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Dear Steve,

**Section 120 Notice: report on complaints received by the Ombudsman which concern a perceived lack of transparency of the costs of legal services**

Thank you for the OLC's report to the LSB on complaints received by the Ombudsman which concern a perceived lack of transparency of the costs of legal services. My Board had the opportunity to discuss the OLC's report at its meeting on 29 April.

As you know, we are very supportive of the OLC's efforts to access and utilise the data produced by the Ombudsman and feed back insights and learning from its work more widely to the profession, consumers and policy makers. My Board was greatly encouraged by what it heard from Kathryn King on this when she attended our Board meeting on 25 March and we were pleased to see this goal in your draft Strategic Plan for 2015-17.

I am therefore grateful for the hard work of colleagues at the Ombudsman both in clarifying with us the requirements in the formal notice issued by the LSB under Section 120 of the Legal Services Act 2007 and in preparing this report in response to that notice.

We agree with the conclusion in the report that there are challenges around a lack of price transparency for a number of legal services funding models. We were particularly struck by the finding in the report that complaints concerning transparency around the costs of legal services make up over a quarter of all cases in the period looked at. The report has now been published as part of the Board papers for the 29 April meeting, and copies of it have been sent to the regulators along with a letter reminding them of our expectation that they monitor developments in the area of price transparency to ensure good consumer outcomes are secured.

As previously explained, the challenge now is to generate a broader evidence base to enable better targeting of both regulatory action and the helpful guidance to consumers and lawyers that the Ombudsman produces. We recognise the limitations of your systems during the period looked at in the report and the fact that many of the recent improvements to these systems only 'kicked in' towards the end of this period. It is, however, going to be important for you and your team to explore how future reports can make use of the additional information that is now being captured. It would be helpful, for instance, if additional detail could be provided on such things as the nature of the service provider(s) involved (where this is available), whether the service is provided online, and the size and type of firm involved. It would also be helpful if future reports could include greater contextual information such as setting out the relative scale of any issues by reference (for example) to their incidence in the underlying population or similar, rather than quoting absolute figures alone.

We note the comment in the report that 'the Legal Ombudsman systems are designed primarily to resolve complaints and as such the primary purpose of these systems is not as a research tool'. We think it is important for you and your team to consider your wider plans for using the unique vantage point that the Ombudsman has to capture and feed back insights to practitioners, consumers and the broader legal services community. We would be very happy to work with the Legal Ombudsman to establish how its systems could effectively fulfil both this purpose and meet the goal in your draft Strategic Plan for 2015-17 'to disseminate what we have learned more widely'. Please do let me know how we might help with this.

Yours sincerely,



**Richard Moriarty**  
Chief Executive