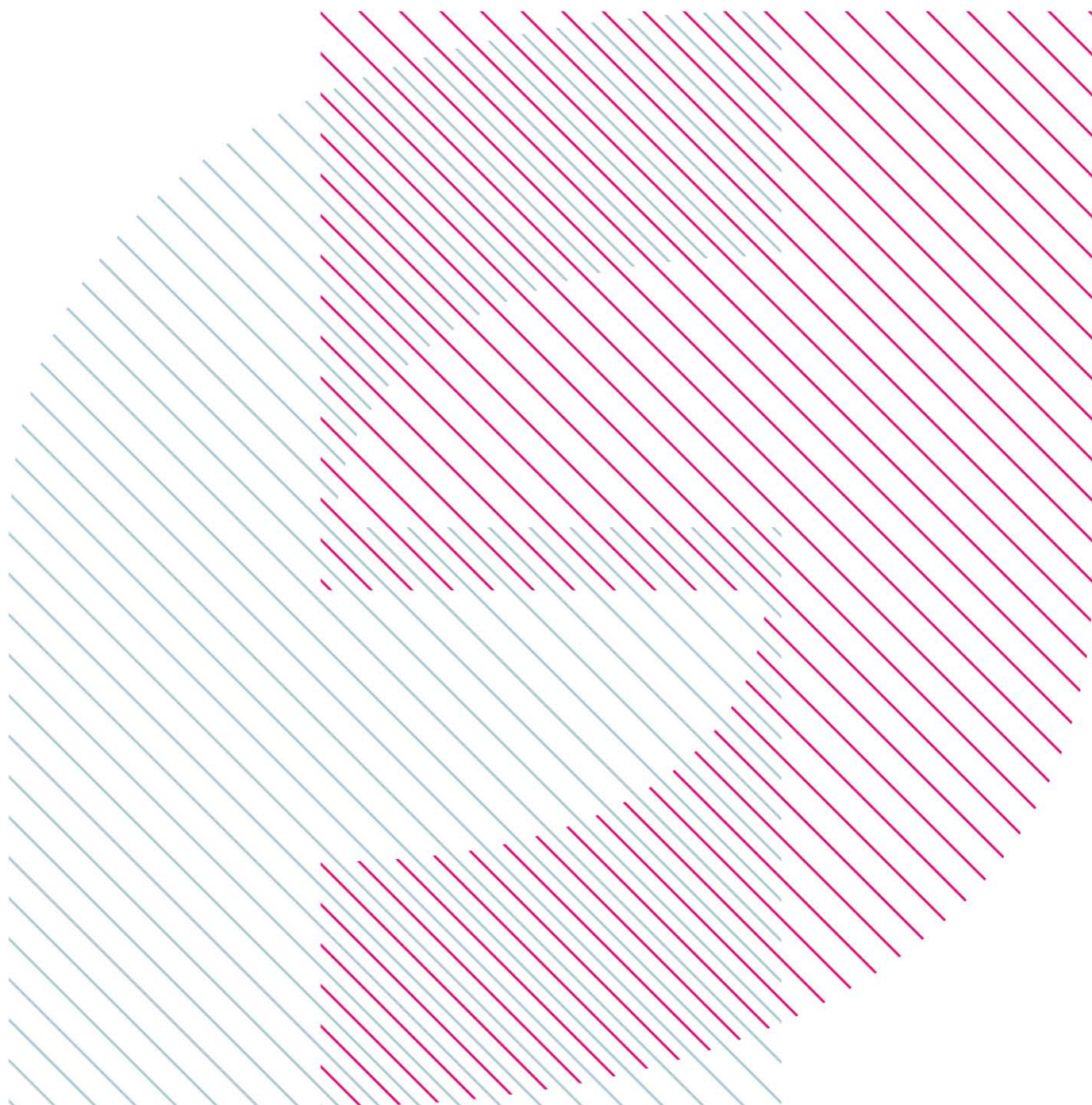


*LEGAL*  
OMBUDSMAN

*Consultation 2016-2017*  
*Draft strategy*  
*March 2016*



# Foreword from our Chair

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2016/17 will mark the third and final year of our current strategy.

