



Annual report 2015

May 2015

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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 on the consumer interest in legal services regulation issues. We aim to help the Legal Services Board and others to make regulatory 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 able to be practising lawyers. You can find more information about the Panel members at the back 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, effective and fair consumer protection framework is also needed.

2 Foreword

Replacing anecdote with evidence

- 2.1. This last year for the Consumer Panel was defined by two of our own reports and they couldn't have been more contrasting in their focus: one looking back five years and the other looking forward five years. Nonetheless they both had a significant impact not just on our work last year but on the work of others too.
- 2.2. Our Third Consumer Impact Report, informed by the richness of the data of five years' worth of Tracker Survey, continued its assessment of the legal services reforms from a uniquely consumer perspective; whilst our 2020 report brought a much needed consumer lens to the analysis of future trends and what this might mean for the legal services market. The Consumer Impact Report has become the 'go to' evidence source whilst our 2020 report has been influential not just in shaping the LSB's new strategy but also the emerging priorities of the frontline regulators. This looks set to continue into 2015 as colleagues who are new to their roles define new strategies for their future.
- 2.3. Whilst the Consumer Impact Report continues to shine a light on the progress of the reforms, we've continued to see our role as not just highlighting problems but offering up solutions. Thanks to two good practice guides we produced this year - on consumer principles and recognising and responding to consumer vulnerability - the Panel is helping to shape day to day regulatory practice through providing usable and practical guides and resources.
- 2.4. As is so often the case, very few elements of our work have a defined start and finish. There are few quick wins or light touch partnerships. Our work this year in opening up data to improve consumer choice shows the importance of perseverance along with how vital it is to work with each of the regulators in understanding their own barriers and challenges. That all bar one of the regulators have now published a basic dataset in a reusable format is a significant first step. Next year is about the second step - we want to understand what other data is held and what more could be published to help inform consumer choice.
- 2.5. Annual Reports by their nature require specifics - 'what can be attributed to the Panel?' - but in our complex and changing sector there should also be a place for the harder to define and measure - 'what did the Panel contribute to?'. Changing the terms of a debate can be essential whilst difficult to define. But there is no doubt in my mind that our report on McKenzie Friends has reframed the debate not just about them and their role but about the wider unregulated market and what this means for access to justice. Along with the 2020 report we have firmly established the 'legal ecosystem' – the importance of putting the consumer at the centre and considering how they access advice from the regulated, unregulated, pro bono and voluntary sectors - in the legal lexicon.
- 2.6. Finally, as is so often the case with Annual Reports there are thank yous that must be made. This year we are saying goodbye to

both of our Secretariat colleagues – Harriet Gamper and Steve Brooker. Steve has supported the Panel from our inception bringing with him an intellectual and research rigour second to none. Harriet had added to this in recent years and between them they have brought a deep seated commitment to the needs of consumers. They will be deeply missed and we are extremely grateful to all that they have done not just for the Panel but for consumers of legal services in England and Wales.

- 2.7. As with previous editions our Annual Report centres on what we would like to see for consumers; what our Consumer Impact Report shows us; and then what the Panel has done in response. You can also read about what the Panel is planning to do next.
- 2.8. We have always seen our Annual Report as more than just a corporate necessity or a box that needs ticking. It goes beyond what the Panel has achieved - it goes to the heart of what is and isn't changing for consumers and reaffirms a vision for the future based on clear consumer outcomes.



Elisabeth Davies

Chair

Highlights from 2014-15

Publication of our major report on legal services in 2020 and how regulators should prepare for the future has influenced the future strategy for many of the approved regulators

The third edition of our Consumer Impact Report, the only report which measures the legal services reforms from the consumer perspective

Five years of the Tracker Survey has created a rich dataset which is freely available to all who want to use it

We reaffirmed our commitment to consumers in Wales with our booster sample in our annual tracker survey and our Chair's speech at this year's Legal Wales Conference

Our work on open data this year has resulted in action – all the regulators except one are now publishing a basic dataset in a reusable format, a vital step forward in supporting better consumer choice

Our report on fee-charging McKenzie Friends has shaped the debate on this emerging market

Our pioneering research on online divorce tools provided fresh insight on the digital delivery of legal services

Two good practice guides – on the consumer principles and recognising and responding to consumer vulnerability – are shaping day-to-day regulatory practice

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 Consumer Impact Report shows

