

Ms Rican-Sevitz
Competition and Markets Authority
Victoria House
Southampton Row
London
WC1B 4AD

Response to Legal Service Market Study Interim Report

19 August 2016

Dear Ms Rican-Sevitz

I am writing on behalf of Dispute Resolution Ombudsman Limited, operating The Furniture Ombudsman and Dispute Resolution Ombudsman with our response to the Legal Service Market Study Interim Report.

We read the report with interest and would welcome the opportunity to highlight some more important factors which we see from a differing perspective to many of the legal service providers to which the report refers. I have considered these under the headings below, however I am happy to expand further if this is required.

By way of background, I attach a copy of our annual review which illustrates that we are able to offer market leading specialist services across several sectors.

1. Non-Regulated legal service provision

We welcome the conclusions that there is no apparent quality "gap" between regulated and non-regulated legal service provision. We see this as an important factor since non-regulated legal service providers also have accountability, albeit in disparate ways. For example, Dispute Resolution Ombudsman is an authorised ADR provider and has undergone checks to achieve this status, this being an ongoing process with CTSI. We also offer transparency in publishing our full member list, complaints procedure and details of our Standards Board who operate as an oversight body. Such transparent checks and balances are an important part of an ombudsman scheme and we consider that the highest level of scrutiny should come hand in hand with the use of the term "Ombudsman".

2. Legal Services and ADR

The report refers to the client contact letter which sets out the terms of reference with the customer.

Given the emphasis on the climate of ADR, the measures set out on the Practice Direction – Pre-Action Conduct and Protocols on the use of settlement and ADR, and the existence of accredited ADR schemes, particularly for lower value claims, considered to be less complex, we consider that more onus should be placed on regulated service providers to proactively encourage consumers and small businesses to explore alternative channels. We have seen examples where consumers are being signposted to our service and utilising this in conjunction with chargeable legal representation. Given that dispute resolution is free to consumers who use the service of Dispute Resolutions Ombudsman, it would appear to us to be contrary to the intentions of both the Pre-Action Protocol and The Alternative Dispute Resolution for Consumer Disputes Regulations 2015 for consumer's especially to be charged a fee to be advised through an otherwise free of charge service.

3. Specialist Knowledge

The interim report makes reference to consumers and small businesses accessing legal services to avail themselves of the expertise. However, in some instances we would highlight that sector specific expertise can be obtained for a small fee [REDACTED] or no cost to a consumer. For the small business member this not only includes access to ADR, but also to a legal advice line. The Furniture Ombudsman, for example, has a heritage of 25 years working with the furniture and home improvement industry and is, therefore, well placed to offer advice on this basis.

As stated above, we would, of course, be willing to expand on any of these points if this is something which is of use in your evaluation of this sector.

Yours sincerely

JUDITH TURNER LL.B ACI Arb

Head of ADR and Senior Ombudsman

Dispute Resolution Ombudsman Limited

(Operating The Furniture Ombudsman and Dispute Resolution Ombudsman)