

Thank you for your invitation to comment on the Legal Services Market Study Interim Report.

LSG has worked with thousands of law firms in many countries since 2005, providing electronic billing, litigation and supplier/vendor management solutions. In addition to my role at LSG I am a Board member of the LEDES (Legal Electronic Data Exchange Standards) Oversight Committee that creates and maintains legal billing standards and has worked with the Hutton Committee to ratify the Jackson EW-UTBMS Litigation 'J Code Set' for use in England and Wales, following Lord Justice Jackson's review.

We agree with your conclusions that lack of transparency with regard to pricing, quality of services offered, comparability of pricing/services and consumer lack of awareness of how regulation works and methods of redress are restricting competition and thus innovation, with the effect that products and services to consumers have experienced very little improvement.

Regulation is necessary to ensure standards are maintained, for the benefit of the public generally. However, too much regulation can result in adherence costs being passed on to consumers, over-reliance on process rather than improving services and a lack in innovation. Market forces and disruption, due to an increasing use of the internet and social media to assess and obtain products and services of any kind, will force innovation on legal service providers. An example is the conveyancing market, which is being shaken by low-cost, transparent, 24-hour services provided on the internet.

Regarding your specific questions on page 103 of the Interim Report:-

1. Are the high level criteria for assessing the regulatory framework that we have identified appropriate?

We believe they are appropriate and that restricting the scope to the supply of legal services in England and Wales ensures the specific relevance of this report.

2. Does the current regulatory framework prevent, restrict or distort competition?

Since LSG is not subject to regulatory influence we do not feel sufficiently qualified to comment on this in depth. However, as mentioned in the Interim Report, we also believe that consolidation of regulators would contribute significantly to removal of regulatory duplication, reduce costs, simplify the understanding of regulations and provide a stronger, consolidated group that could stand up to vested interests.

3. Would the potential changes to the regulatory framework we have identified promote competition?

We do not believe wholesale replacement of the current framework would be beneficial due to the costs (financial and administrative) of transition, uncertainty on both the supplier and consumer sides. However, ensuring regulatory requirements are proportionate and ensuring transparency for the consumer should promote competition and, in turn, innovation.

4. Is a further review of the regulatory framework justified on the basis of competition concerns?

We believe the continuation of this market study and incorporation of appropriate

comment/suggestions from interested parties such as LSG should provide a sufficient basis for understanding current and near future regulatory requirements.

We strongly believe that providing a framework for increased competition and innovation through transparency of service pricing and quality of service, public feedback, a level playing field for licensed and unlicensed offerings and simplification of regulatory requirements will benefit both suppliers and, more particularly, consumers.

We believe that market pressures on legal service providers to innovate, improve and change will significantly increase, driven by the internet and an increasing public demand for legal services (immigration, conveyancing, personal injury cases, for example). Proportionate and apposite regulation can help to achieve these goals and periodic review to ensure adjustments are made when necessary should be a requirement.

A regulatory level playing field, as mentioned herein, could include more standardisation on how data and information are collected and promulgated to both the regulator and consumers. This is partially the aims and objectives of the 'J Code Set', referenced above. Consistent data collection standards, including the formats and details contained in a legal services invoice, goes a long way to resolving the question of measurability of quality and value for money.