



Annual report 2014

June 2014

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1 About us

Our purpose

- 1.1. The Legal Services Consumer Panel is a central feature of a regulatory framework in England and Wales which is designed to transform the legal services market around the needs of its users.
- 1.2. Created by the Legal Services Act 2007 we are an independent arm of the Legal Services Board. As a permanent, discrete champion for consumers we have an essential responsibility to ensure that regulators are able to consider and act on the user perspective, putting the consumer interest at the heart of regulation.

Our vision

- 1.3. A market where everyone can access high quality and affordable legal services that meet their needs:
 - Response services
 - High quality advice
 - A diverse workforce that understands its diverse clients
 - Quick, fair and cost-effective complaints handling
 - Consumers placed at the heart of regulation
- 1.4. Our remit is to represent the interests of the many different consumers of legal services, including small businesses and charities. A core emphasis is on the needs of vulnerable consumers.

How we work

- 1.5. The Panel provides high quality, evidenced-based advice to the Legal Services Board, in order to help them make decisions that are shaped around the needs of users.

Who we are

- 1.6. The Panel is made up of eight lay members whose appointments are approved by the Lord Chancellor. Our members' varied experience and expertise includes: charitable, private and public sectors, advice provision, trading standards and complaints handling. The Panel members are not allowed to be practising lawyers. More information about our members can be found at the end of this document.

Our approach to regulation

- 1.7. Our core challenge is finding the right balance between access to justice and consumer protection. We seek to find the right amount of regulation to enable consumers to truly benefit from open and fair markets.
- 1.8. Both too much and too little regulation harms consumers. We want to remove unnecessary restrictions that impede innovation and increase the price of legal services. Yet consumers will have the confidence to drive competition only if they think regulation will protect them, so a strong and effective consumer protection framework is also needed.

2 Foreword

Influence through partnership

- 2.1. In putting together this year's Annual Report, one overarching theme came to mind: influence through partnership. We operate in an innately adversarial environment, but as a Consumer Panel we don't need to play by those rules, and arguably we shouldn't. What's clear to me is that our greatest impact has often come about following intense and prolonged periods of dialogue.
- 2.2. Impact is not always about quick wins, as this Annual Report clearly shows. Consider the Legal Choices website that finally came to fruition this year – based on an idea conceived following a workshop on consumer engagement we held back in 2010. Look at the growing effectiveness of the Regulators' Forum – it started life at a seminar we held with regulators in 2012. And then there is the absolutely critical issue of open data. The Panel first asked the regulators to open up their professional registers in 2011. But the breakthrough, for which the Approved Regulators must be commended, came in 2014, when they agreed to put a core, usable set of data into the public domain.
- 2.3. This year has also been marked by our growing ability to craft and frame debates. Our work on fee-charging McKenzie Friends was always going to attract a range of opinions, but as three quarters of all civil and family claims now involve at least one litigant in person, it is an issue we cannot ignore. As is so often the case, we've brought evidence and data to a debate that previously relied on anecdote and assumption. This evidence-gathering approach – along with this vital area of work – will continue into 2014.
- 2.4. Influencing others through communication is an increasingly vital part of what we do and has been a contributing factor to our impact this year. We were careful to respect the legal boundaries of our remit when seeking to influence the legal aid changes, and as a result our considered communications successfully preserved the ability of those arrested for a crime to choose their lawyer.
- 2.5. Improved communications have also created new opportunities for us to work with consumer panels in other regulated sectors including civil aviation, food standards, communications and finance. It is increasingly apparent that we must see consumers of legal services in the context of the wider changes within the consumer landscape. By sharing learning and reducing duplication of effort, we will inevitably increase the overall benefit for consumers.
- 2.6. My final reflection must as ever be one of thanks. This year we said goodbye to many of our founding Panel members – Jeff Bell, Graham Corbett, Emma Harrison, Paul Munden, Neil Wightman and Karin Woodley. Their support well and truly set us in the right direction and this Annual Report is a fitting testimony to their legacy. It is also a more than fitting testimony to our Secretariat staff, Steve Brooker and Harriet Gamper. We owe so much to their skills

and commitment and so much of our impact can be attributed to the quality of their work.

- 2.7. Just as last year, our report mirrors the five consumer outcomes that make up our vision for legal services, as described in the first section of this report. If we are going to hold others to account for how they achieve these outcomes – and indeed work in partnership to deliver these outcomes - then it makes sense that we ask the same questions of ourselves. Annual Reports, though, are never as backward looking as they claim to be. This one gives a strong flavour of our 2014-15 work programme. In the coming year, we will continue to work with partners of all kinds to meet the challenge of balancing access to justice and consumer protection in a rapidly changing world for consumers.



Elisabeth Davies

Chair

10 Highlights from 2013-14

Persuading the Approved Regulators to make available a basic set of data in a reusable format, making it easier for consumers to compare lawyers

Influencing the Ministry of Justice to ensure people accused of a crime can still choose their own defence lawyer

Four years of the Tracker Survey has made this one of the richest datasets for observing changes in legal services

Our progress review on accreditation schemes shows many improvements since our initial assessment in 2011

Publishing groundbreaking research on consumers with learning disabilities who need advice about the law

Our research on McKenzie Friends is framing the debate on responding to the rise in litigants in person

We conducted the first-ever exercise to benchmark the Legal Ombudsman, leading to a focus on driving down the organisation's cost per complaint

The Legal Services Board agreed with us that regulatory boards should have lay chairs, helping to strengthen the independence of regulatory bodies

Staff at four regulators have been trained to use our consumer principles tool, helping them better understand the consumer perspective as part of their policy development processes

Our report on those who need asylum advice has led to two studies on access to and quality of advice

3 Responsive services

What we would like to see

- A meaningful choice of providers and services
- Consumers are empowered when dealing with providers
- Consumers receive value for money

Our challenge

3.1. There are some promising signs of the market reforms taking effect, with more people shopping around and a rise in fixed fee deals accompanied by an increase in satisfaction with value for money. However, consumers find it hard to compare providers and use of choice tools remains minimal. Going to a lawyer used before is still by far the most popular search method. For the reforms to work, innovation on the supply side needs to be matched by an active demand side – this needs accelerating.

