

Ministry of Justice - overview

	IN	OUT	ZNC	£IN	£OUT	Net
Ministry of Justice	4	1	12	13.76m	-0.03m	13.73m

Approach to better regulation

The Ministry of Justice (MoJ) does not introduce a large volume of regulatory measures that impact on business and many of our reforms tend to be liberalising in nature. MoJ has taken forward a number of reforms in this parliament that support business and promote conditions to drive growth.

Many reforms that benefit business are delivered without involving regulatory measures, such as our extensive prison competition, opening up rehabilitation services to the innovation of the private and voluntary sector, and making courts and tribunals more flexible and efficient.

Where reforms might need regulation, MoJ proactively considers alternatives and other options to deliver wider benefits to business and the economy whilst keeping the regulatory costs to business as small as practical. Instead of regulating to make will writing a reserved legal activity, for example, the potential effectiveness of alternative approaches are being explored. In cases where we have introduced regulatory measures, the wider benefits to business are often larger than the direct regulatory cost to business, in addition to delivering benefits for consumers.

MoJ has responsibility for the negotiation and implementation of a number of European Union measures in the areas of civil, family and criminal law, data protection and human rights. While the majority create little or no regulatory burden, MoJ ensures that the UK's negotiating position is always alive to possible regulatory burdens on business and, where they exist, we try to remove or reduce them.

De-regulation in action

Commencement of Part 5 of the Legal Services Act 2007 [SNR2]

- This policy liberalised the legal services market by removing regulatory restrictions and allowing Alternative Business Structure from October 2011, opening the market to new businesses. The resulting benefits are that legal services are better targeted to meet consumer needs, more affordable for more consumers and are provided in more innovative and efficient ways. Additionally, fair and efficient market structures are promoted through appropriate regulation.

Transforming Bailiffs Action [SNR7]

- This policy has simplified and clarified the enforcement process and powers and fee structures, and supports industry standards of conduct (by addressing certification and competence requirements), so enhancing confidence in the sector, the treatment of vulnerable debtors and supporting the sector's reputation. As a result the enforcement sector is operating more effectively and efficiently, including in relation to customer (debtor) handling.

Claims Management Review Phase 3 (Conduct Rules) [SNR8]

- The amendments to the rules aim to reduce information asymmetries between claimants and Claims Management Companies, leading to more informed decision making by claimants and increased consumer protection. The amendments are

also expected to reduce costs associated with ambiguity, for example in dealing with queries and complaints raised about ambiguous rules.

Claims Management Regulations (Financial penalties) [SNR8]

- This measure supports the improvement in the Claims Management rules and acts as a deterrent for non-compliant claims management companies. It also improves confidence in the claims management sector.

Whiplash reforms [SNR8]

- The Whiplash proposals will lower the overall costs of road traffic accident personal injury claims to insurers, which, given insurers' commitment to pass on savings to policy holders, would result in reduce costs for motor insurance. These proposals also implement changes to reduce the number and costs of unmeritorious and/or exaggerated whiplash claims, so benefiting business and controlling legal costs.

Judicial Review - Phase 2 [SNR9]

- This policy aims to reduce the incidence of weak Judicial Reviews (JR). Businesses would gain from reduced delays and less uncertainty relating to the implementation of public decisions. Wider economic benefits are expected to arise if major infrastructure projects progress more quickly and legal service providers devote freed up resources from fewer reviews to other profitable activity.

The Legal Services Act 2007 (The Law Society) Modification of Functions Order 2013

- This policy enables a more consistent approach to the authorisation and regulation of those regulated by the Solicitors Regulatory Authority (SRA). It introduces the concept of a "recognised sole solicitor's practice" which will be subject to the same authorisation and regulatory framework as for recognised bodies (e.g. solicitors' firms and SRA-regulated Alternative Business Structures.

Reuse of public sector information

- This is an EU Directive which is being transposed early in order for businesses to take advantages of the opportunities for growth which will follow. The Directive will remove barriers to the re-use of public sector information and free up the availability for re-use of information produced and collected or held by public sector bodies as part of their public tasks. This information can in turn be used to create new products and services.

Red Tape Challenge

MoJ launched the legal services theme of the Red Tape Challenge in May 2012¹, and has worked closely with the Cabinet Office and Department for Business, Innovation and Skills to take this forward. The legal services theme explored various rules and regulations relating to the way the legal services sector is regulated, requirements on bailiffs and claims management companies and Land Registry rules.

MoJ is making good progress in implementing these outcomes. Over half of the changes have been made to date: four redundant regulations have been scrapped and 35 improvements have been made. It is expected that all the remaining outcomes will be made during this Parliament, except for one redundant regulation on Data Protection and two measures concerned with the improvement of Land Registry rules and regulations.

The reforms implemented so far through the legal services theme include:

¹ MoJ press release of 31 May 2012: <https://www.gov.uk/government/news/djanogly-red-tape-challenge-turns-to-legal-services>

- Improving rules and regulations for claims management companies, including banning referral fees paid for profitable claims and prohibiting cash incentives offered to potential customers, which came into effect during 2013.
- Improving rules and regulations for bailiffs, clarifying when and how they can access properties and what fees they are allowed to charge for their services, which came into effect in April 2014.

Further measures under the legal services theme include:

- Improving rules and regulations for the Land Registry, simplifying the process of searching for property information.
- Scrapping outdated legislation around blood tests for paternity cases, which have now been replaced.

Focus on Enforcement

The Department has also supported the government's Focus on Enforcement initiative. MoJ and the regulators it sponsors took part in the early stages of the initiative, particularly contributing to the information gathering stage.

Ministry of Justice – All Measures

Title of the measure	OITO classification	Date from which measure is / is expected to be in force	Equivalent Annual Net Cost to Business (£m, 2009)
EU Maintenance Order	Zero Net Cost	01/06/2011	£0.00
Implementation of the Legal Services Act 2007	Zero Net Cost	01/10/2011	£0.00
Referral fees in Personal Injury Claims	Zero Net Cost	01/04/2013	£0.00
Reform of Civil Litigation Funding and Costs in England and Wales (Jackson)	Zero Net Cost	01/04/2013	£0.00
Scheme Rules for the Office of Legal Complaints (Legal Ombudsman)	Zero Net Cost	01/04/2013	£0.00
Amendment of the Client specific rule 6(b) of the Claims Management Regulator's Conduct of authorised Persons Rules 2007	Zero Net Cost	06/04/2013	£0.00
Trust (Capital and Income) Bill	Zero Net Cost	01/10/2013	£0.00
Claims Management Rules Review (Phase 2)	Zero Net Cost	01/10/2013	£0.00

Tribunals, Courts and Enforcement Act: reforming the laws governing bailiffs.	Zero Net Cost	06/04/2014	£0.00
Presumption of Death Certificate	Zero Net Cost	01/10/2014	£0.00
Claims Management Regulation – Financial Penalties	Zero Net Cost	01/10/2014	£0.00
Claims Management Review - Conduct Rules	IN	01/10/2014	£0.15
Whiplash	IN	01/10/2014	£11.89
Recovering the costs the Lord Chancellor will incur in meeting the costs of the Legal Ombudsman, dealing with complaints about claims management companies (CMCs) from the authorised claim industry	IN	28/01/2015	£1.70
Judicial Review Phase 2	IN	06/04/2015	£0.02
Ban on lawyers giving inducements to make a claim.	Zero Net Cost	06/04/2015	£0.00
Modifications of Functions Order 2014 Solicitors Regulatory Authority: The Legal Services Act 2007 (The Law Society)(Modification of Functions) order 2013 for sole practitioners.	OUT	06/04/2015	-£0.03