



**LEGAL SERVICES
BOARD**

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Ombudsman complaints concerning cost transparency

My Board recently considered the attached report from the Office of Legal Complaints, which concerns complaints it has received about legal services providers and the lack of cost transparency. Complaints concerning cost transparency made up over a quarter of all cases in the period under review.

You may recall that we previously wrote to you and the other approved regulators on 30 May 2013 in relation to the risks posed by damages-based agreements (DBAs)¹. We said that we must all remain cognisant of the risks posed by DBAs and the potential for the use of such funding arrangements to increase.

We consider this still to be the case. Accordingly, I hope that you will continue to monitor developments in the area of price transparency in general to ensure good consumer outcomes are secured. We would expect you, for example, to gather information on those practitioners that are using arrangements such as DBAs and reflect this information in your supervision activities.

The robustness of your assessment of the risks posed in relation to cost transparency in general, and DBAs in particular, and the action you take in response to these risks, will be a valuable indicator of the success of your risk framework.

Please get in touch if you would like to discuss this issue in more detail.

Yours sincerely,

Richard Moriarty

Chief Executive

¹ 30 May 2013 letter to all approved regulators regarding damages-based agreements
http://www.legalservicesboard.org.uk/news_publications/LSB_News/PDF/2013/20130530_LSB_Response_To_Regulators_Approach_To_DBA_Risks.pdf