

Legal Ombudsman

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29 September 2015

Sir Mike Pitt
Chairman
Legal Services Board
One Kemble Street
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Dear Mike,

Management of Legal Ombudsman Performance by the OLC

Thank you for your letter of 17th September concerning the above subject.

We will be delighted to attend your Board meeting in Leeds on 26th November and update you on our progress.

I particularly noted your comments on the current performance trends against your Section 121 targets. Whilst the Legal Ombudsman has exceeded your **quality** target, we take no comfort or assurance from this measure (as the previous OLC Board informed you at the beginning of the calendar year) and are eagerly anticipating the conclusion of the current quality system pilot which is being overseen by the Interim Chief Ombudsman, Kathryn King.

With regard to your **cost per case**, target, owing to the relatively high proportion of fixed costs which the OLC bears, the unit cost measure is, very sensitive to fluctuations in caseload. The reason for unit cost performance not meeting the expectations of our respective Boards lies in the reduction in demand for our service rather than any significant increase in spending. Research is currently underway to gain an understanding of this trend and we will reassess the appropriateness of our resourcing levels as part of our budget planning for next year. For the remainder of the year, it will be possible to mitigate the impact of declining demand, by such measures as not replacing staff who leave the organisation, but I would reaffirm Michael Kaltz's prediction to your Board – it remains possible (indeed it is now probable) that we will not meet this target over the year.

The logo for the Legal Ombudsman features the word "LEGAL" in a bold, pink, sans-serif font. Above the letters "L", "E", and "G" are three stylized, overlapping pink lines that resemble a signature or a decorative flourish. Below "LEGAL" is the word "OMBUDSMAN" in a black, all-caps, sans-serif font.

LEGAL
OMBUDSMAN

It should be remembered, however, that our current budget outturn predictions suggest that, as we have done in **every** year since the launch of the Legal Ombudsman service, the OLC will again achieve a reduction in the overall cost of our service to the levy payers. It would be unfortunate if any publicity around your Section 121 targets were to obscure this fact from those who fund the service.

I appreciate that your Board is particularly exercised by the current trend in the **time taken to resolve cases**: in summary, the percentage of cases resolved within 90 days has declined over the course of the year – a trend which does **not** extend to our 180 day target. As we illustrated on 8th September, this deterioration was expected as a result of the changes which we have necessarily introduced. Our timeline for the recruitment of additional Ombudsman resource is clear, Board members are assisting with the final selection process and once they are appointed and functioning effectively, their impact will be noticeable in improving the resolution of cases within the 90 day target period.

We recognise the need, when going through a period of major change, to be aware of any emerging risks. My Board continues to monitor such data as service complaints, consumer and lawyer survey data and the, soon to be completed, ESRO survey data. In addition, we recently appointed a new Service Complaints Adjudicator who also takes an overall view of all complaints which we receive. At this time, we see no emerging indicators which would suggest that our changes pose any risk of detriment to either consumers or legal practitioners. We will however, remain extremely vigilant whilst the current programme of changes is being implemented.

Should it be necessary, we will of course provide you with further updates at the end of every month but, in the meantime, I would be grateful if you could share this letter with your Board.

Yours sincerely,



Steve Green
Chairman
Office for Legal Complaints