

## **The Association of Consumer Support Organisations (ACSO) submission to the Competition and Markets Authority (CMA) call for input 'Review of legal services market study in England and Wales'**

### **Introduction**

The Association of Consumer Support Organisations (ACSO)<sup>1</sup> welcomes the opportunity to contribute to the Competition and Markets Authority (CMA) call for input<sup>2</sup> on its review of its 2016 market study<sup>3</sup> of legal services in England and Wales.

ACSO was established in January 2019 to represent the interests of consumers in the civil justice system and the reputable, diverse range of organisations who are united in providing the highest standards of service in support of those consumers. Its role is to engage with policymakers, regulators, industry and the media to ensure there is a properly functioning, competitive and sustainable civil justice system for all consumers.

The CMA market study is therefore of direct relevance to ACSO's members and above all to the consumers they support. Further, and as the CMA notes in its call for input, "the legal services sector is of fundamental importance in underpinning both a well-functioning society and economy" and its contribution is now more vital than ever.

Consumers depend on legal services at particular times in their lives, often at moments of opportunity as well as distress. The circumstances under which legal services are required can also create or exacerbate vulnerabilities for individuals and so awareness of any unique needs and sensitivities is critical. This is something that has previously been noted by the CMA,<sup>4</sup> the Financial Conduct Authority<sup>5</sup> and others. Vulnerable consumers may also be less likely to discriminate between different providers and so it is in their interests (and that of society as a whole) that there is a competitive, transparent and high-quality legal services sector.

However, the sector is not a homogenous block. There is a marked difference between certain highly commoditised legal services and those required for more complex cases. Context is critical and so it may be challenging to apply overarching pricing and value measures to all the different market segments. Comparisons with other sectors – general insurance being the most common – may also not always be instructive for this reason.

Effective regulation can play an essential role in ensuring good consumer outcomes from any product or service, and this is especially important when they are helping to deliver access to justice. The cost of any regulation must also be proportionate as it is met by all consumers, whether directly or indirectly, and it should help stimulate rather than constrict the growth of an important sector which, as the CMA notes, contributes an estimated £24bn to the UK economy annually.<sup>6</sup>

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<sup>1</sup> [www.acso.org.uk](http://www.acso.org.uk)

<sup>2</sup> Competition and Markets Authority (CMA), '[Review of the legal services market study in England and Wales: an assessment of the implementation and impact of the CMA's market study recommendations – calls for inputs documents](#)', 09 September 2020.

<sup>3</sup> CMA, '[Legal services market study: final report](#)', 15 December 2016.

<sup>4</sup> CMA, '[Consumer vulnerability: challenges and potential solutions](#)', 28 February 2019.

<sup>5</sup> Financial Conduct Authority (FCA), '[Press release: new guidance to help firms do more for vulnerable consumers](#)', 29 July 2020.

<sup>6</sup> FCA, '[Guidance consultation and feedback statement: Guidance for firms on the fair treatment of vulnerable consumers](#)', July 2020, p.4.

The CMA's review is a timely opportunity to analyse the impact to date of its 2016 recommendations and where attention should be focused in the period ahead. We note the challenges experienced by the Remedies Programme Implementation Group (RPIG), which was charged with assisting cooperation between the different regulators to implement the recommendations. Originally expected to exist for a year, it continued for more than two but has now apparently fallen into abeyance. Minutes of its meetings suggest a talking shop for an array of different organisations, each with their own agenda, instead of an action-orientated group focussed on the needs of the end customer, be they individual consumers or small and medium-sized businesses (SMEs).

We also note the final report of the Independent Review of Legal Services Regulation (IRLSR),<sup>7</sup> which under the leadership of Professor Stephen Mayson also examined the 2016 study. The report's 50 recommendations are aimed at creating a level playing field for legal services and enhancing consumer protection. The recommendations are largely welcome, not least the first one which notes that "the primary objective for the regulation of legal services should be promoting and protecting the public interest". The producer interest – i.e. that of the legal services providers – must be secondary.

However, progress towards meeting many of the IRLSR recommendations may prove limited in the short term. It is understood that the government is not currently minded to consider a review of the Legal Services Act 2007. This is despite a common view that this is overdue, with the Solicitors Regulation Authority (SRA) saying the rate of change in the legal market made it "increasingly difficult" for the regulatory framework laid down by the Act to remain relevant.<sup>8</sup>

This response to the CMA's call for input addresses the individual questions set, where applicable. ACSO also welcomes our prior engagement with the CMA's project team and looks forward to further engagement during and after the review process, both formally and informally as required.