- 3.1. There are some positive signs of consumer behaviour changing in response to the reforms. Consumers are happier with the choice available to them, shop around more, and they are more satisfied with value for money, perhaps due to a rise in fixed fees. Use of choice tools, such as quality marks and comparison websites, has remained stubbornly low, however. The continued absence of information about the performance of lawyers is also leaving consumers in the dark: referrals through commercial intermediaries, such as estate agents, lenders and insurers, are high and we remain concerned about practices which limit free choice by consumers.
- 70% of recent users considered they had a great deal or fair amount of choice and 61% of consumers were satisfied with value for money
 - 46% of deals are now fixed fees compared to 38% in 2012
 - 2% of the public have used a price comparison website, 2% a customer feedback website and 6% a quality mark to help them choose a lawyer

What the Panel has done

Major impact: Opening up data for the first time

- 3.2. Surveys show that people find it hard to compare legal services providers. Information held by regulators and complaint bodies could make things easier. Opening up this data would help consumers make comparisons directly and support the emergence of an intermediary market. The Panel has been pursuing this since 2011 and our efforts are at last starting to pay dividends. Following work with legal regulators and LSB colleagues, in March 2014 the regulators committed to providing a basic dataset in a re-usable format.
- 3.3. Throughout 2014 the Panel Chair and the LSB Chief Executive continued to persuade regulators and others to set out their plans and timescales. All of the regulators bar one have now published a basic dataset in a reusable format, whilst CILEx Regulation have set out a clear action plan and expect to have the data live by July 2015. The Legal Ombudsman and the Solicitors Disciplinary Tribunal are also publishing information on complaints and sanctions.
- 3.4. This is a significant achievement and development but there is still more to do. Only basic regulatory data is published and we now plan to investigate what other data regulators hold, or could reasonably collect, which would help inform consumer choice. We look forward to continuing to work

closely with LSB colleagues on this throughout 2015.

Major report: Comparing methods of service delivery, a case study on divorce

- 3.5. The Panel's starting point is that DIY law is a growing reality, and we wanted to find out more about the experiences of people who handle legal problems alone. Working in partnership with the Legal Services Board, we commissioned BDRG Continental to carry out research into the experiences of consumers who petitioned for a divorce. Some of the consumers in the study used an online provider, while others sought face to face advice.
- 3.6. We found no fundamental issues with the service delivery provided by either online or face to face providers. Consumers appear to make rational choices about choosing the online route. For example, people consciously make the online choice thinking it's the best option for them and most online divorces are amicable, follow a period of separation and are less likely to involve mediation. Users felt the online process was easier than they had anticipated. Also, online users reported lower effort scores than users of face to face providers. And over 50% of online users would recommend the process to a friend or family member compared with 38% of those using face to face services. Online divorces, perhaps because they are likely to be more straightforward, were cheaper and more likely to be quoted on a fixed fee basis.
- 3.7. The report findings will help the Panel to define a consumer agenda and inform the debate on the benefits and risks of technology in legal services.

Impact: Tracking consumer changes through our unique annual survey

- 3.8. Every year the Consumer Panel commissions a Tracker Survey to measure public attitudes towards lawyers and the views of those who have recently used a legal service. In this way we have built up a rich picture of what it's like to be a consumer of legal services, and can track changes over time.
- 3.9. Last year's survey consisted of two parts – a 1,796 sample of the general population and a 1,435 sample of recent users of legal services. Since 2012 this has also included booster samples for Wales and for six Black and Minority Ethnic groups to allow deeper analysis of the data.
- 3.10. This year we published three briefing papers on the results together with the raw data. Our findings form a large part of our bi-annual Consumer Impact Report. They are also used by other bodies, for example the Tracker data on fixed fees was used by the National Audit Office in their report on *Implementing reforms to civil legal aid* (November 2014).

What next?

- 3.11. Over the next year the Panel will:
 - Undertake an LSB commission on what kind of information regulators could collect from firms to aid consumer choice, building on the significant progress we have made on publishing regulatory datasets in a reusable format
 - Seek funding to research the accuracy of legal information websites in relation to issues where there are differences in law between England and Wales
 - Participate in LSB projects on the availability of quality and price information, and evaluation of the best methods to inform consumers of their rights

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 Consumer Impact Report shows

- 4.1. Satisfaction with quality, service and professionalism has remained broadly the same since 2011. Trust in lawyers has seen a rise this year, mirroring the trend in other professions such as accountancy, builders and bankers. Ensuring quality is one of the main justifications for regulating legal services but there remains barely any information on the technical quality of legal work. This situation must be improved – and must be a priority area for the sector as a whole.
- Consumer satisfaction with outcomes is at 83%, while service satisfaction is at 78% - each staying constant over the past five years
 - However, since 2012, the Legal Ombudsman has experienced a 22% increase in complaints about failure to advise and 18% rise in complaints about failure to follow instructions
 - 47% of the public trust lawyers, and the decline in trust has reversed somewhat, which is consistent with public attitudes to other professions. Trust is higher among White British than BME respondents

