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SECOND ‘CONSUMER HEALTH CHECK’ OF LEGAL SERVICES REFORMS SHOWS MAJOR CHALLENGES STILL TO BE TACKLED

The second assessment of the impact of the Legal Services Act on consumers shows some progress since the Panel’s first health check a year ago, but that major challenges remain to be tackled before the reforms can be judged a success.

Five themes are at the heart of this year’s report:

- More consumers are shopping around and benefiting from fixed fees, but consumers report that price transparency has got worse during 2011-12;
- People are less confident their consumer rights will be protected and are more likely to do nothing when dissatisfied; more positively, claims on the Compensation Fund and misconduct allegations have fallen;
- There remains a wide, although narrowing, gap in experience of using legal services across the population – lower socio-economic groups are less trusting, less confident, shop around less and are less satisfied;
- Quality issues have been the year’s dominant policy theme – there is still insufficient evidence available to consumers about the quality of advice; it’s vital to embrace radical options in the Legal Education and Training Review; and
- Most approved regulators are still failing to listen to consumers when developing their policies – only the Solicitors Regulation Authority was involved in commissioning consumer research during 2011-12.

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 second assessment follows one year on from the first report, which provided an initial benchmark of the reforms.

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

“Consumers are slowly starting to vote with their feet when choosing legal services but unclear pricing and a lack of confidence continues to hold them back. We want to see regulators help to unleash consumer power by targeting their resources on tackling bad pricing practices during 2012-13.

“As in too many other areas of life, poorer consumers and certain ethnic groups are worse off when using legal services – they trust lawyers less, are less satisfied with the service they get, and are less likely to complain. It’s particularly important in this arena that regulators work hard to reduce inequalities.

“It’s disappointing that the approved regulators are still failing to involve consumers in policy design, especially at a time when the pace of policy change is so rapid and when key decisions about regulation are being made. It’s good to see the Legal Services Board has recognised the importance of effective consumer engagement as part of its regulatory standards work, but this largely isn’t being delivered at present”.

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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/publications/research_and_reports/index.html
3. In May 2012, the Panel published new consumer research by YouGov – this has informed the Consumer Impact Report assessment. A summary of the research is available on our website, as are the full data tables.
http://www.legalservicesconsumerpanel.org.uk/publications/research_and_reports/documents/10%20Highlights.pdf
4. This Consumer Impact Report is the second of an annual exercise. The first edition was published in June 2011 and can be found here:
http://www.legalservicesconsumerpanel.org.uk/publications/research_and_reports/documents/ConsumerPanel_ConsumerImpactReport_2011.pdf.