

**Competition & Markets Authority – Legal Services Market Study (“the Market Study”)**  
**LawNet Submission**

**1. About LawNet**

Founded in 1989 and based in Leamington Spa, LawNet is a national network of 66 independent law firms. The majority of firms are based in England and Wales although we have a small number of associate member firms based in Scotland, the Republic of Ireland, Northern Ireland and the Isle of Man. LawNet is owned by its members and is a company limited by guarantee. Members vary in size from firms with annual turnover of approximately £2 million to £20 million.

LawNet’s aim is to ensure that its members stay ahead of their competition, offer a high quality service to all clients, reduce costs and improve profitability.

LawNet provides a range of services to member firms including training courses, marketing and business development support, quality accreditation, discounts with a variety of different service providers and access to the legal sector’s largest group professional indemnity insurance scheme. We also hold a high profile annual conference addressing key issues in the legal sector.

**2. Background to this Submission**

LawNet has not consulted its members regarding the content of this submission due to the short time frame between the publication of the Market Study and the closing date for submissions.

This submission does not comment on all of the issues or themes raised in the Market Study. In preparing this submission we have commented on matters which we consider to be of most relevance to the products and services provided by LawNet to members and the requirements of LawNet membership. As a result, we do not comment on all three themes outlined in the Market Study. Our comments relate to the key aspects of the first two themes.

**3. Theme 1: Accessing and Assessing Information**

In this section of the submission we comment on two aspects of LawNet’s work. First, the LawNet Quality Standard (“the LQS”) and second, LawNet’s Excellence Mark.

**The LQS**

The LQS is a bespoke ISO 9001 quality management system which incorporates the requirements of the Law Society’s Lexcel standard and Outcomes Focused Regulation. All LawNet firms must achieve accreditation to the LQS within two years of joining the network and must then maintain accreditation by passing twice yearly surveillance assessments, which are carried out by an independent assessment body. Failure to maintain accreditation will ultimately result in expulsion from the network. The LQS, and our members’ commitment to obtaining and maintaining accreditation, demonstrates LawNet’s commitment to offering a quality service to consumers. Members are able to display a quality mark on their websites and other documentation which shows that they have achieved accreditation to the LQS.

Price information: the LQS makes clear that clients must be given the best possible information about the likely overall cost of a matter, both at the outset and when appropriate, as the matter progresses. In particular, practices must:

- advise the client of the basis of the practice's charging
- advise the client where the practice will receive a financial benefit as a result of accepting instructions
- advise the client if the charging rates are to be increased
- advise the client of likely payments which the practice or the client may need to make to others
- discuss with the client how they will pay and inform them of their right to challenge or complain about the bill and the circumstances in which they may be liable to pay interest on an unpaid bill
- advise the client that there are circumstances where the practice may be entitled to exercise a lien for unpaid costs
- advise the client of their potential liability for any other party's costs.

### **The Excellence Mark**

LawNet's Excellence Mark was launched in January 2013. Its purpose is to provide members with tools and information to enable them to improve the service they offer to clients on an ongoing basis and be able to clearly demonstrate this. The Excellence Mark comprises the following three elements:

- A client charter which sets out the level of service which clients can expect to receive when dealing with a LawNet member firm. Firms are encouraged to use LawNet's standard client charter or their own version, which achieves the equivalent aims in terms of customer service. We encourage members to ensure that clients and potential clients are aware of the terms of the charter and some achieve this by putting the charter on their websites.
- Mystery shopping: All LawNet members are required to undertake a specified number of mystery shops each year. These assess the customer service response of the member firm in relation to a range of different client enquiries. These enquiries could be derived from telephone calls, walk in clients or website enquiries.
- Online client surveys: The Excellence Mark includes the facility for members to send all clients a post matter survey so that feedback can be collated and analysed to generate improvements.

We are currently working with LawNet members to provide a facility enabling them to display the results of client surveys on their websites. This, and the existence of the client charter, will assist potential consumers in judging the quality of service which they can expect to receive from LawNet firms.

#### **4. Theme 2: Information Failures & Consumer Protection**

In relation to this theme, we focus on the question posed by the Market Study relating to the level of awareness of consumers with regard to mechanisms for redress and whether providers of services are drawing their attention to them.

The LQS requires member firms to operate a written complaints handling procedure which must be communicated to clients. The following information must be given at the outset of the matter:

- that in the event of a problem they are entitled to complain and how complaints can be made
- details of the complaints procedure, of their right to complain to the Legal Ombudsman, the time frame for doing so and full details of how to contact the Legal Ombudsman.

As referred to earlier in this submission, in addition to external independent audits, firms are required to monitor compliance with the requirements of the LQS through a robust system of internal audit and file review. This process should ensure that accurate information is consistently communicated to clients at the right time. Further, firms are required to audit their complaints procedures for continued compliance and effectiveness.

Further, LawNet's group professional indemnity scheme requires UK members to maintain a minimum of £10 million professional indemnity cover. We also consider that the cover offered by the SRA's minimum terms is broader than schemes existing in other jurisdictions. LawNet's scheme policy is written in wider terms than the minimum terms so this affords an additional degree of protection and redress to clients of LawNet member firms.

#### **5. Conclusion**

The LQS and Excellence Mark assist LawNet members in providing a high level of client service which includes key information about the level of service that clients can expect, including information relating to price, complaints procedures and other methods of redress.

LawNet is able to provide further assistance or information relating to the themes outlined in the Market Study as required.

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