

Digital Comparison Tools Market Study
Competition and Markets Authority
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Dear Sir or Madam

Market study of digital comparison tools

The Solicitors Regulation Authority (SRA) is the regulator of solicitors and law firms in England and Wales, protecting consumers and supporting the rule of law and the administration of justice. The SRA does this by overseeing all education and training requirements necessary to practise as a solicitor, licensing individuals and firms to practise, setting the standards of the profession and regulating and enforcing compliance against these standards. Further information is available at www.sra.org.uk

We welcome your update paper for your market study of digital comparison tools (DCTs). We are pleased to have had the opportunity to have previously shared our thoughts in response to your initial call for evidence¹. We are also pleased to have contributed to a number of the workshops that you have held during the first phase of your project.

In previous responses, we expressed the view that increased coverage of the legal services market by comparison websites would be the single best way to enable consumers to compare legal services providers. We highlighted survey information suggesting that there was consumer demand for more DCTs in the legal services market.

We note with interest that your update report emphasises the positive role that DCTs can have for consumers. And particularly in sectors, such as legal, where consumers are not inclined to engage. We are encouraged by your survey findings indicating

¹ <https://www.sra.org.uk/sra/consultations/consultation-responses/cma-dtc-market-study.page>

that most consumers that use the internet are aware of DCTs, have used one of some sort and were confident in using the service. We also note the high satisfaction levels you found and that most users, and a substantial proportion of non-users led to, or would lead to, better choices.

We continue with our work to support the increased availability and use of DCTs in the legal services market. This includes development of on-line registers. This is part of a piece of wider work to improve the consumer information around price and quality indicators made available by those that we regulate. Providing more accessible information may provide a catalyst for more DCTs for legal services.

We are reviewing responses to our discussion paper 'Regulatory data and consumer choice' that we published last year. We are also considering how to respond to the connected recommendations made in your separate study into the legal services market, which had a strong focus on helping consumers compare and choose legal providers. We will publish our action plan for response to that study in June and will consult on proposals in autumn this year.

There is much in your interim report that will help inform our work in this area and we look forward to your final report. We welcome your focus in the next stage of the project on how to:

- Maximise consumer confidence and build trust.
- Improve DCT's access to necessary inputs – as you have highlighted, this has proved a particular issue in relation to the emerging DCT market in legal services.
- Make competition more effective – standardisation of labels used to describe legal services to enable effective comparison is an issue that we are considering with other regulators as we take forward our work in this area. We are particularly interested in learning around DCT listing of price and non-price elements of products and the relationship with consumer choices and supplier behaviour.
- Improve regulation.

In relation to improving regulation. We think that it is important for consumers to understand how DCTs work and how they are regulated by consumer and competition law, including the protections that this brings. We note concerns raised about effective enforcement. We would support any proportionate proposals to improve enforcement where you find shortfalls. In this context, sector wide principles may be of benefit. However, we remain sceptical of any case for regulating DCT as a way for them to be effective in the legal services market. The market developing trusted brands is likely to more effective than official status at this time.

Yours faithfully

Chris Handford
Director of Regulatory Policy