What the Panel has done:

Major impact: Improving financial protection arrangements

- 4.2. Financial protections are important because they provide a safety net where client money is misused or work is negligent. In 2013 the Panel published a report on Financial Protection Arrangements. As part of our recommendations, we asked the LSB to encourage greater openness and information sharing between regulators. Our report also explored various alternatives to holding client money.
- 4.3. This year we have seen our work beginning to bear fruit. The LSB Chairman wrote to the regulators following a meeting of the Chairs of the regulators on 2 October. One of the key actions arising from the meeting was to increase collaboration and knowledge sharing between regulators on specific initiatives such as financial protection arrangements. Another key action was for the LSB and the regulators to collaborate to identify effective business models that avoid the holding of client money. We look forward to seeing the results of these actions in due course.
- 4.4. In June we spoke out against SRA proposals to reduce the minimum amount of cover for professional indemnity insurance (PII) to £500,000. Our response balanced lower costs for consumers and access issues against adequate basic levels of protection. Ultimately we were not convinced that the transfer of risk from firms to consumers was matched by at least commensurate benefits for consumers. Our research suggests that consumers value PII

and are willing to pay for it, and there were risks of unintended consequences stemming from the proposals. We therefore welcomed the LSB decision not to grant the SRA proposal to reduce the minimum level of professional indemnity insurance from the current level of £2 million (£3 million if incorporated) to £500,000.

Impact: Influencing the SRA workstream on Training for Tomorrow

- 4.5. The Panel has in the past voiced concerns about legal education, training, and ongoing professional competence. We believe the continuous professional development (CPD) system is failing and have called for periodic reaccreditation in high risk areas of law.
- 4.6. In 2014 the Solicitors Regulation Authority (SRA) began a programme of education and training reform named Training for Tomorrow. The Panel has engaged with the SRA throughout the process, including by inputting to consultations and a number of workshops and reference groups. We are supportive of the SRA approach of moving away from prescribing how education and training is delivered towards an emphasis on competent practitioners who deliver good quality outcomes. We agree with the main thrust of the SRA competence statement for solicitors, and were particularly pleased to see that following workshops and comments from the Panel there is now a stronger focus on client centred aspects such as clear language, awareness of the needs of vulnerable clients, and requirements around providing a clear basis for charging.
- 4.7. We also responded to an SRA consultation on CPD where we favour a flexible system which is focused on outputs rather than inputs. We are supportive of the SRA's general approach to tackling the challenge of revisions to the CPD system but we have concerns about the proposed model. These centre on the effectiveness of the

monitoring that will be carried out and the sanctions which will be applied to those who do not carry out adequate CPD.

Impact: Continuing to drive improvements in accreditation schemes

- 4.8. In 2011 the Panel assessed a selection of accreditation scheme in legal services to see whether consumers could have confidence that the schemes were reliable indicators of quality. Two years later the LSB asked us to review progress. Our report was published in April 2014 and we found that overall the direction of travel was encouraging. Information about the schemes which is provided to consumers, entry requirements, and structured re-accreditation were all areas which had improved. However, we also found that amongst other things:
- Schemes continue to fail to incorporate consumer feedback in either their design or operation.
 - Complaints processes are not clear or accessible enough in many cases.
 - Diverse and ongoing competence checks category have got better, but improvements are still needed.
- 4.9. This year we therefore engaged with a number of the schemes we had assessed in order to share good practices and continue to drive improvements. As a result of this programme of engagement different schemes have:
- Made complaints policies and procedures more accessible and easier to follow
 - Carried out consumer research
 - Made changes to websites to make the user interface more accessible, and to help consumers leave feedback.
- 4.10. We are grateful to those schemes who engaged with the process and particularly

to those who shared examples of good practice.

What next?