- Shopping around has increased from 19% to 24% between 2011-14
- 46% of deals are now fixed fees compared to 38% in 2012
- 23% choose their lawyer by going back to the one they used before
- 1% of the public have used a price comparison website, 2% a customer feedback website and 5% a quality mark to help them choose a lawyer

What the Panel has done

Major impact: Open data

3.2. The Panel has long championed the principles of transparency and access to data. In 2011 we asked the regulators to open up the professional registers and allow comparison websites and other choice tools access to the data the registers contain in order to help consumers compare providers. The Legal Services Board accepted our recommendations, and since then we have focused on getting this delivered. We have also published good practice standards which comparison websites can sign up to.

3.3. In March we co-chaired a roundtable with the Legal Services Board, where we brought together representatives from the regulators along with two comparison website providers. At this meeting the regulators made a commitment to put a core and, crucially, reusable set of data into the public domain. This represents a major breakthrough after three years of persuasion on our part. Going forward we will look to make sure this commitment is delivered, ensuring that any operational issues are overcome quickly.

Impact: Client choice in legal aid

The Panel successfully influenced a Ministry of Justice proposal that would have denied people accused of a crime the right to choose their own lawyer. We argued the proposed changes were unfair in principle,

were not the most effective way of making competition work, risked undermining quality and would harm vulnerable clients the most. The Panel Chair was interviewed on the BBC Daily Politics Show and we gave written and oral evidence to the Justice Select Committee. This evidence drew attention to our tracker survey findings which show consumers who receive legal aid greatly value choice and shop around. Appearing before the Justice Select Committee, the Lord Chancellor said that the Panel was one of the voices that had persuaded him to restore client choice.

Impact: Input to major government reviews

- 3.4. Over the course of the year the Panel has responded to major government reviews. In particular, responding to the Ministry of Justice Simplification Review, where we set out our vision for how legal services regulation should be overhauled. We said the existing model is not sustainable and a single independent regulator was our preferred model. We have also engaged with the Jeffrey Review of independent criminal advocacy. We suggested that different regulatory regimes and embedded cultural traditions are at the root of perceived problems around competition between barristers and solicitors.

Impact: Licensing authority applications

- 3.5. Throughout 2013-14 the Panel engaged with a number of licensing authority applications, where bodies apply to the Legal Services Board to authorise alternative business structures. Under the Legal Services Act 2007 we have to be consulted on these applications. There was constructive engagement between the applicants and ourselves resulting in a number of our comments being adopted into policies. For example, in response to our feedback, ILEX Professional Standards developed a strategy and action plan for

engaging with consumers, and proposed a broader definition of competence which includes client care skills.

Impact: Tracker Survey

- 3.6. Every year the Panel runs a survey to measure public attitudes towards lawyers and to investigate the experiences of recent users of legal services. Our survey consists of a representative survey of the general population and another of recent users of legal services. We included booster samples for Wales and for six Black and Minority Ethnic groups, to allow us to analyse the impact of the legal services reforms on these groups in more detail. We followed up analysis of the Welsh sample with meetings with Welsh stakeholders, including academics, Citizens Advice Cymru and the Law Society Wales.
- 3.7. We continue to make our full dataset available on our website so that any interested party can download and analyse it. Last year we published four separate briefings focusing on different elements of the survey, helping stakeholders to realise the full potential of this unique resource. The findings also inform our flagship Consumer Impact Report, the next edition of which will be published in summer 2014.

What next?

- 3.8. Over the next year the Panel will:
- Work to secure successful implementation of the regulators' commitment to release data within their professional registers
 - Use Freedom of Information laws to access data held by public agencies about the performance of lawyers
 - Publish the third edition of our flagship Consumer Impact Report and continue our Tracker Survey

4 High quality advice

What we would like to see

- Advice is technically competent
- Consumers are satisfied with the service provider
- Providers behave ethically and misconduct is dealt with swiftly and appropriately

Our challenge

4.1. Service satisfaction on a general level is quite high, although clear information on costs, timeliness and communication are weaker elements. The technical quality of lawyers' work is the great unknown due to lack of research, but the few studies there have been cause concern. Trust in lawyers has stabilised following a year-on-year decline, but remains low. Encouragingly, some indicators of the state of professional ethics – such as new claims on the compensation fund and misconduct hearings – are showing a downward trend.

- Overall service satisfaction is 79%
- 76% of users are satisfied with the quality of advice they received
- 43% of the public trust lawyers, but 78% of users express satisfaction with their provider's professionalism
- Numbers of new claims on the solicitors' compensation fund have dropped by two-thirds since 2011

What the Panel has done:

Major impact: Review of accreditation schemes

- 4.2. During 2013-14 we revisited progress made by voluntary accreditation schemes in legal services, two years on from our original assessment of their usefulness for helping to choose a specialist lawyer. We found that improvements had been made against each of the ten essential characteristics which we said schemes should have in order that consumers can use them with confidence. Two schemes nearly met all our criteria in full, but the general picture is that much more progress is still needed. The relatively weak areas were incorporating consumer feedback, lay input in scheme design and operation, and complaints-handling.
- 4.3. The area which had improved most of all was the provision of information about the schemes to consumers. We were also pleased to note other improvements: the Law Society have now begun to accept complaints about members of their schemes for the first time and they have re-launched their 'Find a Solicitor' facility, which now allows consumers to search for accredited members. The Association of Personal Injury Lawyers (APIL) has set up a consumer panel which includes representatives from injury-related charities. And the charity Action Against Medical Accidents (AvMA) and Resolution, a national association of family lawyers, are both in the process of implementing

changes, for example to make their websites more user friendly.

