Response from reallymoving.com Ltd to CMA request for comments on transparency within the legal services sector

Introduction

Reallymoving.com is a digital comparison tool for movers. It offers instant quotes for conveyancing, surveys and removals. Launched in 1999 approximately 20% of home buyers now use reallymoving to get quotes.

In 2017 we acquired The Law Superstore, which is a digital comparison tool for legal services.

Our response to the questions below are based on analysis of quotes generated and converted for conveyancing on reallymoving, and use of The Law Superstore.

Q1. What challenges have legal service providers faced in complying with transparency measures, and how could these be addressed?

- We believe many law firms find it difficult to provide pricing information online in a way that provides an accurate and meaningful quotes to consumers and which are easy to generate for both the consumer and the law firm.
- The Law Superstore offers a solution to that problem: a free version of our online quoting service, but only quoting for one firm, so that our partners can provide quotes on their own websites (or other sites on which they advertise), in addition to appearing on The Law Superstore.
- Reallymoving offers a similar service for conveyancing only.
- Take up by lawyers has so far been limited.

Q2. Are consumers engaging with the new transparency measures including the availability of price information, eg by accessing the pricing information on the provider websites and/or using this information in their interactions with providers? Does this differ between different areas of law?

- We can’t comment on use of pricing information on lawyers’ websites, but consumer engagement on The Law Superstore has grown strongly in recent months, up from less than 30,000 unique visitors in January 2020 to over 60,000 in September. Of the 60,000, 10,000 were provided with an indicative quote range for their legal matter, and 4,000 went on to request quotes from lawyers covering the relevant service and location.
- The most popular service was conveyancing, followed by wills & power of attorney, divorces & child custody, disputes and other personal and business property matters. In total TLS covers 134 legal products for individuals and small to medium businesses.

Q3. How effective have transparency measures been in driving competition? Does this differ across areas of law?

- While not a measure of competition, our data (see Figure 1b in Appendix A) shows that consumers are 94% less likely to choose a conveyancing firm that does not provide a price when it quotes on reallymoving than a firm that has provided a price.

Q4. To what extent has the Legal Choices website helped consumers to navigate the legal services sector? To what extent has improved content been actively promoted by regulators, consumer/industry bodies and service providers?

- Our understanding is that many people looking for legal advice on line may find the information they're looking for in articles and guides, but many will want to talk to a lawyer, qualified to discuss their specific matter. Legal Choices has a wealth of information that may help consumers with advice and information, but does not help them find a lawyer.
- We note that Legal Choices has a link to one website that helps consumers find lawyers. We'd recommend expanding that list to include other DCTs, including The Law Superstore.

Q5. To what extent are quality indicators needed to drive consumer engagement and competition? Which further indicators are needed and what are the barriers to these indicators being developed?

- This is an area we continuously monitor, and it is ever-changing. We know that reviews from previous customers are very valuable, even if there's scepticism over their reliability. The number of reviews is also important. Other important information includes details of the relevant regulatory authority or trade body, redress mechanisms, language skills, lawyer gender, availability of parking, use of technology to provide updates (eg via an app, or online service).

Q6. To what extent are DCTs currently operating in the legal services market? What are the main barriers to greater use of DCTs in legal services and how can they be overcome?

- reallymoving has been providing a comparison service for conveyancers since 1999 with great success. In the 12 months to September 20, over 93,000 movers registered for conveyancing quotes.
- An effective DCT requires three elements:
    - An effective marketing strategy to attract consumers to the site. This requires a business model that generates sufficient income to cover the costs of marketing. Anything which helps increase consumer awareness of legal DCTs will help address this barrier.
    - A reliable means of matching consumers to relevant lawyers, based on location and service for example, as well as other information such as prices, reviews and company USPs. This requires investment by the DCT to create.
        - The Law Superstore has invested heavily in creating a very sophisticated matching and pricing algorithm, which asks a series of questions to determine the complexity of any particular case, and then provide a quote (which could be fixed price, fixed price with

capped hours, hourly rate or bespoke pricing). All quotes are subject to a clear Scope of Work.
    - A strong panel of lawyers so that consumers are reliably matched to an appropriate lawyer, with firms primed to respond quickly to the enquiries they receive from the DCT. Increasing lawyer's awareness of DCTs, an understanding that they can be an effective marketing channel to complement other routes to market, and do not necessarily drive prices down, would help increase take-up.

Q7. What impact have ABSs and lawtech38 had on driving innovation in the legal services sector? Are there any barriers deterring further innovation?

Q8. Are there other developments which have had or will have a significant impact on competition in the sector?

- We've seen significant consolidation in the conveyancing market in recent years, but as the market remains highly fragmented, we don't anticipate that this alone will have a significant impact on market competitiveness.
- A high proportion of consumers are heavily influenced in their choice of conveyancing firm by their Estate Agent, Mortgage Provider or Developer. We believe this reduces competition.

Q9. Are further measures needed to drive consumer engagement and competition in legal services in addition to the areas we have identified above?

- There's concern from many lawyers that DCTs are an unwelcome intrusion into an sector that works perfectly well as is. There's a perception by many that DCTs drive prices to the bottom, but evidence from reallymoving suggests that this is not the case. Figure 1 in Appendix 1 illustrates that the majority (60%) of conveyancing conversions on reallymoving were won by firms that were not the lowest quoted price. Other factors, in particular review scores and location were also very important, illustrated in Figures 2, 3 & 4. But perhaps more important than any of these is how effectively the firm follows up the lead: firms that quickly follow up leads, whether manually through a phone or email, or via an automated email, convert leads much more effectively than firms who are slow to respond.
- DCTs are an established marketing channel in many other sectors, and we believe have a role to play in the legal sector too. It is not necessary to have all law firms using DCTs in order for them to be very valuable, and the increasing willingness of consumers to instruct lawyers who are located remotely (which has been accelerated by the covid 19 crisis) has significantly increased the potential for competition.

Q10. Are there any issues specific to the provision of legal services for small businesses that should be considered in order to improve competition for such customers?

Questions regarding redress and regulation

We invite responses to the following questions:

Q11. What measures can be taken to develop a more flexible and proportionate regulatory framework within the Legal Services Act 2007 without requiring any, or only light touch, further legislative change, for example a review of the reserved activities as being considered by the LSB?

Q12. Would such measures above be sufficient to deliver effective change that can promote competition and optimise consumer outcomes in the longer term?

Q13. To what extent is there merit in extending the regulatory framework to include unauthorised providers? What evidence is there of consumer detriment from unregulated providers, or other rationale, to warrant this?

- Access to the Legal Ombudsman redress scheme would potentially add credibility to unauthorised providers.

Q14. We recommended a review of the independence of regulators both from the profession and from government, to the MoJ in the CMA market study. Is that review still merited, taking into account, for example, the work that has been undertaken by the LSB on IGRs and the arguments put forward by the IRLSR?

Q15. What work has been undertaken by regulators to reduce the regulatory burden on providers of legal services for individual consumers and small businesses? What impact has this had?

Q16. What impact has the removal of restrictions to allow solicitors to practise in unauthorised firms had on the availability of lower cost options in the sector?