of travel of the reform agenda from a uniquely consumer perspective. It uses a basket of indicators to measure where consumers have gained and lost out from the reforms. Five areas are assessed: whether legal services are responding to people's needs; the quality of advice; diversity; complaints-handling; and regulation. This third assessment follows two years on from the second report, and three years after our first initial benchmark of the reforms was published in 2011.

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

*“We’re really encouraged that consumers are benefiting from wider choice, shopping around more and report they’re getting better value for money than in the past. This shows the competition reforms are already making a positive difference and this is only set to continue.*

*“However, as we’ve said repeatedly, consumer power is being held back by a lack of information to compare the performance of law firms. And consumers clearly still lack the confidence to complain – this hasn’t got better over the years and we must all redouble our efforts to break down these barriers. More demanding consumers would make for a better legal services market.*

*“Despite some improvement since our last report, public confidence in the market and the consumer experience of using legal services still varies far too widely depending on social background – poorer consumers trust lawyers less, feel less protected and are less satisfied with the service they receive. Improving access to justice is the key challenge facing all of us in legal services and the reforms can’t be considered a success if some sections of society are getting left behind”.*

**-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 full report is available on our website:  
<http://www.legalservicesconsumerpanel.org.uk/ourwork/consumerwelfareindex.html>
3. Briefing notes on the Tracker Survey and the full data tables, which underpin the report, were published earlier in the year and can be found here:  
<http://www.legalservicesconsumerpanel.org.uk/ourwork/consumerwelfareindex.html>
4. Previous editions of the Consumer Impact Report can be found here:  
<http://www.legalservicesconsumerpanel.org.uk/ourwork/consumerwelfareindex.html>