Impact: WIQS accreditation scheme

- 4.4. The Panel previously carried out an extensive investigation into will-writing. Our mystery shopping exercise in partnership with the Legal Services Board, Office of Fair Trading and Solicitors Regulation Authority found that 1 in 5 wills, written by both solicitors and non-solicitors, were not up to standard. Following these alarming findings the Law Society set up the Wills and Inheritance Quality Scheme (WIQS) to provide a best practice mark for wills and estate administration. WIQS launched in July 2013 and aims to set high standards of client care to help address common risks and errors. We assessed WIQS as part of our review of accreditation schemes and found it performed well overall although we were not able to find checks on the quality of wills drafted by the scheme members. This is crucial since mistakes may only come to light once the testator has died.

Impact: Influencing the future of legal education and training

- 4.5. The Legal Education and Training Review reported in July. The Panel had consistently engaged with the review as a member of the steering group and by submitting views and evidence. Overall the report was a missed opportunity, but nevertheless we were pleased to see a number of our recommendations and concerns addressed. For example we called for changes to the continuing professional development (CPD) regime, which governs the way in which lawyers are required to keep their knowledge and skills up to date. We also called for the introduction of re-accreditation in high risk areas of law, which means that lawyers would be re-assessed on a regular basis to check they are still competent. Following the report, both issues are now firmly on the table.

- 4.6. It is now down to the regulators to deliver on the report's recommendations. The Panel has followed up by responding to consultations focused on implementation. We are particularly pleased that the Legal Services Board's statutory guidance includes our key ask around the possibility of re-accreditation in high risk areas of law. We have also had useful early input into development of the Solicitor Regulation Authority's statement which will define what a competent solicitor should look like on Day One. However, we disagreed with its proposals to deregulate CPD, which we considered would be a step too far at this stage. Implementing the review will be a long-term project and we look forward to continuing the fruitful dialogue with the regulators that has started.

What next?

- 4.7. Over the next year the Panel will:
- Engage with the process for changing the regulatory framework for education and training following the LETR report
 - Continue to focus on ensuring lawyers remain competent throughout their careers and understand the needs of consumers who may be vulnerable
 - Work with accreditation schemes to secure the further improvements identified in our progress report

5 Diversity

What we would like to see

- The workforce reflects the make-up of the population
- Providers understand the diverse needs of consumers
- Regulators take proper account of consumers at risk of disadvantage

Our challenge

- 5.1. Satisfaction with legal services and confidence in using lawyers differs depending on socio-economic factors. Despite many good initiatives, the senior ranks of the profession do not reflect the population they serve. Our research shows many lawyers struggle to adapt their services to cater for consumers with specific needs. The cost of going to court is unaffordable for a sizable percentage of the population.
- 80% of ABC1s are satisfied with their service compared to 75% of C2DEs
 - Service satisfaction is 73% among BME groups compared to 84% for White British respondents
 - 12.3% of self-employed QCs, 17% of solicitor partners and 24.3% of judges are women, while 5.5% of self-employed QCs, 12.5% of the solicitor workforce and 4.8% of judges are from BME groups.
 - Court data suggests three-quarters of all civil and family claims now involve at least one litigant in person

What the Panel has done

Major impact: Report on consumers with learning disabilities who need advice about the law

- 5.2. In July 2013 the Panel, working in collaboration with the Legal Services Board and Mencap, published research into the needs of legal services consumers with learning disabilities. This was carried out by the Norah Fry Research Centre (part of the University of Bristol). The study looked at the experiences of people with learning disabilities and family carers, and the researchers also carried out interviews with legal professionals. We found that while some lawyers were skilled in working with people with learning disabilities and adapted their practices to meet the needs of their clients, there were also examples where lawyers could not be understood, appeared uninterested or were not able to signpost clients to the right specialist support.
- 5.3. We published the full report, an easy read version of the report and a short film which explains the findings of the study. As a direct result the Law Society has since developed guidance on best practices for solicitors who have clients with learning disabilities. As well as guidance the Law Society has also rolled out a programme of training for solicitors as part of their regional equality and diversity forums. Each training session is attended by a

Mencap young ambassador who can talk about their experiences.

- 5.4. The research also prompted a follow up project which is being funded by the Legal Education Foundation and aims to fill some of the gaps our research uncovered by providing training and awareness raising. This will involve developing local partnerships between legal services providers and carers and intermediaries who work with people who have learning disabilities.

