



The Society of Licensed Conveyancers
The Old Rectory
Church Lane
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The Legal Ombudsman Consultation on Strategy and Business Plan 2017 - 2020

Response from the Society of Licensed Conveyancers

Question 1: Do you agree with the analysis of the strategic drivers (pages 3-6)?

- CMA Market Study:

We agree that the Legal Ombudsman needs to adapt delivery of its service following changes to the legal services market and potential increased competition following the CMA Review and welcome the view that all options to enhance consumer protection for consumers using 'unauthorised' providers are being considered. We are hopeful that this will lead to increased powers to stop 'unauthorised' providers offering their services and increased public awareness about the dangers of instructing 'unauthorised' providers to provide legal services.

We do foresee particular challenges in the Legal Ombudsman *"working with stakeholders to make data available to develop comparison sites and other intermediaries to allow customers to compare providers"*. Whilst we agree that greater transparency is in the consumers best interest we do foresee a danger that price alone could be used as a very blunt tool for the comparison of legal services. There are a wide variety of styles and structures of legal practices that deliver what may at first instance seem like a similar service e.g. a conveyance, in very different ways to different sections of the market. Some firms will be heavily IT based delivering services to IT literate customers and other firms will provide a more traditional offering to a totally different type of client. The market and client choice will dictate the type of service the customer wishes to instruct and it will be difficult for comparison sites to offer a fair comparison taking into account the way each firm delivers its service.

- LSB Vision and Strategy:

We agree that the Legal Ombudsman should work with the LSB towards the shared goals of a properly risk based regulatory framework covering the whole sector. We feel that the LSB's oversight of the whole sector should support and add to the individual regulators role.

We further agree that an effective Legal Ombudsman demonstrating sustainable improvement is to be strived for.

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- Potential regulatory change:

The Legal Ombudsman is correct to be concerned about the potential confusion caused by regulatory changes and its potential changing jurisdiction. We agree that the Legal Ombudsman will need to work closely with all stakeholders to minimise any confusion and impact on the system of redress.

- Transfer of the CMC jurisdiction:

The Legal Ombudsman faces a challenge to ensure it manages the transfer of the CMC jurisdiction to the Financial Ombudsman Service to ensure it avoids any negative impact on the remainder of its activities.

- Impact of technological changes:

Like all organisations the Legal Ombudsman faces a challenge to ensure it utilises new technologies and we welcome new ways of engagement on the proviso that the use of technology doesn't make it difficult for the less technology able to access the Legal Ombudsman.

- Public sector context:

We note the Legal Ombudsman's challenges in delivering a 15% efficiency target by 2019-20 at the same time as the increased demands on resources managing the CMC Transition and implementing the recommendations of the Tailored Review of the OLC and LSB.

- Economic Context:

We do not agree that our members could be accused of making legal services unaffordable and contributing to falling levels of public trust in lawyers. If this is an issue in the wider legal profession the Legal Ombudsman is of course correct to be concerned.

It is imperative that there is global trust in the UK's legal sector.



Question 2: Are the vision, mission and strategic objectives the right ones (pages 7-10)?

- Yes, the Legal Ombudsman's vision, mission and strategic objectives are admirable and clear.

Question 3: Are our planned activities the right ones to deliver our four proposed objectives? Have we missed any, or are there any we should de-prioritise (pages 12-16)?

Objective 1: Effective, efficient and high quality resolution of complaints.

- The Legal Ombudsman's planned activities to deliver this objective are clear, measurable and seem consistent with its aim of sustainable improvement of its service.

Objective 2: build our capability to understand, engage and influence the legal service and CMC environments.

- We welcome and encourage the Legal Ombudsman's intention to work more closely with the profession and stakeholders and look forward to working closely together with a view to reducing the number of complaints received by our member firms and improving our members' complaints handling procedures to reduce the number of complaints received by the Legal Ombudsman.

Objective 3: develop the scheme and our service

- We agree the Legal Ombudsman's views experiences and insights are important resources that the MOJ and LSB should utilise when considering changes to the legislative framework to provide better consumer protection for SME's and consumers using 'unauthorised' providers.
- ADR schemes are an efficient and cost effective form of dispute resolution and on the face of it such a scheme could benefit the Legal Ombudsman and the legal profession. The legal ombudsman is correct to research the application of such schemes. We are concerned that there may be occasions where firms that receive an unjust complaint from a customer make an offer of compensation to avoid the time and cost of having a complaint referred for a full investigation. Some firms may welcome the opportunity to refer a matter for mediation or adjudication, rather than a full investigation if the customer doesn't agree with the firm's complaints response.
- There is no detail of the drivers behind a Scheme Rules Review so it's difficult to comment at this stage before the 'recommendations paper on scheme rules review' has been produced.



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Objective 4: modernise LeO to deliver continuous improvement in performance - infrastructure, resources and efficiency.

- The Legal Ombudsman has ambitious IT improvement plans that once fully implemented and settled will hopefully have the desired outcome. Such ambitious IT renewal can be disruptive in the short term and we hope the Legal Ombudsman has adequate resources to minimise any disruption to service whilst at the same time being able to invest in the system and staff training.
- The Legal Ombudsman's plans for effective recruitment, training engagement, values and leadership of staff are all admirable.

Question 4: Does the strategy strike the right balance between realism and ambition in maximising the impact of our scheme?

- We hope so. The Legal Ombudsman does have a very ambitious plan in particular to update its IT infrastructure at the same time as facing potential changes to regulation and having to deliver a 15% efficiency target by 2019-20.

Question 5: Do you have any specific comments on our budget for 2017-18 (pages 17-19) and our business plan (pages 11-22)?

- The High-level budget doesn't go into detail but refers to increased IT Hardware costs and running two case management systems in parallel during 2017-18 whilst at the same time assuming that staff training costs will remain similar to previous years. We would have thought introducing a new case management system will increase training costs and further that running the two systems in parallel will increase labour costs for that period.