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29 April 2010

Dear Deborah,

Legal Complaints Service (LCS) performance oversight

Following our helpful meeting on 23 April 2010, I wanted to formally set out to you the LSB's regulatory oversight interest in the performance of the LCS as it approaches close-down. We hope that this will help you to ensure that there are as few complaints as possible outstanding in March 2011 and that standards for handling complaints remain high.

As you will know, under Section 31 of the Legal Services Act 2007, we may set performance targets relating to performance by an Approved Regulator or any of its regulatory functions, "if an act or omission of the Approved Regulator has had, or is likely to have, an adverse impact on one or more of the regulatory objectives." While we do not expect to have to invoke this section of the Act, it does give us a remit to intervene, should we see any significant detriment in the handling of complaints by the LCS which we concluded resulted from an act or omission of The Law Society. This could be at any point in the run-up to the opening of the Legal Ombudsman in October 2010 and/or in the close-down period of the LCS, anticipated to be between October 2010 and March 2011.

As both of our respective organisations are required to act in ways that are compatible with the "regulatory objectives," we anticipate that The Law Society through the LCS will want to ensure that current performance levels are maintained. We will therefore expect LCS performance to maintain a broadly consistent level, using the most recent monthly performance report (March 2010) as our baseline. We will be paying particularly close attention to the following LCS targets:

- T3 – investigating and resolving at least 60% of cases within 3 months.
- T6 – investigating and resolving at least 80% of cases within 6 months of receipt.
- T12 – investigating and resolving at least 99% of cases within 12 months (although we would hope this to be 100%).
- SI – ensuring that at least 80% of customers are satisfied with the LCS service.
- H1 – optimise (ie. minimise) the total number of cases in progress.

Current performance, particularly against the targets relating to the speed of resolution, suggests that these targets, although challenging, are realistic, not least given the strong plans for building up the use of outsourcing contracts which you outlined. This should give you a means of managing workload as staff numbers decline, both by natural wastage and by recruitment to the Legal Ombudsman.

In the event of any decline in performance, we will consider our actions in light of the following:

- 1) Whether the decline is clearly a one off occurrence and will improve the following month, in which case we are likely only to be concerned if there is no improvement.
- 2) Whether it is recurring, but not material, as customer detriment is limited in either extent and/or duration – in which case we would ask for a full explanation as to why and may (or may not) take further action.
- 3) Whether it is a material issue and relates to one or more of the targets we are particularly concerned about. In this case, we are likely to conclude that a full action plan from the LCS is necessary, setting out why the problem occurred and what action is being taken to address it. If we still do not see any improvement we will consider whether further steps to rectify performance, as allowed by the Act, should be taken.

We think that it is important that there is a public statement from The Law Society and the LCS setting out the levels of performance which we discussed and setting out your plan for ensuring that this happens.

Whether as part of this document or separately, we would like to see clearly stated target figures for the number of cases that will be outstanding at the Legal Ombudsman start-up date and also a target number of cases that will be outstanding when the LCS is expected to close in March 2011. It would be helpful to make clear the assumptions on which these targets are based, in terms of both of complaint receipts and resource inputs to enable both of us to keep their achievement under active review in the coming months.

I look forward to receiving confirmation of your agreement with the points covered in this letter.

I am copying this letter to Des Hudson, Adam Sampson, Zahida Mansoor and Elizabeth Gibby for information and will be placing a copy on the Board's website.

Yours sincerely,



Chris Kenny
Chief Executive

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Cc: Des Hudson, Chief Executive, The Law Society
Adam Sampson, Chief Ombudsman, Legal Ombudsman
Zahida Mansoor, Legal Services Ombudsman, Office of the Legal Services Ombudsman
Elizabeth Gibby, Deputy Director for Coroners, Burials and Legal Services Regulation and Redress, Ministry of Justice