Impact: McKenzie Friends

- 5.5. Last year, and continuing into this year, the Panel has been looking at the regulatory implications of the rise in litigants in person. These are people who represent themselves in court.
- 5.6. Our initial focus has been on McKenzie Friends. These are people, usually with no legal training, who offer support to litigants in person by providing moral support, taking notes, helping with case papers and quietly giving advice. The Panel decided to investigate this area following reports of increasing numbers of people charging a fee for this and related services following changes to legal aid eligibility, especially in family cases. Our evidence base included a website trawl, interviews with McKenzie Friends, listening to the views of stakeholders of varying perspectives and by seeking case studies highlighting good and bad practices.
- 5.7. Our starting point was that fee-charging McKenzie Friends are an inevitable consequence of the market adapting to the legal aid reforms. For litigants who are ineligible for legal aid but cannot afford a lawyer, unless voluntary efforts are available locally, their choice is to use a McKenzie Friend or no-one. While there are risks for those who get legal advice from individuals who tend not to

have qualifications or insurance, overall we think McKenzie Friends improve access to justice and there needs to be a cultural shift which recognises their contribution. Since fee-charging McKenzie Friends are likely to be a feature of the market for the foreseeable future, we suggested the focus should be on making them safe to use without introducing external regulation, the cost of which we saw would drive many from the market or price them out of reach – thus harming access to justice. This action should include McKenzie Friends playing their part in changing attitudes through effective self-regulation, judges using tools to keep McKenzie Friends in check and providing more information for litigants about the benefits and pitfalls of using McKenzie Friends.

- 5.8. To help compile our report, we brought together volunteer and fee-charging McKenzie Friends with regulators, representative bodies and magistrates in March 2014. What's clear is that the Panel has framed the terms of what is set to become a contentious debate, one that will continue into next year. We launched our report with stakeholders in Wales at an event hosted by the Law Society Wales on 1 May.

Impact: Asylum advice

- 5.9. In 2012 the Panel published a research note on immigration and asylum services. We highlighted the area of asylum, in particular, as one of concern with high potential for consumer detriment. We said further research should be carried out focusing on two broad areas: access to legal advice and support, and quality of advice and support. Two studies have resulted: the Bar Standards Board commissioned research with immigration clients using barristers and the Solicitors Regulation Authority has started new research in

the asylum area focusing on the access and quality issues that we identified.

- 5.10. Secondly, as part of the same project, we identified areas where the Office of the Immigration Services Commissioner (OISC) Adviser Finder search facility could be improved. Following engagement with the Panel, OISC made substantial revisions to the database to make it more user friendly.

What next?

- 5.11. Over the next year the Panel will:

- Pursue the recommendations in our report on fee-charging McKenzie Friends by working in partnership with a range of bodies
- Commission research funded by the Legal Services Board on the consumer experience of using unbundled legal services
- Translate the British Standard on Inclusive Service Provision and our research studies into simple and practical guidance for regulators on what consumer vulnerability means in a legal services setting

6 Complaints

What we would like to see

- Complaints are resolved by providers in-house
- A world-class ombudsman scheme
- Complaints intelligence is used to inform standards

Our challenge:

- 6.1. Sizable barriers to complaining persist in with many people continuing to suffer in silence. There are some signs of improved complaints handling at the first tier, but there remains significant scope to improve standards here. There are gaps in redress and a confusing landscape for consumers since unregulated providers and third party complaints fall outside of the Legal Ombudsman's jurisdiction. The Legal Ombudsman's high unit cost potentially puts it out of reach of businesses who might wish to join a voluntary scheme.
- 45% of people would feel confident complaining about their lawyer
 - Numbers of 'silent sufferers' – dissatisfied consumers who do nothing – remains at 44%; according to Institute of Customer Service data this compares to an average of 28% for the services sector overall
 - The Legal Ombudsman's unit cost in 2012-13 was £2,168
 - 27% of complainants to the Legal Ombudsman heard about the scheme through their provider

What the Panel has done

Major impact: Benchmarking the Legal Ombudsman

- 6.2. We carried out an independent study to benchmark the Legal Ombudsman against nine other consumer redress schemes. We acknowledged the relative immaturity of the scheme which is seeking to improve the service it provides as complaints patterns settle down. Nonetheless, we drew particular attention to the need to reduce the unit cost of the Legal Ombudsman.
- 6.3. The Panel organised a well-attended seminar to support the report in partnership with the UCL Centre for Ethics and Law. In addition, our report was cited at the Justice Select Committee hearing for the appointment of the Chair of the Office for Legal Complaints, when the Chair-designate referred to the pressing need for the Legal Ombudsman to pursue further efficiencies and to continue the process of bringing down its average cost per case. He noted that according to our recent report, these are towards the upper end of comparable ombudsman schemes.

Impact: Third party complaints

- 6.4. Third party complaints are complaints from individuals who are not the lawyer's client. Detriment to third parties can arise in different ways, from delay in completion on a house purchase to

having personal data compromised by an opposing lawyer in court. Yet third parties do not have a right of redress when they experience poor service. The Panel wants to see routes to redress extended to third party complainants in certain circumstances.

- 6.5. We therefore published a selection of case studies received by the Legal Ombudsman during 2013. The studies illustrate that sometimes consumers can suffer severe financial and personal hardship through the actions of a lawyer they have no professional relationship with. Due to our work the Legal Ombudsman has now set up a steering group to consider which types of third party complaints it should accept.

Impact: Financial protection arrangements

- 6.6. It is important that consumers of legal services have recourse to effective redress, and this includes financial protections. In 2013 the Panel responded to a Legal Services Board advice request to assess the adequacy of regulators' financial protection arrangements. We issued two publications: a paper focusing on the division of risk and responsibility between consumers and providers, and a report assessing whether the current arrangements are fit for purpose. We have also responded to a number of consultations on financial protection issues over the course of the year.
- 6.7. We recommended that there should be more comprehensive data collection by regulators, greater transparency around how compensation schemes operate and key performance indicators should be developed. The LSB accepted these recommendations and will assess these features as part of their consideration of

future rules changes. The LSB also plan to explore with regulators whether it would be appropriate to collect standardised data on the operation of schemes.