## **Answers to questions regarding information remedies and supply-side developments**

### **Q.1. What challenges have legal service providers faced in complying with transparency measures, and how could these be addressed?**

While the need for greater transparency is accepted by all reputable legal services providers, there is a particular challenge which results from there being multiple regulators and professional bodies who exercise either direct or indirect influence over them. Conflicting information and a lack of a focal point is inevitable when there are competing agendas and voices. This can be burdensome, with the result being disproportionate costs, a focus on regulation rather than client outcomes, unwillingness to engage positively with regulators, non-compliance or even market exit, thereby reducing competition and consumer choice.

Where regulators and others do come together the result can be what Professor Mayson terms an "echo chamber" rather than an outcomes-focussed environment in which transparency measures can be interrogated and common ground identified. Further to the RPIG example above, it took the Solicitors Regulation Authority (SRA) two years to implement its transparency rules, making it difficult to measure the impact of these changes only a relatively short period afterwards. Without a single cohesive and accountable body driving forward the necessary changes it is always going to be difficult for bodies like the RPIG to be as effective as all parties would want.

Openness about the transparency measures themselves is essential if they are to be seen as effective and proportionate. On the one hand, it is important that there is even more robust enforcement of

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<sup>7</sup> Professor Mayson S., Centre for Ethics & Law, University College London, '[Reforming legal services regulation beyond the echo chambers](#)', June 2020.

<sup>8</sup> Legal Futures, '[SRA : Legal Services Act regime "struggling to remain relevant"](#)', 20 April 2020.

existing requirements, with effective sanctions as appropriate. There has been only limited evidence of such enforcement to date. On the other hand, results of regulatory audits and investigations could be published so they can receive wider scrutiny by all interested parties, helping drive greater accountability and consumer awareness.

Additional transparency measures may need to be considered that are built around a fresh understanding of how consumers choose legal services and decide on the value they are receiving from them. These could include industry 'kitemarks' or clear technical and business management standards as required, especially in less commoditised areas of the market.

Overall, this should be an agenda driven by a single body, with the Legal Services Board (LSB) ideally placed to fulfil this role. The body must be equipped with the powers necessary to corral regulators around a shared and consumer-focussed agenda. We note that the LSB plans to publish its own report on the state of the legal services market in November 2020, followed by a formal consultation beginning in December 2020 on the LSB's strategy for the future of the sector, with a view to having this strategy in place by March 2021. ACSO looks forward to participating in the consultation and maintaining its ongoing engagement with the LSB.

**Q.2. Are consumers engaging with the new transparency measures including the availability of price information, e.g. 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?**

It is not possible to identify and provide these data at short notice, not least given the commercial sensitivities involved. However, the extensive market and consumer research undertaken by the CMA and the LSB and also by the Legal Services Consumer Panel (LSCP) provides relevant insight into progress to date. Some of the data are more useful than others, for example it is no surprise that legal services are priced differently in different parts of England and Wales, being, for example, most expensive in London where office accommodation and wage costs are also highest.

As the call for inputs also states, "the reforms remain relatively recent and it may be too early for them to have influenced consumer behaviour." This sentiment seems to be reflected in much of the polling undertaken by the LSCP. Indeed, many of the fluctuations in consumer behaviour recorded by its YouGov research are within the margin of error and suggests little or no change. Nonetheless this is a welcome opportunity both to assess progress to date and to ask whether the reforms themselves are in need of modification.

Our view from the market and analysis of the available evidence is that generally there is limited evidence that the transparency measures have made any impact of note to date. This, combined with the absence of the much-needed singular force to drive the reform agenda forward, results in the market and consumer behaviours looking very similar to how they did in 2016.

**Q.3. How effective have transparency measures been in driving competition? Does this differ across areas of law?**

As mentioned in the response to Q2, the CMA/LSB and LSCP data give insight into the effectiveness of the transparency measures. Overall, these suggest there has been very limited progress. And as also referenced above, the measures will inevitably have a different impact in different market areas. Where products are more commoditised - for example conveyancing, wills & probate, setting up trusts, pensions advice and simple divorce – certain measures may be more suitable. Looking at the market in terms of discrete segments of customers will also highlight the likely differences in consumer behaviours and the data required to understand these better.

