

*By email*

26 November 2024

Dear Regulator Chief Executive

People use legal services at times in their lives that really matter. The Legal Ombudsman (LeO) has a unique perspective into what that looks like in practice – specifically, the things that can go wrong when people turn to a lawyer, and how well lawyers put them right through their in-house (tier one) complaint process.

Our annual data for 2023/24, which we're publishing next week, highlights a failure over time, and across the profession, to engage with the issues causing people to turn to LeO for an independent resolution.

This is clearly a problem for consumers; too many people are being let down. But it's also a problem for LeO, as we can't help people as quickly as we need to while receiving complaints in these volumes. And it's a problem for the legal sector, which is having to pay for our service to be resourced to meet consistently high demand.

I'm writing to you to set out LeO's insights into what needs to change across legal services as a whole, specific detail about legal providers you regulate, and the action we're taking going forward – including the engagement we want to have with you – to ensure people relying on legal services have a consistently excellent experience.

### **LeO's insights: how and why are consumers getting poor outcomes?**

It's important to recognise that we see examples of legal providers who understand what good service and good complaints handling look like. They have accessible processes for clients to raise concerns, are receptive to this feedback, and respond with clarity and empathy. If we can see a lawyer has done all they can to resolve things, we can reassure their client that's the case.

However, of the complaints LeO investigates in-depth, we found:

- Evidence of poor service in 69% of complaints. Of the primary areas of law we report on, conveyancing showed the highest incidence, at 76% – but the figure was 58% even in the area with the lowest incidence, family law.
- Basic service issues around legal providers' communication, delays and failure to progress the matter in hand featured in nearly half (47%) of all complaints consumers made.
- Approaching half (46%) of consumers experienced poor complaints handling. This was highest in conveyancing (56%), but even in the highest-performing area, litigation, more than a third (34%) of consumers hadn't had their complaints handled well.

---

For your regulated community in particular, in cases we investigated we found:

- Evidence of poor service in X% of cases.
- Inadequate tier-one complaints handling in X% of cases.

Underlying this data is a range of concerning behaviour that our investigators and ombudsmen identify in lawyers' complaints handling. It means consumers who complain don't the right outcome first time – and in some cases, don't get an answer at all.

As central concerns, we're consistently finding that legal providers are:

*Failing in their culture and attitude*

- Taking a defensive or confrontational approach to complaints as standard, showing no empathy or understanding of clients' experience.
- Not acknowledging or responding to complaints, or not engaging with their client or LeO after a complaint has been made.
- Refusing to deal with certain complaints at all – for example, because a client has used the word "negligence", and the provider has interpreted this in a technical rather than everyday sense.
- Refusing to acknowledge clear failings in their service – or accepting failings, but not attempting to put things right.
- Responding to complaints in a legalistic, technical way that is difficult for a client to understand.
- Showing no interest in recognising either the commercial or customer service benefits of learning from complaints.

*Failing in their processes and information*

- Having inconsistent, complex complaints processes that put clients through too many stages and hoops – which providers themselves may not even follow.
- Creating barriers to complaining at all or about certain issues, including giving misleading information about what LeO will investigate.
- Giving out-of-date and inaccurate information about the complaints process.
- Setting unrealistic expectations about how complaints will be handled – such as unachievable timescales, which then aren't met.
- Requiring clients who complain to comply with unrealistic and unreasonable requests, such as attending the office for a meeting.
- Failing to anticipate, consider and accommodate reasonable adjustments clients need.
- Failing to signpost to LeO, or giving unclear or incorrect information about how and when to use our service.

### *Failing in their responses and remedies*

- Failing to take, and see the benefit of, a coherent and proactive approach to putting things right at the earliest possible stage.
- Offering insincere apologies, such as telling clients, “I’m sorry if you feel that…” or “I have been told to apologise”.
- Not addressing all the issues their client has raised concerns about.
- Not attempting to remedy the issue, or not offering enough to put things right.
- Disputing or not recognising the emotional impact of any failings.
- Incorrectly quoting LeO guidance or our likely remedies, giving clients the impression it isn’t worth taking their complaint further.
- Offering remedies with the condition they’re in full and final settlement of future, unrelated complaints.