- 6.8. We also concluded that the advantages and disadvantages of a centralised compensation scheme should be scoped. This suggestion was acknowledged by the Legal Services Board and supported by others including the Council for Licensed Conveyancers and the Council of Mortgage Lenders. We called on the Solicitors Regulation Authority to take forward this recommendation as part of their review of compensation arrangements, and this is now underway. The Panel is represented on the Solicitors Regulation Authority's compensation review external advisory group and will watch developments in this area closely.

What next?

- 6.9. Over the next year the Panel will:
- Commission consumer research, in partnership with the Legal Ombudsman, on consumer expectations of getting redress when making a complaint
 - Engage with proposals to implement the ADR Directive and help the Legal Ombudsman to develop the detail of its proposed voluntary scheme
 - Participate in the SRA's review of its compensation arrangements and continue to press for a feasibility study into a centralised compensation scheme

7 Consumers at the heart of regulation

What we would like to see

- Approved regulators are independent of the entities they regulate
- Regulatory bodies work transparently
- Regulators have robust consumer engagement mechanisms

Our challenge

- 7.1. Regulation is insufficiently independent from both representative bodies and the profession. The institutional landscape is inefficient and confusing for the public while there are issues over the capacity of some of the smaller regulators. The regulators are doing more to engage with consumers in policy development, but overall the research effort remains limited. Some regulators work more transparently than others.
- All the regulators have lay majorities and the rules have been changed to require lay chairs as well
 - Around 323,000 authorised persons, and 10,500 entities are regulated by seven organisations employing over 700 staff at a cost of nearly £96m
 - Only two of the seven approved regulators publish any board papers
 - Between them approved regulators have published just five consumer research reports since 2011

What the Panel has done

Major Impact: Lay Chairs of regulatory boards

- 7.2. In November the Panel responded to a Legal Services Board proposal to require regulatory boards to have lay chairs. We argued this would strengthen the independence of regulation from the profession, because chairs have a key influence on strategic direction and organisational culture, and because lay chairs could help to bolster public confidence in an arena where there are low levels of trust in the profession. Despite opposition, the Legal Services Board decided to amend the Internal Governance Rules to require chairs of the regulatory boards to be a lay person.
- 7.3. Following this consultation exercise the Legal Services Board also proposed to require that regulatory bodies rather than professional bodies be responsible for various aspects of the appointments and reappointments process for board members and chairs on the regulators. We supported this proposal and await the outcome of the consultation.
- Impact: Consumer principles toolkit*
- 7.4. The Panel has frequently urged regulators to engage more with consumers in order to inform their policy making processes. In January we published an innovative tool to help

regulators think about the consumer interest in a structured way. It is based on a set of seven core principles that are commonly used by consumer organisations for working out how particular issues or policies are likely to affect consumers. We adapted the principles to make them relevant in a legal services context, working closely with the Council for Licensed Conveyancers to make sure it would be of genuine practical use. The toolkit has been extremely well received and we are now rolling out training on how to use it with the other regulators. Successful sessions have already been run with policy staff at the Solicitors Regulation Authority and with board members at ILEX Professional Standards.

Impact: Legal Choices website

- 7.5. The Legal Choices website went live in January. This is a collaborative initiative between all the regulators, drawing together information to help consumers choose a lawyer. The website is a commendable start to releasing information, and showcases how the regulators can work collaboratively. The idea was first conceived following a consumer engagement workshop the Panel held back in 2010 so we are pleased this has now come to fruition.
- 7.6. Last year we agreed to establish the Regulators' Forum as a regular, informal space for the regulators to discuss consumer facing issues, and to encourage collaborative working where this would be of benefit. The Forum is now up and running and its value in providing shared and safe space for discussion is widely acknowledged. We are pleased to see positive benefits coming from it and it now being run by

the regulators themselves. For example, discussions at the Forum have facilitated improved data sharing between the Legal Ombudsman and the approved regulators and proved to be a turning point in managing negotiations around opening access to data.

What next?

- 7.7. Over the next year the Panel will:
- Identify the strategic risks and developments likely to face consumers in 2020
 - Publish innovative research commissioned with the Legal Services Board on online self-help tools, and initiate a debate on the consumer agenda in online legal services
 - Roll out training on the consumer principles for approved regulators

8 Priorities in 2014-15

Looking ahead

- 8.1. We achieved a great deal in 2013-14. The year ahead will be a chance to build on this as we implement the final year of the Panel's three year strategy period. We will consolidate and reinforce our three critical themes of access, choice and better protection for consumers. Our primary emphasis in the coming year will be on equality of access. We are also mindful of the need to balance access to justice and the right amount of consumer protection. Over-regulation might stifle innovation that could open up legal services to more people, yet consumers are most likely to be active and empowered when they know effective regulatory protections are in place.
- 8.2. In preparing its strategy for 2015-18, the Legal Services Board is commissioning our advice on the following: "*What developments in the period to 2020 are most likely to have an impact on the consumers of legal services and what should guide how the LSB and approved regulators respond to them?*". This is a welcome commission which addresses fundamental issues and which we look forward to delivering.
- 8.3. Importantly, we will also deliver the third edition of our pioneering Consumer Impact Report, which uniquely measures the progress of the legal services reforms from the consumer perspective.

10 Highlights in 2014-15

Publishing the third edition of our flagship Consumer Impact Report and continuing our Tracker Survey

Identifying the strategic risks likely to face consumers in 2020

Pursuing the recommendations in our new report on the emerging market of fee-charging McKenzie Friends

Commissioning research on unbundled legal services, in partnership with the Legal Services Board

Producing a simple and practical guide for approved regulators to help them take account of consumer vulnerability

Publishing innovative research commissioned with the Legal Services Board on online self-help tools and initiating a debate on the consumer agenda in online legal services

Ensuring we reach a successful resolution on opening up the professional registers and unlocking data on the performance of lawyers to inform consumer choice

Making real progress on third party complaints to the Legal Ombudsman

Commissioning research on consumer expectations of getting redress, in partnership with the Legal Ombudsman

Rolling out training on the consumer principles for approved regulators

9 Transparency

Committed to transparency

9.1. The Legal Services Consumer Panel is committed to transparency. Below we list details of our expenditure and outputs for the past year.