- 4.11. Over the next year the Panel will:
- Participate in and be ready to respond to the LSB's research study to map unregulated providers
 - Engage with the CILEx Regulation Paralegal Enquiry and specific self-regulation initiatives as appropriate

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 Consumer Impact Report shows

- 5.1. New entrants to the workforce are more diverse than the overall population and efforts such as apprenticeships should help widen access. Yet issues with social mobility and access to the profession remain, and the picture is less encouraging in the senior workforce. There is a range in experiences of using a legal service, depending on socio-economic group and ethnicity. DIY law, unbundled services and unregulated providers are moving to fill gaps left by the removal of legal aid. These are raising difficult questions around balancing access to justice with the right level of consumer protection. The data from our Consumer Tracker Survey found:
- 77% of ABC1s are satisfied with their service compared to 74% of C2DEs
 - Service satisfaction is lower among BME groups compared to White British respondents
 - The gender balance of regulatory boards has improved slightly; up to 30 out of 77 total board members are women

What the Panel has done

Major impact: Changing the way regulators recognise and respond to consumer vulnerability

- 5.2. Our research shows many lawyers struggle to adapt their services to cater for consumers with specific needs, while legal regulators carry out little research with vulnerable. To address these problems the Panel produced a guide for regulators to help them recognise and respond to vulnerability. The guide is based on British Standard BS18477 on Inclusive Service Provision, which we translated into a legal services setting, and forms a companion piece to our toolkit on the Consumer Principles. The Chairman of the Consumer and Public Interest Network of the British Standards Institute wrote a foreword for our guide, recognising its role in enabling legal services regulators to identify, understand and respond to consumer vulnerability effectively and consistently.
- 5.3. The guide follows the three key elements of the regulatory journey: policy making, carrying out the core regulatory functions, and providing services to the public. Ultimately, if regulators get better at identifying and responding to consumer vulnerability, this should translate into law firms and lawyers acting in a more inclusive and accessible manner.
- 5.4. We tested a draft version of the guide with staff from the Bar Standards Board, (BSB) and made adjustments before publication, to ensure the guide is of

practical use. The BSB now use it as part of their policy development process.

- 5.5. We have since provided vulnerability training to members of staff at the Solicitors Regulation Authority. Feedback so far has been very positive and staff find the guide useful.
- 5.6. In addition we have worked with consumer panels and regulators in other sectors to highlight our guide and to incorporate learning from other sectors into our own work.

Impact: Highlighting the access to justice challenge and the role of McKenzie Friends

- 5.7. The Panel is committed to addressing the regulatory implications of the rise in numbers of litigants in person (people who represent themselves in court). Our initial focus has been on McKenzie Friends. We published a report on *Fee-charging McKenzie Friends* in April 2014. We recognised there are risks for consumers who use an unregulated McKenzie Friend but also that in many cases their choice is a McKenzie Friend or no-one. Consumer protection risks must be balanced against access to justice benefits and the reality of the LASPO reforms. Our focus since the report has been engaging in the debate and influencing McKenzie Friends to tackle the poor courtroom and commercial practices identified in our report. A new trade body – the Society of Professional McKenzie Friends – has been set up to raise standards.
- 5.8. The LSB published their response to our report in September and supported our overall conclusions. They recognised the contribution such services can make to access to justice and supported efforts to raise industry standards without resorting to statutory regulation. In November the Panel Chair addressed the subject in her evidence to the

Justice Select Committee on the impact of changes to civil legal aid.

- 5.9. The judiciary set up a Working Group to examine the issues we raised further. This is a major impact in itself, and we await publication of the report.

New research: Unbundling

- 5.10. The LSB is funding joint research, commissioned in partnership with the Panel, on unbundled services. ‘Unbundling’ separates a package of legal services into parts, and the client and legal services provider agree to what parts of the package the provider will offer. We want to find out consumer’s motivation for using these services, their purchasing behaviour, if they work well, what benefits and risks might be involved, and what safeguards should ideally be in place.
- 5.11. We want to use the research to inform the shaping of a regulatory framework which addresses the key risks facing consumers and responds to the challenges facing providers of unbundled services. The research will consist of 35 interviews with consumers, 15 with legal services providers and five with judges, focussing on civil and family litigation, and immigration services.

What next?

- 5.12. Over the next year the Panel will:
 - Explore the feasibility of conducting the first ever quantitative survey on litigants in person
 - Participate in and be ready to respond to the LSB’s research project on the affordability of legal services
 - Continue training the regulators on our vulnerability guide and engaging others

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 Consumer Impact Report shows:

- 6.1. There are high numbers of ‘silent sufferers’ in legal services compared to other service sectors overall; nearly half of dissatisfied clients do nothing and people’s confidence in making a complaint is low. More positively, there are some signs that standards of complaints-handling at first-tier are improving. There are longer term debates on the future of consumer redress which could fill gaps in redress and lead to a much needed rationalisation of the ADR landscape. These developments create important strategic choices for the Legal Ombudsman’s future.
- Only 48% of people would feel confident complaining about their lawyer
 - 42% of consumers who were dissatisfied with a lawyer did nothing about it – consistent with 2014
 - The Legal Ombudsman’s unit cost in 2013-14 was £1,950

