

Minutes

Legal Services Consumer Panel Meeting

Date: 14 July 2010

Time: 11:00 – 14:00 pm

Venue: Victoria House, Southampton Row, London WC1B 4AD

Present:

Dianne Hayter	Chair
Jeff Bell	Member
Graham Corbett	Member
Elisabeth Davies	Member
Emma Harrison	Member
Paul Munden	Member
Neil Wightman	Member
Steve Brooker	Consumer Panel Manager
Alanna Linn	Consumer Panel Associate
Julie Myers	Legal Services Board
Crispin Passmore	Legal Services Board (Item 7)
Lesley Davies	Legal Services Board (Item 7)
Samantha Barrass	Solicitors Regulation Authority (Items 8 and 9)

Item 1 – Welcome and apologies

1. The Chair welcomed the Legal Services Consumer Panel ('the Panel').
2. The Chair advised that Karin Woodley had sent her apologies due to illness.

Item 2 – Introductions and declarations of interests

3. The Chair advised that she and the Consumer Panel Manager had attended lunch with two journalists setting up a consumer legal affairs website – TLA Today. The Chair also advised she had attended the ILEX annual lunch.
4. Paul Munden advised that he had attended the Bar Council's Garden Party.

Item 3 – Minutes of the 12 May 2010 meeting

5. The Chair presented the Draft Minutes for the 12 May 2010 meeting of the Panel.

The Panel approved the Minutes.

Item 4 – Matters Arising from the Minutes

6. In relation to Item 5 in the Minutes, the Chair advised that Paul Munden responded to IPReg to confirm Panel support for proper collection of complaints data.
7. In relation to Item 6 in the Minutes, the Chair advised that the Panel's referral arrangements report was submitted to the LSB and thanked members for their input to the final version.
8. In relation to Item 7 in the Minutes, the Chair noted a new research section on the LSB website, which contains the LSB's research strategy. Two research reports were circulated to Panel members: research on small businesses; and a collection of short essays on the future of legal services.

The Panel noted the matters arising.

Item 5 - Chair's report

9. The Chair presented her report, covering recent meetings, speaking engagements and press coverage.
10. In addition to the written report:
 - The Chair advised that the Legal Ombudsman has now publicly confirmed the 'go live' date of 6 October 2010. The Chair also noted that she had recently met with the Chief Ombudsman, who reiterated their interest in having Panel members involved in staff training.
 - The Chair advised that no firm date for the Legal Ombudsman consultation on the publication of complaints data had yet been set.
 - The Chair advised that Jeff Bell would be leading for the Panel on will writing, and that the LSB was convening a stakeholder meeting at 3.30pm, Monday 26 July.
 - Julie Myers advised that the LSB is due to complete its analysis of Approved Regulator independence certificates by the end of July.
 - The Chair advised that the LSB has sought advice from the Panel on consumer perspectives on quality in legal services by the end of November 2010. The Consumer Panel Associate reported that Vanilla Research had been appointed to undertake qualitative consumer research and that draft advice would be an agenda item at the October Panel meeting. The Panel Associate also advised that Neil Wightman had agreed to be Panel lead on this project.
 - The Consumer Panel Manager advised that a Panel budget of £27,000 had been approved, to cover items such as travel, printing and consumer research.

11. Panel members briefly discussed the potential impact of Government cuts on the LSB and the Panel.

The Panel noted the paper and the additional items raised.

Item 6 – Members’ updates report

12. Panel members provided feedback on their meetings and panel work:

- Graham Corbett advised that he was trying to finalise dates for a breakfast meeting with the Union Legal Officers Network.
- Emma Harrison advised that she attended the first meeting of the MoJ Transition Project Board which relates to the changeover to the Legal Ombudsman and a related Communications meeting. Emma indicated that she had a number of concerns around the process and would prepare a written note for the Panel.
- Elisabeth Davies reported that she, along with the Chair, the Consumer Panel Manager, and the Consumer Panel Associate had been to Wales for an introductory meeting with a number of stakeholders. Key themes to emerge included issues associated with further devolution, physical access, legal aid reform and the large number of small firms, which also often have aging partners.
- Elisabeth Davies also noted that she would be leading for the Panel on the development of the Consumer Welfare Index (CWI). The next step is to set up an Expert Advisory Panel. It is expected that the Panel will discuss the development of the CWI at its away day in December and consider draft indicators at its February meeting.

Action:

Emma Harrison to provide a written note on the MoJ Transition Project Board meeting

The Panel noted the members’ updates.