Expenditure

9.2. The Consumer Panel is supported by a small policy secretariat and is funded by the Legal Services Board as part of its annual levy on the approved regulators. Our budgeted costs for the year ending 31 March 2014 were £202,000. Actual expenditure for this period was £200,605. (see Table 1 overleaf for a breakdown).

9.3. Details of members' expenses are available on the Panel's website.

Attendance

9.4. The Consumer Panel held six formal meetings this year. The attendance of each Panel Member was as follows:

Elisabeth Davies – 4/6

Jeff Bell – 4/6

Graham Corbett – 2/4

Andy Foster – 2/2

Emma Harrison – 5/6

Frances Harrison – 6/6

Paul Munden – 4/6

Neil Wightman – 5/6

Catherine Wolthiuzen – 2/2

Karin Woodley – 4/4

9.5. Graham Corbett and Karin Woodley's terms as Panel members expired on 31 October 2013.

9.6. Andy Foster and Catherine Wolthiuzen were appointed to the Panel on 1 November 2013.

9.7. In addition, the Panel was represented on these committees and working groups:

- Conveyancing Forum
- Legal Ombudsman Stakeholder Forum
- Legal Services Board – Research Strategy Group
- SRA Compensation Arrangements Review external advisory group

Activities and outputs

9.8. A list of the Panel's activities can be found at the back of this document. This can be summarised as follows:

- Consumer policy / research reports – 9
- Consultation responses – 16
- Speeches/presentations – 7
- Events hosted by the Panel – 4
- News releases – 15
- Stakeholders met by members – 27

Table 1 – Breakdown of Panel expenditure in 2013-14

Category	2012/13	2013/14
Panel Fees and Secretariat	162,380	173,854
Research	22,188	21,078
Travel	2,526	3,460
Training	455	1,270
Refreshments for meetings	434	943
IT Software	118	-
Total	188,100	200,605

Consumer Panel activities

Policy and consumer research reports

3 April 2014	<u>Accreditation schemes – progress report</u>
30 January 2014	<u>The Consumer Interest</u>
5 December 2013	<u>Benchmarking the Legal Ombudsman</u>
24 September 2013	<u>Third party complaints case studies</u>
29 July 2013	<u>What happens when people with learning disabilities need advice about the law</u>
27 June 2013	<u>Tracker Survey data tables</u>
27 June 2013	<u>Tracker Briefing 4: Public confidence in the market</u>
14 June 2013	<u>Tracker Briefing 3: Satisfaction with legal services</u>
10 June 2013	<u>Financial Protection Arrangements</u>
10 June 2013	<u>Risk and responsibility</u>
30 May 2013	<u>Tracker Briefing 2: Shopping for legal services</u>
20 May 2013	<u>Tracker Briefing 1: Using and funding legal services</u>
9 May 2013	<u>Good practice standards for comparison websites</u>

Consultation responses

1 April 2014	<u>SRA consultation on training for tomorrow, a new approach to continuing competence</u>
25 March 2014	<u>LSB consultation on appointments and reappointments to regulatory boards</u>
18 March 2014	<u>SRA consultation on a minimum strength rating for PII insurers</u>
6 February 2014	<u>SRA consultation on increasing the SRA's internal fining powers</u>
28 January 2014	<u>Legal Ombudsman strategy and budget</u>
11 December 2013	<u>LSB consultation on legal education and training</u>
6 December 2013	<u>Submission to Jeffrey Review on independent criminal advocacy</u>
18 November 2013	<u>LSB consultation on lay chairs</u>
18 October 2013	<u>Ministry of Justice consultation on transforming legal aid, next steps</u>
30 September 2013	<u>Legal Ombudsman consultation on widening on the scope of redress</u>
6 September 2013	<u>Submission to the APPG enquiry on the treatment of vulnerable victims</u>
2 September 2013	<u>Ministry of Justice simplification review</u>
29 July 2013	<u>IPReg application to become a licensing authority</u>
22 July 2013	<u>ICAEW applications to become an approved regulator</u>
5 June 2013	<u>CILEX application to become an approved regulator</u>
20 May 2013	<u>Ministry of Justice consultation on transforming legal aid</u>

Speeches and presentations

11 March 2014	Panel member Catherine Wolthuizen spoke at the Westminster Legal Policy Forum on Technology, automation and innovation – practitioner and consumer perspectives
22 January 2014	Panel members Jeff Bell and Andy Foster spoke at the LSB roundtable to promote credible self-regulation in will-writing.
17 October 2013	Panel member Neil Wightman spoke at the CILEx Legal Education and Training Summit on the subject of post-qualification quality assurance
26 September 2013	Panel manager Steve Brooker asked the question ‘what do consumers really want?’ at the LFS Conveyancing Conference
12 September 2013	Panel Chair Elisabeth Davies presented the Panel’s response to the Ministry of Justice Simplification Review to the Conveyancing Association
11 June 2013	Panel manager Steve Brooker gave evidence to the Justice Select Committee on the Panel’s views regarding consumer choice and price competitive tendering in the Ministry of Justice’s legal aid proposals.
18 April 2013	Panel Chair Elisabeth Davies participated in the Association of Personal Injury Lawyers annual conference . Elisabeth spoke about ethical standards and the importance of the Legal Education and Training Review