What the Panel has done

Impact: Considering third party complaints

- 6.2. In November the Office for Legal Complaints (OLC) considered a report on third party complaints. This followed work by a steering group, set up after sustained pressure from the Panel, including a report in 2012 and publication of a selection of case studies received by the Legal Ombudsman during 2013. These case studies illustrated that sometimes consumers suffer severe financial and personal hardship through the poor practice of a lawyer they have no contract with.
- 6.3. Following on from our work in this area the OLC Board considered the issue and found that there are some cases where access to redress would be helpful, if the circumstances in which the OLC could get involved are clearly and tightly defined. We were pleased to see the Legal Ombudsman’s 2015-16 Business Plan commits to a consultation on third party complaints. This is an important development and we look forward to making further progress with the Legal Ombudsman on this issue throughout the coming year.

Publication: Remapping consumer redress

- 6.4. In June we published our response to the Department for Business, Innovation and Skills consultation on how the UK should implement the European

Directive on Alternative Dispute Resolution. ADR has replaced the courts as the main forum for resolving disputes between consumers and businesses and is of key strategic importance. However, the ADR landscape has grown organically along regulatory boundaries, which has led to some problems that are becoming increasingly urgent to fix. These problems are felt acutely in legal services, but there is evidence they are common elsewhere. The Directive is a timely opportunity to take a step back and rethink the long-term provision of consumer redress. The Panel wants to see a single competent authority take on an oversight role, champion ADR and lead a project to rationalise the overall UK consumer redress landscape.

Impact: Working with the Legal Ombudsman

- 6.5. The creation of the Legal Ombudsman was a key consumer protection measure in the Legal Services Act reforms. We act as a critical friend to the Legal Ombudsman, providing a mixture of support and constructive challenge. In the past we've carried out joint research and accessed their case system to inform our evidence base on specific issues. Our benchmarking exercise has enabled the Legal Ombudsman and others to compare its performance against other redress schemes.
- 6.6. We've maintained a close working relationship with the organisation during 2014-15 as it developed a new strategy. The Panel focused our comments on

the Legal Ombudsman's strategy in two areas. Firstly, whilst acknowledging the commitment to sharing learning from complaints and progress made to date, going forward we would like to see a dedicated sub-strategy and specific activities. Secondly, given growth of the unregulated sector and the ADR Directive coming into force this summer, the establishment of the voluntary scheme provided for in the Act has become even more urgent. In the absence of such a scheme unregulated providers may turn elsewhere in order to provide redress leading to a more fragmented system which is confusing for consumers.

What next?

6.7. Over the next year the Panel will:

- Continue to push the Legal Ombudsman to establish a voluntary ADR scheme without further delay and accept third party complaints in certain circumstances
- Conduct joint research with the Legal Ombudsman on perceptions of fairness of its decisions
- Seek funding in collaboration with Queen Margaret University's Consumer Insight Centre for a study on good practice by consumer redress schemes in using complaints data to raise standards in the market
- Engage with the LSB's review of complaints signposting rules in light of the ADR Directive

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 Consumer Impact Report shows:

- 7.1. All the approved regulators now have lay majorities, the LSB has mandated for all future chairs to be lay and strengthened the independence of the re/appointments process for board members. While the regulators are more structurally independent of the professional bodies, specific incidents have caused concern and there remains a lack of cultural independence from the workforce. The LSB has suggested that a lack of independence has held back the pace of the market reforms.
- Since 2013 all seven regulatory boards have had a lay majority
 - Only three of the seven approved regulators publish board papers
 - Only one consumer research report has been published by the regulators since 2013

What the Panel has done

Major report: Influencing how regulators should prepare for the future

- 7.2. To inform the development of its next three-year strategy the Legal Services Board asked the Panel to examine what developments in the period to 2020 are most likely to have an impact on consumers of legal services and what should guide how the LSB and approved regulators respond to them. Our report sets out a consumer centred approach, exploring four broad interrelated areas that we consider will have the most profound impacts on consumers: self-lawyering; the influence of technology; changes in consumer behaviour; and market changes. The report then suggests five overarching themes to guide how regulators should respond to ensure consumers are placed at the heart of regulation:
- Act to ensure the reforms benefit everyone – in order to create fair markets for all regulators should tackle vulnerability strategically and ensure they are proactive about empowering consumers
 - Adapt to the changing patterns of risk – the nature of risks are likely to change and regulators need to move with the times by updating their tools, acquiring new skills and forging strong partnerships

