

To:	Legal Services Board		
Date of Meeting:	11 July 2012	Item:	Paper (12) 51

Title:	Legal Services Consumer Panel - Consumer Impact Report 2012		
Workstream(s):	Corporate governance		
Presented by:	Elisabeth Davies, Consumer Panel Chair		
Status:	Protected		

Board briefing:
<p>The Legal Services Consumer Panel's (the Panel) second annual Consumer Impact Report (CIR) is attached at Annex A. The annual CIR looks at the legal services market from consumers' perspectives.</p> <p>Elisabeth Davies will be attending the Board meeting to present the key findings from the report.</p> <p>The LSB's own Evaluation Framework draws from the CIR in a number of places. For example, in relation to consumers' confidence in the ethics of the profession being undermined by approved regulators not being perceived to be independent.</p> <p>The LSB Evaluation Framework also uses data collected for the CIR as part of the evaluation analysis – for example around levels of consumer empowerment. However the LSB's Evaluation Framework assesses the impacts of the legal services act from a wider range of perspectives than the CIR. These are:</p> <ol style="list-style-type: none"> 1. The profession 2. The consumer 3. The public 4. The market 5. The investor

Risks and mitigations	
Financial:	N/A
FoIA:	Initial assessment: Annex A – s22 (information intended for future publication)
Legal:	N/A
Reputational:	The Consumer Impact Report is the Panel's flagship report and comments on the progress of the reforms in the round.
Resource:	N/A

Consultation	Yes	No	Who / why?
Board Members:		✓	

Consumer Panel:	✓		The Consumer Impact Report was agreed by the Panel following its meeting on 27 June
Others:	N/A		

Recommendation(s):
The Board is invited to discuss the Panel's Consumer Impact Report.



Legal Services Consumer Panel – Consumer Impact Report 2012

1. The Board endorsed the Consumer Impact Report as a project in the Work Programme 2011/12. The finalised text of the report is attached to the paper; this is currently being formatted by the in-house designer at the Legal Ombudsman following the same design as last year.
2. The key audiences for the Report are the regulatory and complaint-handling organisations which are responsible for delivering the reform agenda. We hope it is also helpful to parliamentarians and others who ultimately provide accountability for these bodies, and, more widely, to all those affected by the changes.
3. The report measures the direction of travel of the reform agenda in the last financial year towards the Panel's vision for the market. Its main aim is to provide a tool for the profession and its regulators to identify opportunities to improve in areas of weakness. The Report identifies other benefits as defining consumer expectations of the reforms and enhancing transparency and accountability for those organisations with a shared responsibility for designing and delivering them. This in turn should improve consumer understanding of legal services and build public confidence in regulation.
4. The major development of the Consumer Impact Report took place for the first edition encompassing a literature review, data review, stakeholder workshop and input of an external advisory group. The second edition follows the format of the first. There have been some small amendments to the indicators to reflect data availability; in particular, we were able to access Legal Ombudsman data for the first time.
5. The five elements of the Panel's vision for the market represent the high-level outcomes that underpin the assessment framework: responsive services; high quality advice; a diverse workforce that understands its diverse clients; quick, fair and cost-effective complaints-handling; and where consumers are placed at the heart of regulation. Each high-level outcome is broken down into three intermediate outcomes, and, in turn, a series of indicators. The indicators are populated by regularly published data sources such as business plans, annual reports and board papers. In addition, we again commissioned YouGov to conduct an annual tracker omnibus survey with both a representative sample of the general population and recent users of legal services.

6. The report contains a mixture of statistics and a qualitative commentary which interprets the data and makes wider observations on developments in 2011-12. As this is the second edition, we are able to make comparisons with the 2011 findings, although it is too early to establish firm trends. Where appropriate we have cross-referenced to findings in the LSB interim market evaluation study.
7. The Report identifies five themes:
 - Consumers are becoming more active purchasers – greater shopping; increased satisfaction with ease of making comparisons; fixed fee deals becoming a key market feature; and greater satisfaction with value for money. However, more needs to be done: over-reliance on personal recommendation and referrals; choice tools little used; complaints to Legal Ombudsman on costs; and fall in satisfaction with price transparency.
 - Consumer confidence is falling – levels of trust, confidence that consumer rights will be protected and confidence to complain have all fallen, plus a big rise in dissatisfied consumers who do nothing. More positively, a fall in claims on the Compensation Fund and other misconduct indicators.
 - Inequalities persist for consumers – the gap in experience across the population, e.g. trust, satisfaction, shopping around, remains wide although has narrowed since 2011. Research identifies worries around specific groups, e.g. trust among BME population and the Panel's deaf consumers study.
 - Quality has been the dominant policy theme of the year – overall service satisfaction is constant, but reduced satisfaction in individual elements of customer service. Quality assurance is a key policy theme of the year – QASA, LETR, will-writing etc.
 - Failure to engage consumers – an almost complete absence of consumer engagement activity by approved regulators, although the SRA is showing signs of increased investment which should bear fruit in 2012-13.

Next steps

8. The Panel plans to publish the report before the end of July.
9. This year we plan to make more use of the 'can-opener' dimension of the report and will write letters to relevant stakeholders on issues relevant to them.
10. Graham Corbett will lead a review exercise in the autumn; we would welcome the input of a couple of Board Members in this.

29.07.12