Events hosted by the Panel

24 March 2014	Roundtable on access to data, co-hosted with the LSB
7 February 2014	Fee-charging McKenzie Friends roundtable
23 January 2014	Accreditation schemes seminar
18 December 2013	‘Are Ombudsmen ready for the future?’ Seminar hosted by the Panel in partnership with UCL Centre for Ethics and Law

News releases

3 April 2014	<u>Panel finds improvements to accreditation schemes but still some way to go</u>
30 January 2014	<u>Panel launches tool to help consumers work out the consumer interest</u>
20 January 2014	<u>Reaction to QASA judicial review decision</u>
25 November 2013	<u>Panel publishes independent benchmarking report into the Legal Ombudsman's complaints handling performance</u>
23 October 2013	<u>Panel welcomes LSB response to advice on financial protection arrangements</u>
24 September 2013	<u>Third party complaints case studies released</u>
2 September 2013	<u>Panel calls for overhaul of legal services regulation</u>
29 July 2013	<u>New research on consumers with learning disabilities who need legal advice published</u>
3 July 2013	<u>Panel welcomes government move to retain client choice in legal aid</u>
25 June 2013	<u>Panel reaction to Legal Education and Training Review report</u>
10 June 2013	<u>Explore single scheme for all financial protection arrangements says Panel</u>
20 May 2013	<u>Panel criticises legal aid proposals</u>
14 May 2013	<u>Panel's reaction to Lord Chancellor's decision not to regulate will-writing</u>
9 May 2013	<u>Legal comparison websites sign up to Panel's good practice standards</u>
8 April 2013	<u>Panel publishes new work programme</u>

Ongoing committees and working groups

Conveyancing Forum

Legal Ombudsman Stakeholder Forum

Legal Services Board Research Strategy Group

SRA Compensation Arrangements Review – External Advisory Group

Stakeholder meetings involving Panel members

Advice Services Alliance

Association of Personal Injury Lawyers

Bar Standards Board

Bar Council

Sir Bill Jeffrey

Chartered Institute of Legal Executives

Civil Justice Council Working Group on Litigants in Person

Citizens Advice Cymru

Co-operative Legal Services

Council for Licensed Conveyancers

Council of Bars and Law Societies of Europe
Dr Daniel Newman
Directorate General for Health and Consumers
ILEX Professional Standards
Institute of Chartered Accountants in England and Wales
Intellectual Property Regulation Board
European Consumers' Organisation (BEUC)
Law Society
Law Society Wales
Legal Ombudsman/Office for Legal Complaints
Legal Wales Foundation
Ministry of Justice
Professor Richard Moorhead
Solicitors Regulation Authority
Which?

Terms of reference

Purpose

1. The Legal Services Consumer Panel ('the Panel') is established by the Legal Services Act 2007. The Panel contributes towards the achievement of the regulatory objectives by representing the interests of consumers of legal services. The Panel acts independently of the Legal Services Board ('the LSB') and the Office for Legal Complaints ('the OLC').
2. The Panel is deliberately comprised of members who are able to provide evidence of the experience of the wide range of consumers of legal services. The Panel will prioritise its work around those consumers who it considers are less able to give voice to their own interests. The Panel will have particular regard to the interests of consumers who may be in a position of vulnerability when using legal services.
3. The principal focus of the Panel will be on activities falling within the jurisdiction of the LSB and the OLC. However, the Panel will also have a remit on legal services matters that do not fall within the remit of the LSB or the OLC.
4. The Panel has an advisory role and does not have decision-making responsibilities. The key activities of the Panel are (in no order of importance):
 - (a) To help the LSB and the OLC to understand fully, and take account of, the interests of consumers in its policy development and decisions;
 - (b) To respond to relevant consultations as appropriate;
 - (c) To carry out research, as agreed with the LSB, and gather other intelligence and evidence to understand the consumer experience of the legal services market;
 - (d) To provide the LSB and the OLC with feedback from a consumer perspective on the effectiveness of its policies and practices;
 - (e) To help the approved regulators develop their own approach to consumer engagement to inform their work;
 - (f) To speak out publicly on behalf of consumers as appropriate in order to positively influence outcomes for consumers of legal services; and
 - (g) To maintain an overview of developments in the legal services market, and related developments affecting consumers in other markets, in order to best deliver the other activities listed above.

Procedure

5. Panel members are appointed by the LSB, with the approval of the Lord Chancellor, in accordance with Nolan principles, to represent the interests of consumers.
6. The Panel shall determine its ways of working, and may appoint sub-committees and make other arrangements for regulating its procedure. Sub-committees may include persons drawn from outside of the Panel, but all sub-committees shall include at least one member of the Panel.
7. The Panel and the LSB shall agree an annual programme of work for the Panel. The Panel may carry out such additional work, as agreed with the LSB, in response

to developments in the legal services market.

8. The Panel shall ordinarily publish its representations, advice and research. However, it may choose not to publish its representations, advice and research if it considers that to do so would be likely to impact adversely on the interests of consumers.
9. The Panel shall publish the agenda and minutes of its meetings.
10. The Panel shall publish an Annual Report on its work.
11. The Panel and LSB shall review the Panel's terms of reference annually.

Biographies

Consumer Panel Members

Elisabeth Davies (Chair)

Elisabeth Davies became the Legal Services Consumer Panel's second Chair in the summer of 2011. Elisabeth's career, combining professional and voluntary commitments, has centred on consumer engagement and a deep-seated belief in developing services that are truly consumer-focussed. She has worked across the charitable and public sectors with a particular focus on the needs of health and social care users. She is currently a Director at Arthritis Care. Former roles include at Carers UK, Age UK, the World Cancer Research Fund and as the founding Chief Executive of the UK Breast Cancer Coalition, Patient Association of the Year in 2003.