It would also be welcome to consider the impact transparency measures may be having in the legal expenses insurance (LEI) market. Many LEI policies are bought by consumers every year - the FCA suggests around 8.5m - and are often responsible for legal services being accessed in the first place or at all. Consumers might welcome the opportunity to understand LEI products better and therefore compare them transparently on price, service and quality. Greater take-up of LEI products is an important factor in addressing the access to justice gap which exists and in meeting the “unmet demand” the CMA refers to in the call for input.<sup>9</sup>

**Q.4. 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?**

It is not possible to analyse accurately the impact of the Legal Choices website without access to site traffic data and further research into consumer perceptions once they have used it. However, from a consumer perspective the website faces some challenges. First, it is difficult to locate unless one is previously aware of its existence, which, as seems likely, very few people are. If using the internet search term ‘solicitors’, for example, the Legal Choices website comes up on the third page of results. If using ‘personal injury’ – one of the common reasons people access legal services – it is not in the top-100 hits and only comes up on the tenth page of results. The website itself has a fairly basic appearance and poor copywriting.

This is not to suggest that a resource such as Legal Choices lacks potential. However, if it is to be successful in terms of influencing consumer behaviour and improving public understanding of legal services, then it is in need of an overhaul and significant strategic investment. Consumer understanding of technology has grown rapidly, as have expectations of the quality of service online. Without such investment in terms of the quality of the content, customer experience/engagement and promotion it is hard to see Legal Choices making anywhere near the desired impact.

As with the issue of compliance discussed in Q1, there being multiple actors involved in Legal Choices’ operation is a concern. While there is a material conflict of interests between different regulators involved, it should also be questioned whether such a model can provide the singular focus, clear accountability and commercial nous necessary to identify the skills and resources required. It is unclear what real incentives there are – or could be – to encourage the regulators working together to provide a more effective and, ultimately, popular service.

We note too public comments and announcements that have called into question the future of Legal Choices. This includes the withdrawal of the Bar Standards Board’s support and funding for the service, the desire by the SRA for the LSB to take it over seemingly not being shared by the LSB and 2020 being the last in a three-year development plan.<sup>10</sup> The outsourcing of the service to a suitable independent, commercial provider may therefore be the best approach if it is to merit continuation. The alternatives would be for a well-funded and resourced single regulatory or genuine consumer body to do so. ACSO is keen to support further dialogue on this subject and to assist in efforts to find a more viable, impactful and enduring solution.

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<sup>9</sup> CMA, [‘Review of the legal services market study in England and Wales: an assessment of the implementation and impact of the CMA’s market study recommendations – calls for inputs documents’](#), 09 September 2020, p.2.

<sup>10</sup> Hyde, J., [‘Legal Choices site at risk as SRA tries to shake off ownership’](#), *The Law Society Gazette*, 27 April 2020.

**Q.5. 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?**

Quality indicators are essential for this agenda to be successful. Without them, consumers must continue to rely on such factors as personal recommendations or using the first legal services provider they find (either on the internet or in close geographical proximity). However, the indicators must be simple, easily locatable and accessible and capable of straightforward comparison with other providers.

Context is critical. For example, Legal Ombudsman (LeO) complaints data do not reflect the size of firm by turnover or case volumes. This makes numbers of complaints meaningless as they will generally show that larger firms generate more complaints overall, even if not in relative terms. In any event, consumers will not know where to locate those data.

Any indicators that are used must be standardised, making it easy to compare providers on a like-for-like basis, with consideration of external benchmarks and regular quality assurance. Again, we note that the Legal Services Act 2007 places limitations on what data LeO is able to publish. The impact of this is that the data are more than likely to be misunderstood, which can exacerbate any problems of information asymmetry which affect legal services and serve to reinforce the impression that they are exclusive and/or closed to public scrutiny.

It is possible to identify solutions. Many progressive firms report internally on a wide range of quality measures and key performance indicators, many of which it may be possible to standardise. These include net promoter score (NPS), customer effort (the process they go through when seeking help), customer satisfaction, complaints and repeat complaints. These metrics can be contextualised by area, work type, customer volumes and so forth and could be shaped to form new indicators as required.

