

# The Legal Services Board

**ABS – What's Different ?**

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**16 February 2010**

## Agenda

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- Changes in the environment
- Changes in regulation
- Specific ABS changes
- Next Steps

## Environment - Consumers

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- More demanding
  - Corporate Clients
  - Legal Services Commission and other public purchasers
  - Individuals in dispute
  - ... and in day-to-day transaction
- More cash-strapped and time poor
- Increasingly better informed – but further to go

## Environment – Commercial/Service

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- Evolution of service
  - From time-based billing to commodity or outcome pricing
  - ADR as well as litigation
  - Distant as well as face-to-face
- Technology
  - Both drives and enables response to changing market conditions

## Environment – Commercial/Service

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- Evolution of workforce
  - Greater and lesser Professionalism
    - Professional numbers grow as law –both civil and criminal –reaches more parts of life
    - But focus increasingly on supervision of others as on individual delivery
    - As legal services become a more professional industry, role of individual Professional changes

## In short...

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- Business excellence and creativity as important as legal excellence
- Regulatory framework needs to catch up to
  - Enable legal services industry to respond in business time
  - Ensure that essential consumer protection is maintained
  - ... and incentives for best consumer practice are enhanced
- Focus on risk and proportionality

## Changes in regulation

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- Entity, as well as, individual regulation
- Holistic regulation – 8 regulatory objectives, shared by LSB and Approved regulators
- Shift to outcomes, not rules
  - Removing barriers, rather than writing rules
  - Status quo calls for as much justification as change
- ABS can be precursor for more flexible regulation generally

## ABS Requirements

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- Evolution of detailed arrangements
  - Outcomes
  - Rules
  - Supervision and monitoring
- Preservation of public interest and commercial neutrality
  - Where risks are the same, the protection will be identical
  - Where they are greater or different, the response will be proportionate
  - Market will not be rigged for or against ABS



## ABS Specific Requirements

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- More focus on entry – fitness to own test
- More focus on governance and compliance – HoLP and HoFA rule
- More focus on consumer protection
- Compensation and indemnity
- Demonstrable benefits to Access to Justice
- Special bodies

## Watch this space!

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- Act ended 6 years of debate on the principle. Now it's practicalities
- Broad welcome for LSB and SRA consultations so far
- LSB – detailed next steps on licensing rules consultation closes this Friday
- Robust detailed implementation plan to enable delivery in mid 2011 now in place.

## Watch this space!

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- Regulation is catching up fast with the changing market
- New opportunities emerging quickly
- All the market will need to respond – whether you decide to play or not.