Within the NHS, Elisabeth has combined executive and non-executive roles. She was Head of Policy, Planning and Partnerships at the NHS National Patient Safety Agency, leading on patient and public reporting. Non-Executive roles include former Deputy Chair of Wandsworth Primary Care Trust and prior to this Joint Chair of South West London Community NHS Trust.

Elisabeth has also worked across the advice giving sector. She was previously Director of Policy and Development at the Refugee Council and is a former Trustee of the Immigration Advisory Service. She is also a former Chair of Wandsworth Citizens Advice Bureaux.

Andy Foster

Andy is Operations and Policy Director at the Trading Standards Institute. A Trading Standards Officer by profession, Andy spent four years as Trading Standards Manager at North-East Lincolnshire Council building on his career in local government. Andy is also Director of the Consumer Codes Approval Board and a member of the British Board of Film Classification Consultative Committee. Andy played a key role in advising Government on recent institutional reforms of the consumer protection landscape, which led to the creation of the National Trading Standards Board and Competition and Markets Authority. In addition, he leads for the UK on European food law enforcement matters and has worked extensively with emerging European Union candidate nations as they implement and review their own consumer protection regulatory regimes.

Cathy Gallagher

Cathy is a specialist in public legal services with the Law Centres Network, currently focused on pro bono, training and early intervention services. As a practising solicitor she represented the (then) Commission for Racial Equality and Equal Opportunities Commission in discrimination cases. Cathy managed Legal Aid and local authority contracts delivery in Law Centres for 10 years, moving to spend time in Local

Authority asylum seeker support policy and management. She has also facilitated access to public legal services through the New South Wales Legal Assistance Forum before moving to the Law Centres Network.

Dr Michelle Goddard

Michelle is Head of Postal Services policy at Consumer Futures, Citizens Advice. She has worked on consumer market regulation law and policy issues over the last 20 years. Michelle was previously Chief Executive of the Barbados Fair Trading Commission and has held several senior advisory roles with regional agencies and Caricom governments steering the development of new fair trading laws and institutional frameworks. She also spent time as a consumer lawyer at Which? and Inquiry Secretary at the UK Competition Commission.

Frances Harrison

Frances is a specialist in consumer affairs. She sits on the Finance and Leasing Association's Code of Practice Monitoring Group and the Registry Trust's Consumer Panel. In addition to paid employment, Frances is Vice Chair of Brighton and Hove Citizens Advice Bureau and is a policy adviser to the training organisation, Developing Youth Practice. Her career spans policy analysis with a number of national bodies as well as management of front line services for young people and consumer advice services. Her past roles include leading training and support in consumer law and practice for the National Association of Citizens Advice Bureaux, Consumer Editor of the Adviser Magazine, and Head of Policy Research and Development at the National Consumer Council. She has extensive experience in representing the interests of consumers on regulatory bodies, government working groups, and trade associations; and has been the elected Chair of both Consumer

Congress and the Institute of Consumer Affairs.

Dr Philip Marsden

Philip is Deputy Chairman of the Competition and Markets Authority, and Professor at the College of Europe, Bruges. He is also Non-Executive Director of the Channel Islands Competition and Regulatory Authorities. He is General Editor of the European Competition Journal and of the Oxford Competition Law series. He advises various governments on effective enforcement of competition and consumer protection regimes, and has written extensively on consumer detriment. Previously a competition lawyer and official, he has a particular interest in abuse of dominance, innovation incentives, and consumer welfare issues.

Marlene Winfield OBE

Marlene has spent her career giving a voice to users of public services. She advises the London-wide end of life care programme, Coordinate My Care, and the Royal College of Physicians on patient and carer policy. She is a Trustee of the Thalidomide Trust, chairing its Health and Welfare Committee, and is a Non-executive Director of the Professional Record Standards Body for Health and Social Care. She was previously Director for Patients and Public in the Department of Health Informatics Directorate and Head of Policy Research and Strategy at the National Consumer Council. She was a member of the Civil Justice Council, the British and Irish Ombudsman Association Executive, and the National Information Governance Board. For 15 years she ran a support group that helped thousands of British women obtain compensation for injuries from the faulty Dalkon Shield contraceptive device. In 2000, she was made an OBE for services to civil justice reform.

Catherine Wolthuizen

Catherine has extensive experience in consumer and legal policy and casework in the UK and Australia. Currently an Ombudsman at the Financial Ombudsman Service, she has been Chief Executive of the whistleblowing charity Public Concern at Work, the human rights charity Fair Trials International and the Consumer Law Centre, Victoria. Catherine has held numerous roles advising government and industry on consumers' interests and is a former Chair of the Consumers' Federation of Australia, the national representative body for consumer organisations.

Secretariat

Steve Brooker

Steve was formerly Head of Fair Markets at Consumer Focus where he managed a policy and public affairs team working on a wide range of issues including financial services, the digital economy, consumer law and sustainable consumption. Prior to that, he led the National Consumer Council's policy work on regulation and civil justice. His previous career was in university administration with roles at Keele and the London School of Economics.

Harriet Gamper

Harriet holds a postgraduate Masters in consumer affairs. She was previously a consultant at Civic Consulting, an economic and public policy consultancy based in Berlin where she focused on consumer policy and had responsibility for pan-European evaluations in the areas of e-commerce and unfair commercial practices. Prior to this she worked for the European Commission (DG SANCO), the Office of Fair Trading, and the UK Home Office.



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