Peer reviews such as Trustpilot already exist as another metric of quality and service, although these, as with many indicators, are capable of being manipulated.

**Q.6. To what extent are digital comparison tools (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?**

No large-scale DCTs operate within the legal services market, although there are a number of firms such as The Law Superstore, JustBeagle and Compare Legal Costs. Of the best-known existing aggregators, only MoneySupermarket offers comparison tools for any legal service, and only for conveyancing.

Where such tools are commonly used in other areas, it tends to be for universal products and services such as domestic utilities or compulsory or widely purchased ones such as motor and home insurance. As the FCA's September 2020 general insurance pricing study report<sup>11</sup> shows, price comparison websites can bring benefits to certain consumers but potentially disadvantage more vulnerable ones, especially those who may not have access to (or proficiency with) the internet.

Legal services, in contrast, are bought infrequently and often at a time of distress when price may be a lesser factor than speed of response or familiarity. DCTs are provided by commercial organisations whose lack of willingness to enter the legal services market so far will reflect its perceived unattractiveness and the lower margins and cross-selling opportunities available.

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<sup>11</sup> Financial Conduct Authority (FCA), '[General Insurance pricing practices: final report](#)', September 2020.

It is also worth noting that, and as the LSCP research base indicates, legal services are typically more likely to be purchased by older consumers. In the YouGov survey commissioned by the LSCP for its 2020 study,<sup>12</sup> 63 per cent of respondents who had purchased a legal service in the previous 2 years were aged 55 or above – but the median age of the UK population is 40.5.<sup>13</sup> This will reflect the greater likelihood of older consumers to seek products such as wills and probate and power of attorney. This age group is also less likely to use the internet regularly than younger consumers (although this gap is closing)<sup>14</sup> and be less familiar or comfortable with price aggregators which have only existed for a relatively short period of time.

This is not to suggest that DCTs could not become more prevalent - and their potentially positive impact more pronounced – in the years ahead. Facilitating this will necessitate improving the availability of data so that DCTs are in a position to compare services easily in the first place. The regulators could help address this by gathering the data required or even mandating their production. ACSO would be pleased to work with legal services providers to co-ordinate the data required and establish the best methods of promotion.

**Q.7. What impact have ABSs and lawtech had on driving innovation in the legal services sector? Are there any barriers deterring further innovation?**

The LSB suggests ABSs have trebled over the last year and now represent one in ten firms.<sup>15</sup> This advent in what was a conservative market has had a notable impact. Although there have been mixed results, with some ABSs exiting the market, new methods of working, greater commercialism, willingness to innovate and use research to drive commercial decision-making have also begun to change the consumer experience. The growing application of lawtech is likely to accelerate this, as has been seen in other countries, most notably the USA. While the application of what may be termed genuine artificial intelligence is likely to be many years off, lawtech is changing and improving many internal processes, reducing costs, enhancing consumer choice and access to information (and therefore to justice).

The often-confusing regulatory landscape may, however, be a brake on further innovation, with investors minded to consider other markets or jurisdictions. For example, while London remains a leader in mediation and other alternative dispute resolution (ADR) models, it is rapidly being caught up and overhauled by countries such as Singapore. A lack of legal investment in England & Wales would inevitably reduce innovation and potentially result in consumer detriment.

A lack of innovation in legal services has been commented on for a number of years. In a 2016 report, the LSB noted there was: “limited innovation, leading to consumers not having access to new and different services that might better meet their needs,” adding that the level of innovation was broadly unchanged since the introduction of the Legal Services Act 2007.<sup>16</sup>

The SRA also offered commentary on innovation levels in its 2016 report *The Changing Legal Services Market*,<sup>17</sup> the LSB and SRA worked together on an *Innovation in Legal Services* report in 2015<sup>18</sup> (with

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<sup>12</sup> Legal Services Consumer Panel (LSCP), [‘Tracker Survey 2020: how consumers are choosing legal services’](#), August 2020, p.4.

<sup>13</sup> Statista, [‘United Kingdom: Median age of the population from 1950 to 2050’](#), September 2020.

<sup>14</sup> Office for National Statistics (ONS), [‘Internet users, UK: 2019: Internet use in the UK annual estimates by age, sex, disability and geographical location’](#), May 2019.

<sup>15</sup> Brooker, S., [‘Senior stakeholder summit’](#), Legal Services Board, 24 September 2020.