These failings have an unacceptable impact on each individual client who experiences them. Taken together, however, they present serious, systemic barriers to achieving the shared regulatory objectives of protecting and promoting the public interest, improving access to justice, and protecting and promoting the interests of consumers.

We already regularly share detailed data with you about the complaints we’re receiving and resolving about providers you regulate. And in our published data, you’ll be able to see how many complaints are being generated by your regulated community as a whole.

Alongside this letter, I’m sharing more detail about the providers you regulate that are generating high demand for LeO’s service – both in terms of overall volume, and the relative scale of their service and complaints handling failings. While some communities’ outcomes may be relatively better, this isn’t a reason for complacency. There’s considerable room for improvement across the board, and it’s essential there’s a clear and consistent commitment to cultural change across the sector.

### **Action we’re taking**

As we discussed at the LSB’s meeting of regulators’ Chairs and Chief Executives in September, both LeO and regulators have a vital role in building a culture where complaints are valued as opportunities to do things better.

While you have tools and powers to set and enforce standards, the data you use, and the action you take, needs to be underpinned by real-world insight and experience of what’s happening on the front-line of complaints. LeO has this insight, based on our assessment and resolution of tens of thousands of disputes. This is reflected in our 2024-27 strategy, which sets out our ambition to use our independent voice to drive improvements in both standards of service and complaints handling.

Although legal services themselves are diverse, our experience, and that of Ombudsman schemes in different sectors, strongly suggests that the fundamentals of good service and complaints handling are universal. As such, we think there’s significant benefit in moving toward greater standardisation around the core tenets of good complaints handling. These include, for example, early resolution, the quality of investigations and responses, processes and timescales – while retaining appropriate flexibility for particular sectors.

---

For consumers, this standardisation would bring simplicity, clarity and confidence over what to expect if they want to raise complaints about the service they've received – whatever that service may be. Legal providers will also have clarity and confidence over what's expected of them – helping ease the burden of compliance on smaller providers in particular.

In light of the need to radically improve first-tier complaints handling – and in view of the timescale for implementing the LSB's framework – our 2025/26 business plan sets out specific actions in this area, including:

- Engaging with the legal sector and consumer representatives to create and implement model complaints handling procedures and standards for first-tier complaints – building on our work this year to define best practice and establish how to bridge the gap between the current picture and excellence in complaints handling.
- Playing a leading role in the LSB's coalition, supporting regulators to implement its framework for delivering world-class first-tier complaints handling.
- Launching and delivering a comprehensively refreshed complaints-handling training and learning offer.
- Delivering targeted complaints-handling interventions and support for providers who generate high demand for LeO, working with regulators to align and agree a coordinated approach to this.
- Creating further best practice guidance and tools to support legal service providers overcome barriers to good complaints handling.

### **Future engagement with you**

We want to work with you to address the specific issues we're seeing in your regulated community, including via targeted interventions with individual firms on the list we've shared. This builds on LeO's previous success in reversing patterns of failings: including, for one large provider, reducing the number of enquiries to LeO and cases accepted for early resolution by more than 50%, and the number of cases needing investigation by more than 40%.

I'm keen to discuss how we can move forward in a coordinated way, recognising that regulators are also progressing with plans in this area, and will be following up shortly to help facilitate this. We want to focus this next conversation on how we can progress at pace in 2025 to deliver improvements – and in turn, reduce unnecessarily high demand for LeO.

Looking further ahead, as part of our 2024-27 strategy we set out plans to establish a new forum for engagement between LeO and regulators. We want this to be an action-oriented forum for sharing insights, ensuring strategic alignment and momentum in driving better outcomes for those relying on legal services. We see our next conversation as the precursor to regular meetings of this forum going forward.

---

If you have any questions about this letter or our data, please let me know. For transparency, I'll be sharing a copy of this letter with the LSB and publishing a version on our website.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Paul McFadden', with a horizontal line underneath the name.

Paul McFadden  
Chief Ombudsman