- Rethink consumer protections – consumer confidence that the rules protect them is the single most important factor that explains those markets that work for consumers and those that do not. The focus should be on ensuring regulation is targeting in the right places and does the job it is designed for
- Work in different ways - developments such as the rise in litigants in person and online dispute resolution, big data and intermediary markets, create novel and difficult policy issues. Regulators need to stand ready to address these issues in order to facilitate innovation yet ensure the right level of consumer protection
- Maintain pressure for legislative reform – the existing regulatory framework is likely to come under ever greater strain. It will be important to build consensus around a new vision and to secure political commitment to implementation

7.3. Our report was launched at the Legal Futures Conference on the Era of the Entrepreneur in November. So far it has been influential in shaping the LSB's new strategy and the emerging priorities of the frontline regulators and others.

Impact: Helping regulators to understand consumer principles

7.4. In the past the Panel has asked regulators to engage more with consumers in order to inform their policy-making processes. In 2014 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 commonly used by consumer

organisations to work out how particular issues or policies are likely to affect consumers. The toolkit was well received and this year we have provided refresher sessions on the toolkit to policy staff at the SRA, alongside our training on consumer vulnerability. We will continue to offer refresher training as our stakeholders tell us they find it a valuable tool to help them identify and consider the consumer perspective in their policy development processes.

Impact: Improving joint working through the Regulators' Forum

7.5. In 2012 the Panel was asked by the regulators to support them in their consumer engagement and joint working. To do this we set up a 'safe space' where regulators can discuss issues affecting them all. The resulting Regulators' Forum has been successful at fostering joint working and we have had good feedback that the forum has been helpful to the regulators. Panel staff and members attend each forum as observers but do not participate in the decision-making.

7.6. Originally we provided meeting rooms and secretariat support. Last year CILEx Regulation took over running of the forum, and we would like to thank staff there for their work on this. Organisation of the forum will sit with the SRA throughout 2015.

What next?

7.7. Over the next year the Panel will:

- Engage with initiatives by the regulators to review their regulatory arrangements
- Continue training the regulators on our consumer principles toolkit

8 Priorities in 2015-16

Looking ahead

- 8.1. The year ahead will see a new three-year strategy and one-year work programme for the Panel. We have defined five themes that will underpin our research and policy agenda:
- Our primary and overarching aim will be extending access to justice
 - This will be supported by three further themes of: improving the regulatory and complaints system so it protects consumers and keeps pace with new risks, equipping consumers with the information and tools they need to choose and use legal services effectively, and ensuring unregulated providers raise standards and provide access to redress
 - Our final theme centres on legislative reforms to modernise the regulatory framework. This lies outside our control but in the meantime there is a need to reduce duplication, inconsistency and waste within the current arrangements

10 Highlights in 2015-16

Identify what kind of information regulators could collect from firms to aid consumer choice

Conduct joint research with the Legal Ombudsman on perceptions of fairness of its decisions

Seek funding for a study on good practice by consumer redress schemes in using complaints data to raise standards in the market

Seek funding for research on the accuracy of legal information websites in relation to differences in law between England and Wales

Undertake analysis of the LSB's legal needs survey to investigate why some people fail to resolve their legal problems successfully

Engage with the CILEx Regulation Paralegal Enquiry and specific self-regulation initiatives as appropriate

Explore the feasibility of conducting the first ever quantitative survey on litigants in person

Participate in the LSB's research project on affordability of legal services

Engage with initiatives by regulators to review their regulatory arrangements

Continue to push the Legal Ombudsman to establish a voluntary ADR scheme and accept third party complaints in certain circumstances

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 2015 were £204,000. Actual expenditure for this period was £204,319. (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 – 6/6

Andy Foster – 4/6

Cathy Gallagher - 4/6

Dr Michelle Goddard - 6/6

Frances Harrison – 6/6

Dr Philip Marsden - 4/6

Marlene Winfield - 5/6

Catherine Wolthuisen – 6/6

- 9.5. Cathy Gallagher, Dr Michelle Goddard, Dr Philip Marsden, and Marlene Winfield OBE

were appointed to the Panel on 1 April 2014.

