

Appendix 2 - ACTIVITY REPORT: JANUARY – MARCH 2013

Overview

Phase one of the empowering consumers project was completed. As well as a report providing advice to the LSB, two background papers were published and an event was held. In short, we concluded that consumers are currently not very empowered and set out a series of strategic choices that regulators need to make to improve this situation. At the same time, we cautioned that public confidence that regulation will protect them is key to active participation in markets and so regulation should be strengthened where necessary to empower consumers to vote with their feet.

Externally commissioned research on consumers and risk was published. The main finding was that consumers value financial protections and reject suggestions that they should accept more risk. This was true even among participants who self-classified as risk accepters in life generally. Consumers see legal services as a special case, are acutely aware of their own vulnerability and feel unable to make informed decisions about ways of protecting themselves against financial risks, e.g. by insuring against loss from fraud or negligence.

The Panel met twice over this period. The meeting in January agreed the direction of the 2013-14 work programme and concluded an internal review of the Consumer Impact Report. The February meeting contained a session with the LSB Chief Executive, signed off the work programme and empowering consumers report, and considered the cab rank rule research.

Update on planned projects

Project	Activity
Choosing and using legal services	Two background papers and Phase One report published; stakeholder event held
Financial protection	Research report published; analysis of financial protection regimes advanced and report due for completion end of May
Complaints	No activity this quarter
Consumer Impact Report	Review of CIR completed and decision taken to publish every two years. Tracker Survey research completed and analysis underway
Diversity	Learning disabilities research in partnership with LSB and Mencap commissioned and report expected shortly
Quality assurance	No activity this quarter
Non-commercial providers	No activity this quarter
Will-writing	Response submitted to LSB executive working paper

Update on unplanned work

Our new Panel Member, Frances Harrison, started her three year term on 1 March.

Two workshops were held: the first to inform our work on empowering consumers; the second to launch the Vanilla Research report on consumers and risk.

We have taken steps to establish a Regulators' Forum – this is intended to be an informal space for the regulators to discuss consumer issues with us at an early stage of policy thinking or where we can usefully play a brokering role to bring about change.

We met with Ministry of Justice officials to inform the post-legislative assessment exercise.

Our consultation responses in this period:

- ICAEW applications to become an approved regulator and licensing authority
- Legal Ombudsman Strategy and Business Plan
- SRA consultation on co-operation agreements

Elisabeth Davies has started a blog, located on the Panel's website. There were five posts in this quarter on issues such as regulatory culture, risk and 'unreflective consumer fundamentalism'.

The Chair held meetings/attended events: APIL President's lunch, Bar Council, CILEx, CLC, Law Society, Legal Ombudsman, Personal Support Unit

Steve Brooker presented to the Westminster Forum on technology and the law.

Future activity

The Panel will start projects in its 2013-14 work programme. The focus will be on scoping projects, but an early output will be to publish the findings of the third Tracker Survey. This is an annual survey of the general population and recent users which informs the Consumer Impact Report.

The Board is due to consider our advice on empowering consumers at this meeting.

We will conclude our project on financial protection arrangements. This will consist of two outputs: a review of whether the existing arrangements are fit for purpose; and a think-piece on the broader issue of consumer risk and responsibility, building on the research report referenced above.

The annual report for 2012-13 will be presented to the Board at its May meeting.

Elisabeth Davies will be a panellist at an event run by APIL on the theme of 'the erosion of standards, ethics and consumer protection'.

Steve Brooker
March 2013