Item 7 – Referral Arrangements and Will writing

13. The Chair introduced Crispin Passmore, Director of Strategy at the LSB.

14. Crispin Passmore thanked the Panel for its work on referral arrangements and noted that the process has been a useful lesson on how to work with the Panel. Crispin Passmore noted that the LSB had broadly endorsed the majority of the Panel’s recommendations.

15. Crispin Passmore advised that the LSB was likely to release a consultation on the way forward with referral arrangements in September/October 2010, and would seek input from the Consumer Panel Manager.

16. In addition to referral arrangements, Crispin Passmore discussed the LSB's planned work on will writing. Key points presented included:
- The LSB is scoping a project on whether will writing should be regulated starting with a stakeholder workshop the following week.
 - It is likely that the LSB will seek Panel advice as part of this project.
 - The LSB has identified five key areas of potential consumer detriment: cross-selling of estate administration; pressure selling; where people go if they are given poor advice; large numbers of people who die without a will; and the actual quality of wills.
17. Panel members discussed Crispin Passmore's presentation, noting that there were a number of issues around evidence of detriment, as well as whether regulation is the best solution.
18. The Consumer Panel Manager noted that if the Panel was asked to work on will writing, this would have resource implications for the current work programme. The Panel Manager advised that one option would be to defer the project on comparison websites.

The Panel:

- **noted the LSB's feedback on their referral arrangements report;**
- **noted the information on will writing presented by the LSB Director of Strategy; and**
- **agreed to defer work on comparison websites in order to undertake work on will writing.**

Item 8 and 9 – Outcomes-focussed regulation and SRA guest speaker

19. The Chair introduced Samantha Barrass, Director of Regulation at the Solicitors Regulation Authority (SRA).
20. The Consumer Panel Manager presented a paper that outlined the reforms that the SRA was undertaking as part of a shift to outcomes-focussed regulation. The Panel Manager also sought Panel feedback on proposed responses to two SRA consultations on the issue, with the Chair also inviting written feedback.
21. Discussion between Panel members on this issue raised a number of key issues and questions, including:
- the frequency of risk-based visits;
 - the importance of firm business models to assessing risk;
 - the role for consumer education and risk literacy;
 - how the new approach will align with changes in the complaints-handling process;

- the need for consumer-friendly language;
- conflicts of interest; and
- the importance of finding the right balance in terms of rules, indicative behaviours and guidance.

22. Samantha Barrass responded to these issues and provided more information on the SRA's approach to risk-based regulation. Key points made included:

- The reforms were a big change to the current system, and involved getting staff to use a whole new way of thinking to look at the quality of firm processes.
- By using a risk-based regulatory approach, it means the SRA will have to decide *not* to do some things, as it will be focussing on the areas of greatest risk.
- The system is being designed to try and get firms to focus on achieving the key outcomes, rather than just 'ticking process boxes'.
- It was anticipated that consumer education would be used to enhance the SRA's processes, rather than as a means to mitigate risk.
- A key challenge for the SRA is determining whether they are setting 'best' or 'good enough' standards, and this is an area for further discussion and debate.
- There is still considerable work and thinking to do. This includes further work on risk-assessment and how to structure risk-based visits.

23. Following the presentation by Samantha Barrass and responses to questions, Panel members discussed the proposed consultation responses. Whilst the Panel was supportive of the proposed policy lines, members raised some additional points for inclusion. Neil Wightman made a number of suggested changes to the language of the SRA's proposed principles and agreed to provide details in writing.

Action

- Neil Wightman to send proposed changes to the to the Consumer Panel Manager
- Consumer Panel Manager to prepare a revised version of the first consultation response and circulate the second consultation response for comment.

The Panel:

- **noted the presentation from Samantha Barrass; and**

- **agreed to the proposed policy lines of the draft responses on outcomes-focused regulation, subject to the inclusion of a number of additional points.**

Item 10 – Plans for consumer engagement workshop

24. The Consumer Panel Manager presented an update on the consumer engagement workshop scheduled for Friday 16 July. The Panel Manager noted that the event would have good attendance from approved regulators, and that the Chair, Elisabeth Davies and Karin Woodley were also planning to attend.

25. The Panel Manager advised that a report will be written and circulated following the workshop.

The Panel noted the update on the consumer engagement workshop

Item 11- Consultation responses

26. The Consumer Panel Manager presented a paper on consultation responses.

The Panel noted the submission made to the BSB on “Development of authorisation to practise arrangements”

Item 12 - Any other business

27. None

Item 13- Draft agenda for next meeting – 6 October 2010

28. The Chair presented the Draft Agenda for the next meeting in October 2010

The Panel approved the Draft Agenda for the October 2010 meeting.

Item 14 - Meeting dates - 2011

29. The Consumer Panel Manager presented draft meeting dates for 2011

The Panel approved the draft meeting dates for 2011