

Summaries of certain responses from individuals to the call for inputs

Legal services market study review

Respondent 1

1. The respondent raised as a concern the level of price transparency in family law, noting that in their experience only an hourly rate is provided and the final cost incurred routinely exceeds initial price estimates. The respondent noted that there should be a clear price displayed for each stage in the legal process, and that before internal expert advice was obtained the provider should specify the cost, explain why it is required and allow an opportunity for the consumer to opt out of the service.
2. The respondent considered that cost issues create mistrust and drive consumers towards alternative solutions such as MacKenzie Friends.
3. The respondent felt that the way to drive quality and integrity in the sector was for regulators to take stronger enforcement action against solicitors who are not compliant, including by imposing fines or publicly naming those solicitors.
4. The respondent noted that they were not aware of consumers using digital comparison tools to search for legal services. The respondent also noted a concern that alternative business structures can raise consumer protection risks.
5. The respondent considered that legal services providers and regulators do not make sufficient attempts to drive consumer engagement in legal services. The respondent advocated the following steps to improve consumer engagement and competition:
 - a. Regulator-organised quarterly roundtables for consumers to raise issues and give feedback on successes;
 - b. Encouragement by regulators or professional bodies of face-to-face feedback from consumers; and
 - c. Online questionnaires operated by regulators or professional bodies to gather feedback from consumers, from which regular assessments of legal service providers could be generated.

6. In the respondent's experience, unauthorised providers of legal services are more driven to help consumers than authorised providers and unauthorised providers are often used to solve problems created by solicitors.
7. The respondent raised consumer protection concerns regarding the referral of financial products by family law solicitors. The respondent considered that solicitors should be barred from carrying out work which should be done by a financial professional, such as a mortgage broker or an independent financial adviser. The respondent also noted concerns with a lack of transparency about the risks of third party litigation funding.
8. The respondent considered that consumers are currently insufficiently protected, citing concerns that the Legal Ombudsman is struggling to handle its caseload and that the Solicitors Regulation Authority may be too close to the profession. In the respondent's view, independent consumer-focused and consumer-facing regulators are essential.
9. The respondent noted that there should be a focus on consumer protection over reducing the regulatory burden on providers of legal services to consumers and small businesses.

Respondent 2

10. The respondent observed that the Solicitors Regulation Authority's guidance on transparency did not include requirements to be transparent about key common family services, for example divorce. The respondent considered that transparency should be accessible to all types of consumers, noting for example that more elderly consumers may find the provision of online information less beneficial.
11. The respondent observed that the Competition and Markets Authority and regulators of legal services should engage more effectively with consumers to understand better how the sector operates, including how consumers shop for legal services.
12. The respondent observed that they themselves were unaware of any regulator directing consumers to the Legal Choices website and considered that the Legal Choices website has a long way to go as it does not adequately explain the risks a consumer of legal services may face.
13. The respondent noted that a useful quality indicator would be clear information on whether a legal services provider sells only regulated services or sells a mixture of regulated and unregulated services.

14. The respondent considered it was more important to address existing issues in the sector than to promote further innovation. The respondent queried whether innovation would improve a sector that consumers already find complicated, and whether lawtech was wanted or needed by an aging population.
15. The respondent considered consumer protection and the regulatory framework to be the priority. The respondent considered that within the existing framework consumer education was critical given the complexity of legal services regulation, for example the different regulatory bodies involved and the potential for legal services providers to be subject to overlapping regulatory frameworks (eg for financial services).
16. The respondent advocated for the extension of the regulatory framework to include unregulated providers, noting that they thought it was likely that the public believed all legal services providers to be regulated. The respondent considered that regulations are inconsistently applied, noting this may either imply a need for more objectivity and independence, or better performance.
17. The respondent considered that small businesses need the same protections as the general public as they are often unsophisticated users.

Several other respondents also shared their experiences, which they felt suggested that adequate consumer protection was sometimes lacking within the authorised sector. Their concerns included perceptions of poor complaints handling by the Legal Ombudsman and/or the Solicitors Regulation Authority and whether, for the latter, this may reflect some lack of objectivity and independence from the profession.