Activities and outputs

- 9.6. 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 – 17
 - Speeches/presentations – 12
 - Events hosted by the Panel – 3
 - Ongoing committees and working groups – 4
 - News releases – 10
 - Blogs – 10
 - Stakeholders met by members – 33

Table 1 – Breakdown of Panel expenditure in 2014-15

Category	2013/14	2014/15
Panel Fees and Secretariat	173,854	175,620
Research	21,078	21,078
Travel	3,460	2,608
Training	1,270	1,261
Subscriptions/office costs	-	2,468
Catering/room hire	943	1,284
Total	200,605	204,319

Consumer Panel activities

Policy and consumer research reports

19 March 2015	Comparing methods of service delivery: a case study on divorce
5 December 2014	Consumer Impact Report 2014
18 November 2014	2020 Legal Services – How regulators should prepare for the future
15 October 2014	Guide to consumer vulnerability
5 June 2014	Remapping consumer redress
29 May 2014	Tracker Briefing 3: Wales
29 May 2014	Tracker Briefing 2: Confidence and satisfaction
23 May 2014	Tracker Briefing 1: A changing market
17 April 2014	Fee-charging McKenzie Friends

Consultation responses

01 April 2015	LSB discussion paper on in-house lawyers
30 March 2015	CLC consultation on compensation fund operating framework
24 March 2015	CMA consultation on online reviews and endorsements
16 March 2015	QC Appointments consultation on eligibility for appointment as QC
23 February 2015	Legal Ombudsman consultation on draft strategy and budget
16 February 2015	Crown Prosecution Service consultation on speaking to witnesses at court
12 February 2015	SRA consultation on the separate business rule
12 January 2015	SRA consultation on Training for Tomorrow, a competence statement for solicitors
15 December 2014	SRA consultation on the regulation of consumer credit activities
18 September 2014	SRA call for evidence on client protection
5 September 2014	BSB consultation on entity regulation
18 June 2014	SRA consultation on multi-disciplinary practices
18 June 2014	SRA consultation on changes to PII
18 June 2014	SRA consultation on changes to compensation fund eligibility criteria
6 June 2014	CLC consultation on publication of disciplinary information
5 June 2014	BIS consultation on implementing the ADR Directive
17 April 2014	CILEx Regulation consultation on fines

Speeches and presentations

18 November 2014	Legal Futures conference on the era of the entrepreneur: Andy Foster launched the Panel's 2020 report and Elisabeth Davies spoke on a panel devoted to the changing face of legal services
19 November 2014	Justice Select Committee Elisabeth Davies gave evidence on the subject of litigants in person
21 November 2014	Civil Justice Council: Elisabeth Davies spoke at the CJC's annual event on litigants in person
October 2014 (various dates)	Training sessions: Frances Harrison led sessions on the <i>Consumer Principles</i> with Board members and staff at the Solicitors Regulation Authority, Bar Standards Board, Council for Licensed Conveyancers and CILEx Regulation
10 October 2014	Legal Wales Conference: Elisabeth Davies spoke about consumer issues in Wales in a plenary session introduced by LSB Chairman Mike Pitt
29 September 2014	Panel/LSB Board joint meeting: Philip Marsden led a joint session on the Panel's 2020 work
23 September 2014	Workshop at the Bar Standards Board: Catherine Wolthuizen facilitated a workshop to road test our guide <i>to Recognising and Responding to Consumer Vulnerability</i>
4 September 2014	Westminster Legal Policy Forum on the future of legal services regulation: Elisabeth Davies posed the question 'what is the regulatory response to the unregulated market?'
16 June 2014	Legal Futures conference on technology and legal services: Andy Foster spoke about the Panel's research into online self-help tools
15 May 2014	European Consumers' Organisation general assembly: Elisabeth Davies highlighted the Panel's work to the BEUC general assembly
1 May 2014	Law Society Wales: Elisabeth Davies launched the Panel's report on Fee-charging McKenzie Friends at an event in Cardiff
1 April 2014	European Consumer Summit: Andy Foster attended the Consumer Summit in Brussels on the theme of consumers in the digital age

Ongoing committees and working groups

Legal Services Board Research Strategy Group
SRA Training for Tomorrow working group
Regulators' Forum
Consumer Panel Chairs regular meetings

Events hosted by the Panel

10 October 2014	Event to support the development of a self-regulatory scheme for McKenzie Friends
23 September 2014	Consumer vulnerability training/workshop at the Bar Standards Board
22 July 2014	2020 Stakeholder event facilitated by Joshua Rozenberg