<sup>16</sup> LSB (2016), *Evaluation: Changes in the legal services market 2006/07 - 2014/15*, p.134.

<sup>17</sup> Solicitors Regulation Authority (SRA), [‘Research and Analysis: the changing legal services market’](#).

<sup>18</sup> Legal Services Board (LSB), [‘Technology and innovation legal services- main report’](#), November 2018.

further research from the LSB in 2018<sup>19</sup>) and the Law Society addressed the topic in its January 2017 *Capturing Technological Innovation in Legal Services*.<sup>20</sup>

It is clear that substantial barriers to innovation remain, although Covid-19 may well have accelerated progress towards putting the law into more people's hands. Rocket Lawyer, which was established in the USA but is now operational in England & Wales, is a consumer-facing lawtech organisation which seems the most prevalent of only a very limited handful of active examples. Given the highly fragmented nature of the legal services market, there is a disparity between those who have the resources to innovate and incorporate technology and those who do not. This contrasts with the insurance sector, where a small number of firms (often operating under many brands) enjoy a relatively large market share and therefore are better resourced.

Smaller legal services providers, who may have the potential to be nimbler in their decision-making, are therefore reliant upon investors (through lawtech start-ups) to collaborate with them, but are finding it difficult to do so because there are no agreed standards by which lawtech firms must adhere, making due diligence and procurement difficult. This is however starting to be addressed, for example through the SRA/Nesta Legal Access Challenge.<sup>21</sup>

Lawtech is playing an increasingly important role in areas such as complex financial disputes and financial services mis-selling, where previously the manual process of gathering information and calculating quantum proved beyond most law firms. New technology now provides turnkey solutions for law firms representing claimants in these disputes, and our expectation is that the volume of complex dispute complaints (such as mortgage and SIPP mis-selling and undisclosed commissions in financial transactions) will substantially increase, putting the onus on regulators to respond accordingly.

#### **Q.8. Are there other developments which have had or will have a significant impact on competition in the sector?**

As price transparency becomes accepted, there is considerable potential for the legal services industry to self-regulate and find ways to go above and beyond existing transparency rules. Many firms hold a wealth of internal information on customer service and outcomes, much of which could be collated and contextualised in a commercially sensitive manner by third parties to provide further consumer insight which would help tap the "unmet demand" for legal services. According to the LSB, 3.6m citizens in England and Wales do not have their legal needs met each year, mainly because they do not get professional help.<sup>22</sup>

A cultural shift is required from within the profession to promote new and better ways of encouraging competition. This can be done both directly with individual firms and through representative bodies such as ACSO. Standardising the framework to provide the data by consumer cohort and work type is important, as is simplifying the regulatory rules legal providers have to comply with. The regulatory rules can dictate that overly complicated advice is required to be provided on matters such as pricing, service delivery and standards, risks and outcomes. Areas such as the indemnity principle also complicate how providers can provide more straightforward and easier-to-understand funding and service information.

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<sup>19</sup> [Ibid.](#)

<sup>20</sup> The Law Society, '[Capturing technological innovation in legal services](#)', January 2017.

<sup>21</sup> SRA, '[Legal Access Challenge](#)', June 2020.

<sup>22</sup> LSB, The Law Society, YouGov, '[Legal needs of individuals in England and Wales: technical report 2019/20](#)', January 2020.

**Q.9. Are further measures needed to drive consumer engagement and competition in legal services in addition to the areas we have identified above?**

Further measures would be welcome but their success would be dependent on the availability and accessibility of suitable data. To create these, core work types and consumers need to be segmented in granular detail. The different needs for each then must be identified, with a standardised framework for each segment.

The data must then be produced - through compulsion if required – but in such a way that it can easily be compared, either through a commercial venture or suitable not-for-profit structure. The rules would then need to be enforced robustly and awareness raised.

**Q.10. 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?**

Given that the vast majority of SMEs are micro-businesses, most of their issues closely resemble those faced by individual consumers. Greater awareness of the legal services available which may support their business development is important, and this forms part of the “unmet demand”. SMEs may also be better-informed purchasers of legal services than many consumers and so display a greater propensity to use comparison tools if these are available.

As with individual consumers, LEI products have the potential to provide access to a range of legal services to SMEs and their take-up should be encouraged, alongside efforts to increase understanding of their utility and value.