Since we first set that strategy, in 2014, the world has changed considerably. Both of the markets in which we operate have continued to change and develop and we need to ensure that improvements in our service keep pace with this. Issues which emerged from our accounts being qualified for the previous two years have also required the OLC to change and improve and, in addition, during the coming year we will need to play our part in contributing to the spending targets of the Ministry of Justice.

Whilst our ability to develop the Legal Ombudsman service has, of necessity, been limited by other events, we have made some important progress. Permanent appointments have now been made of both our new Chief Executive and Chief Ombudsman and they, in turn, have appointed most of their leadership team. Important work has been done both to improve our understanding of the needs of our customers and to raise our game on the quality of our investigations and decisions. During the past 12 months we have worked hard to embed new technology into our service and now want to exploit the opportunities for improved efficiency which it offers us. In addition we have strengthened the role of our ombudsmen, in their direction of investigations and guidance of our investigators. The successful launch of our Claims Management jurisdiction has allowed us to develop new approaches to providing access to our service, perhaps most notably the following up of complainants who come to us prematurely.

We believe that there is still more that can be done in the coming year to build upon our achievements and intend to sustain the pace of our change and improvement. For example, this consultation document shows how we intend to improve the balance of our performance between completing investigations as in a timely manner as possible whilst providing the highest possible quality. We are currently re-visiting the way in which we use our policy on publicising ombudsman decisions in order that we can provide clearer information for consumers and,

should it prove necessary, important protection. In the same vein, we believe that there is much more that can be done to feed back our learning to the profession and we intend to play a much greater role in helping the profession to drive up standards and in empowering consumers.

Whilst meeting these challenges, we also intend to strengthen our governance as a mainstream, public sector, Arms Length Body and will robustly implement the recommendations from our recent governance review.

We remain concerned at the absence of redress for consumers who choose to obtain legal services from unregulated businesses. It cannot be right that the absence of redress has the ability to act as a competitive advantage to legal businesses which sit within the regulated part of the sector. We hope that the opportunity to correct that imbalance will be taken in any future re-visiting of the Legal Services Act. In the same vein, we welcome the recently announced study by the Competition and Markets Authority and look forward to cooperating fully with it.

We are also aware that the Claims Management sector is rapidly changing and whilst the impact of tighter regulation will undoubtedly have consequences for this sector, our working assumption remains that Claims Management companies will continue to develop their businesses in line with these changes and that the need for effective redress will continue for the foreseeable future.

This draft strategy sets out what we seek to deliver to help address the needs of the professions and the consumers we serve.

We welcome your views upon it.

Steve Green

Chair of the Office of Legal Complaints

# Context

Whilst we made good progress in 2015/16, the OLC's strategic ambitions were, of necessity, impacted by the need to resolve all of the outstanding issues which led to the qualification of our accounts. We expect to have resolved all of those issues by 31 March 2016. This will enable us to refocus on delivering all of our goals as set out in our published 2014-2017 strategy.

In the last year we have invested in developing our approach to quality and it is key that we continue to embed this within the organization. To support this, we have worked with external partners to gain a greater insight into our customers' needs. This has started to help shape our service principles and standards which we will introduce in the coming year.

We know that we need to develop our new case management system and our business processes to improve the customer experience. This will also improve the efficiency of our service.

Through our data, we have access to significant information about complaint handling but we know we have not used this effectively so far to share our learning to feed back to the profession and consumers. This will be a key driver for us in the coming year and beyond.

Last year, we also took the decision to postpone our application to be an Alternative Dispute Resolution (ADR) entity and we will be reviewing our options later this year. We are also keen to do a wider review of our scheme rules and will look to work closely with our stakeholders on this. Alongside these internal factors, we are aware that the external landscape is changing.