News releases

19 March 2015	Online divorce...a practical choice
5 December 2014	Third 'Consumer Health Check' of legal services reforms shows progress, but still more to do
18 November 2014	Major new report on future of legal services
15 October 2014	Panel launches guide to help regulators take account of consumer vulnerability
7 October 2014	Reaction to QASA judgment
29 May 2014	Tracker Survey: Too many 'silent sufferers' still putting up with bad service from lawyers

23 May 2014	Tracker Briefing 1: Consumers beginning to respond to wider choice
14 May 2014	New comparison sites sign up to Panel's good practice standards
17 April 2014	Consumer Panel calls for culture shift to recognise contribution of fee-charging McKenzie Friends
10 April 2014	Panel publishes new Work Programme
3 April 2014	Panel finds improvements to accreditation schemes but still some way to go

Blog posts

19 February 2015	A legal response to negative online reviews Dr Michelle Goddard
22 January 2015	Radical change in the court room? Elisabeth Davis
20 November 2014	Is self-lawyering anti-lawyer? Elisabeth Davies
15 October 2014	Recognising and responding to consumer vulnerability Catherine Wolthuizen
20 August 2014	One step closer to open data Elisabeth Davies
28 July 2014	A regulatory answer to a different question Elisabeth Davies
30 June 2014	Where mediation fits in Elisabeth Davies
29 May 2014	The greatest happiness of the greatest number Marlene Winfield
23 April 2014	Can we trust the on-line 'trust mark'? Andy Foster

9 April 2014	<p>No longer waiting for perfect data</p> <p>Elisabeth Davies</p>
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Stakeholder meetings attended by Panel members

Association of Personal Injury Lawyers
Bar Standards Board
Bar Council
Chartered Institute of Legal Executives
CILEx Regulation
Civil Aviation Authority Consumer Panel
Civil Justice Council
Communications Consumer Panel
Council for Licensed Conveyancers
Coventry Law Centre
European Consumers' Organisation
European Consumers Consultative Group (UK)
Financial Services Consumer Panel
Food Standards Agency Consumer Advisory Panel

General Pharmaceutical Council
Grapevine
Lady Justice Asplin
Law Society
Law Society Wales
Law Works
Legal Ombudsman/Office for Legal Complaints
Legal Services Board
Legal Wales Foundation
Master of the Rolls
Ministry of Justice
Norah Fry Research Centre
Personal Support Unit
Professional Paralegal Register
Resolution
Shailesh Vara MP
Solicitors Disciplinary Tribunal

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 Deputy Chief Executive 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.

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 currently Director of Regulatory Services for Capita plc, where he leads Capita's regulatory offering, developing growth for their consumer protection portfolio.

A trading standards officer by profession, Andy has over 20 years of experience delivering local, national and international consumer protection strategies for government agencies. Andy is a regular advisor to the UK government on consumer matters and played a key role in recent institutional reforms of the consumer protection landscape in the UK and during the horsemeat investigation of 2013. Andy also has extensive international experience having represented 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 regulatory regimes.

Previously Andy was Director of the Consumer Codes Approval Board and a member of the British Board of Film Classification Consultative Committee.

Cathy Gallagher

Cathy leads on the delivery of Solicitors Regulation and Pro Bono Service development for the Law Centres Network of England & Wales. Through roles

in local and central government and in new and existing Law Centres, she is experienced in promoting improvement in the quality, delivery and extension of public legal services.

Cathy delivered the start-up strategic management for the New South Wales Legal Assistance Forum, Sydney and the Asylum Seeker Support programme, Rochdale Council. Formerly a practicing solicitor, she worked as Principal Litigation Officer in both Commissions for Equal Opportunities and for Racial Equality. Cathy has particular interest in the advantages of alternatives to the litigation process and recently gained a Masters in Dispute Resolution. She is a Trustee of the North West Legal Support Trust

Dr Michelle Goddard

Michelle is currently Director of Policy and Standards at the Market Research Society responsible for promoting and protecting the research sector's quality standards. She also serves as the European Research Federation (EFAMRO) Director of Policy & Communication.

With experience in consumer market regulation gained in a range of academic, policy and enforcement roles over the last 20 years, Michelle most recently led on consumer advocacy in postal services policy and research at Consumer Futures, the statutory consumer body. She was the first Chief Executive of the Barbados Fair Trading Commission and held several senior public policy advisory roles with Caribbean governments and agencies. A non-practicing barrister, Michelle also spent time as a consumer lawyer at *Which?* and as an 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 Vice Chair of the Thalidomide Trust, 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. She is currently Head of Market Affairs at the Financial Ombudsman Service, and was previously an Ombudsman. Catherine 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. She 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 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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