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LAWYERS BILL CLIENTS FOR HANDLING COMPLAINTS

Shocking research released today by the Legal Services Board reveals that 16% of lawyers may be charging clients who complain about the bad service they received, in clear breach of professional rules. Further, fewer than 1 in 10 lawyers are obeying rules requiring them to tell consumers how they should complain.

The Panel is advising consumers to seek a refund from their lawyer for the cost of handling their complaint. If the lawyer refuses to give a refund, consumers should complain to the Legal Ombudsman.

The Panel is also writing to the profession's regulators demanding that they clamp down on charging for complaints and penalise rule-breakers.

Commenting on the findings, Dr Dianne Hayter, Chair of the Legal Services Consumer Panel, said:

"Today's news that so many lawyers are adding the cost of dealing with complaints to their client's bill is truly shameful. I can think of no other service industry where businesses would try this on.

"Lawyers who charge for the cost of handling a complaint are in clear breach of their professional rules and consumers should not stand for it. Anyone in this situation should demand a refund from their lawyer and take the matter to the Legal Ombudsman if they are turned away.

"It is very worrying that the vast majority of lawyers are ignoring rules requiring them to tell clients how they should complain. The profession's regulators need to send a clear signal that this isn't good enough."

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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 research was carried out for the LSB by YouGov in March-April 2011 and is available on the LSB' website.
3. Rule 2.05 (3) of the Solicitors Regulation Authority code of conduct: 'You must not charge your client for the cost of handling a complaint'.
4. The LSB signposting rule requires lawyers to inform clients at the time of engagement of how to complain, including their right to complain to the Legal Ombudsman. In the YouGov survey, 14% of all clients surveyed who engaged their lawyer after October 2010 (when the signposting rule was introduced) recall being told at the time of engagement about their lawyer's in-house complaints procedure. 8% recall being told at the time of engagement about the Legal Ombudsman. All clients surveyed were 'dissatisfied'.