As a public sector body, we are subject to HM Treasury and Ministry of Justice spending controls and budgetary savings and we are aware of our responsibilities to ensure that we rightfully make this a key consideration in all our decision-making.

There is the potential that the Legal Service Act 2007 may be reviewed through the commitment of the Lord Chancellor and the outcome of the

Competitions and Markets Authority (CMA) market study. We have already met with the CMA and we look forward to working with them as their work progresses.

HM Treasury and the Ministry of Justice have commissioned a fundamental review of the regulation of claims management companies this is due to report early this year. We also need to be mindful of a number of possible changes to regulatory arrangements across our regulators.

The ongoing development of Alternative Business Structures (ABS) could also have an impact on our service. For example, as firms respond to changing consumer demand by developing affordable alternatives to full-service representation.

**Question 1: Do you agree with our overall analysis of the broader context of our strategy? Are there any other issues that you think we should take into account?**

# What we are planning to do

## **Our purpose**

We exist to improve today's services and tomorrow's industry reputation by resolving disputes impartially, promoting service excellence and being a champion of best practice for the benefit of consumers, providers and in the interests of business and society.

We seek a fair resolution in every individual case by acting impartially, cutting through complexity and analysing the facts to resolve disputes. In doing so we aim to provide timely, evidence-based information to ensure complainants and providers accept and understand our final decision, even if they do not agree with it.

Getting these basics right enables us to do more. What we learn from each individual case enables us to generate thought leadership, to work with a broad range of stakeholders and to champion best practice and improve standards across the sector.

In order to deliver our purpose and to contribute to the regulatory objectives of the Legal Services Act, there are a number of things we plan to do over the coming year:

- Continue to improve our operational efficiency using lean principles to make the most efficient use of our resources and improve our quality ensuring the service we provide to customers is of a high standard.

This will help to meet the regulatory objective of *protecting and promoting the interests of consumers*.

- Continue to drive learning and improved complaint handling across the legal and claims management sectors and better inform consumers of these services.

This will help to meet to meet the regulatory objective of *encouraging an independent, strong, diverse and effective legal profession*.

- Continue to work openly and constructively with regulators, professional bodies, consumer groups and Government and fully engage in the ongoing debate on the future shape of redress, consumer protection and regulation of legal services.

This will help to meet the regulatory objectives of *protecting and promoting the interests of consumers, improving public access to justice, and encouraging an independent, strong, diverse and effective legal profession*.

**Question 2: Do you agree that we have identified the right priorities to focus on over the coming year? Are there other priorities that we should consider?**

# Our goals

1. As part of the work we carried out to develop our strategy in 2014 we identified four key goals. We believe that these goals continue to reflect our broader purpose and operational priorities and do not propose to make any changes to them for the coming year.

2. This means that we propose that our continuing goals should be:

- **To continue to improve our efficiency**
- **To implement changes to our jurisdiction**
- **To help create an improved complaints handling system**
- **To disseminate what we have learned more widely**

3. To help make our goals more meaningful we have set out in the following section:

- What each goal means in practical terms
- Our long-term view of what they are intended to deliver
- Examples of the actions we plan to take to make this happen over the coming year

**Question 3: Do you agree that we should retain our four existing goals?**

**Question 4: In the sections below have we clearly identified what each of our goals mean? Are we focusing on the right things to deliver them?**



# *Goal 1: to continue to improve our efficiency*

## **This means:**

- Looking for further opportunities to improve our efficiency and reduce costs
- Improving the customer experience through the quality of our approach
- Being held accountable by setting and publishing challenging annual KPIs
- Demonstrating improvement internally and externally
- Engaging our people so that they can all play their part in developing and improving our systems and processes
- Expanding our partnerships and insight to grow our understanding of best practice, challenge our thinking, learn about the latest innovations and benchmark our performance