However, we believe the approach to improving competition for SME purchasers of legal services to be very similar to the approach advocated for consumers.

**Answers to questions regarding redress and regulation**

**Q.11. 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?**

There appears to be a growing consensus that the existing framework is not fit for purpose. As Professor Mayson makes clear in part 3 of the IRLSR report, all of the short-term issues identified “can be characterised as either structural flaws in the Legal Services Act 2007 or as consequences of those flaws”<sup>23</sup> and so the impact of any light-touch measures may be limited. Nonetheless, he makes a number of recommendations for changes that do not require a review at the Act (S1-S4) and these we broadly support.

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

A review of the Legal Services Act 2007 is necessary, both to address deficiencies within the existing framework and also to reflect the accelerating rate of change within the market and shifts in consumer needs.

This is also made clear by Professor Mayson and others and, as he also notes, should happen “sooner rather than later.”<sup>24</sup> The government’s reluctance to undertake such a review at the present time is a matter of regret and so pressure that can be brought to bear by the CMA would be welcome. However, given previous government statements and its clear reluctance to make long-term changes at this

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<sup>23</sup> Professor Mayson S., Centre for Ethics & Law, University College London, [‘Reforming legal services regulation beyond the echo chambers’](#), June 2020, p.258.

<sup>24</sup> *Ibid.*, ix

stage, no doubt now amplified by Brexit and the Covid pandemic, then we believe efforts should be focused on the short-term solutions available within the existing regulatory framework. At this juncture, we therefore restrict our comments to say that broadly we support the majority of the IRLSR recommendations.

**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?**

It is essential that consumers are afforded adequate protection regardless of the provider they choose to meet their needs. The LSB believes unregulated firms already prepare around 130,000 wills a year, for example, and that technology is likely to accelerate growth in the unregulated market.<sup>25</sup>

This suggests consumers are already choosing unregulated provision in not inconsiderable numbers, but as discussed in Professor Mayson’s work, the growing unregulated sector and reserved legal activities may not reflect the potential risk to consumers.<sup>26</sup>

It is fair to say the unregulated sector benefits from lower costs of regulation. This can have a positive consumer impact but this must be measured against the risks of consumer detriment, the extent of which is not clearly visible due to the nature of being an unregulated sector. Equally, to create genuine competition in the sector a level playing field is necessary and currently unregulated providers benefit from offering, as far as the consumer is concerned, identical services but without the regulatory costs associated with them.

**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 this 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?**

There is an inherent conflict between professional representation and professional regulation that can only be resolved satisfactorily when the regulators are – and can be shown to be – fully independent.

We would urge that this review take place. And as Professor Mayson states in his report, echoing views stated by the CMA, removing regulatory powers from professional bodies would enable them to “campaign more vigorously for what they believe is right” and so could be a welcome development.<sup>27</sup>

We believe it is inherently desirable for this review to happen and the sooner, the better.

**Q.15. 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?**

As is to be expected, the differences in approach by regulators creates an imbalance in reducing the regulatory burden, while some have done little to reduce it there have been examples where much has been done.

As one example, the SRA in 2019 reduced its Handbook to 130 pages, with its previous 10 Principles reduced to 7. Further, it reduced its Accounts Rules from 41 pages to 7. In doing so, the SRA created a real focus on reducing regulation, focusing on principles and trying to promote competition and support reduced pricing through lower regulatory costs.

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<sup>25</sup> Ibid.

<sup>26</sup> Ibid.

<sup>27</sup> Ibid., p.260

More such work across the whole regulatory landscape should be committed to which is outcomes-focused, with less prescriptive rules and encouragement of better self-regulation.

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

As this is a recent development it is too early to assess its impact. However, it has potential to have a very significant positive effect. It will allow solicitors to operate and deliver legal services in a far more flexible manner and with potentially a greatly reduced cost base.

For example, individual lawyers can now deliver their services while working from home without the overheads of a traditional legal firm office environment or provide professional services outside of a legal practice, which again could be done in a more cost-effective way compared to the more traditional methods of service delivery.

There are also benefits of creating more choices for solicitors, which will deliver a more flexible resource pool and more flexible delivery of legal services. Ultimately this should reduce the cost of delivery while improving competition, and hence overall will have a clear positive impact for the consumer.

**30 September 2020**

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