## **With a view to:**

- Being a high-performing organisation where everyone sees it as part of their role to deliver year-on-year improvement and find ways of doing things better
- Understanding, meeting and striving to exceed the expectations of our diverse customers and stakeholders
- Being efficient and mitigating our costs to the profession without compromising quality and acting as a model for other sectors
- Using the quality and efficiency of our services to explore additional services we can offer for consumers to access redress

## **To do this we will:**

- Build on the introduction of the new customer relationship management system we introduced last year to maximise technological opportunities to improve the service we offer
- Continue to embed a customer-centric ethos through our commitment to a high quality service
- Continue to refine our business process using lean principles to improve the time we take in resolving complaints
- Continue to attract a diverse workforce and increase staff engagement and motivation
- Implement and further develop the new key performance indicators alongside the additional internal measures to monitor

our performance

- We will always look to make the best use of our resources

## *Goal 2: to implement changes to our jurisdiction*

### **This means:**

- Ensuring effective delivery of agreed changes to our jurisdiction. The key deliverable in our three year strategy was introducing Claims Management Companies which we have successfully done and continue to embed
- We will continue to working to identify other areas of consumer detriment where the extension of our jurisdiction could provide an effective remedy
- Ensuring that changes to our jurisdiction have no negative impact on our core business and that costs are apportioned and accounted for appropriately

### **With a view to:**

- Using the successful delivery of changes to our jurisdiction as a platform to provide more consumers and providers with access to high quality, informal and speedy redress
- Working with providers in those markets to help them understand the role of the Ombudsman, to improve first tier complaint handling and prevent complaints from arising in the first place
- Achieving greater economies of scale so that unit costs across all areas of work can be reduced

### **To do this we will:**

- Consider further the options to be an approved ADR entity
- Continue to work with Government and other stakeholders with the long term objective of providing consumers with access to appropriate redress
- We will explore the option of dealing with third party complaints through further analysis of internal and external data
- We will review the nature of premature complaints and opportunities for how we can support customers and service providers in the handling of these

# *Goal 3: to help to create an improved complaints handling system*

## **This means:**

- Exploring different ways of effective dispute resolution
- Driving up efficiencies and reducing costs
- Contributing to and promoting the regulatory objectives of the Legal Services Act

## **With a view to:**

- Providing a range of relevant, tailored and appropriate services within the scope of the current ombudsman scheme and identifying opportunities to build on this to reflect the changing nature of the market place
- Building consumer confidence in how the legal and claims management sectors handle complaints and provide redress

## **To do this we will:**

- Consider the options for development of alternative dispute services, which could include consideration of methods of resolution which we do not currently offer (for example mediation and first-tier complaint support)
- Develop service standards building on our customer service principles to underpin the customer experience
- Review our communications to ensure that we use plain English
- Conduct research to provide insight both internally and externally on good complaint handling
- Explore further revisions of our scheme rules, including consideration of our case fee structure

## *Goal 4: to disseminate what we have learned more widely*

### **This means:**

- Feeding back learning from our work to the profession, consumers and policy makers
- Engaging with stakeholders about the best ways of delivering redress, empowering consumers and supporting the delivery of quality services

### **With a view to:**

- Creating an environment where there is a clear, effective and efficient system of consumer redress
- Ensuring that the lessons learned from resolving individual disputes are used to promote improvement in service provision

### **To do this we will:**

- Improve our internal research capability to enable us to provide more detailed learning to service providers
- Continue to identify key areas of service failings and use this to feedback to service providers
- Undertake research to identify best practice on first tier complaint handling to support service providers
- Work with regulators and professional associations to share our learning and look at ways to deliver this directly to service providers
- Continue to deliver educational events for service providers
- Review the content of our website to improve the sharing of our knowledge

**How to respond**

We welcome comments on all aspects of this consultation, including those questions we have specifically highlighted. If possible, please send your responses electronically. Hard copy responses by post are also welcome. Please note that we plan to publish all responses we receive in relation to this consultation paper.

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