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[Approved Regulator]

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Dear [----]

First-tier complaints handling – implementation review

We have now completed the thematic regulatory review of first-tier complaints handling. This has focussed on approved regulators' implementation of the first-tier complaints handling requirements of the Legal Services Act 2007 (the Act). Attached is the final report which we will publish on our website in the next two days.

Our primary aim was to form a view about the extent to which the regulatory arrangements of approved regulators had achieved compliance with first tier complaint handling requirements of the Act. The report addresses issues pertinent to individual approved regulators, but has also identified issues common to all.

The Executive Summary presents our main conclusions from the review, in summary they are:

- Overall, approved regulators have made positive progress in making changes to their regulatory arrangements to achieve compliance with the first-tier complaints handling requirements of the Act.
- We have concerns about the approach that approved regulators propose to take to the collection and assessment of complaints data. In particular, the lack of consumer focus in approved regulators' information gathering activities. This raises a question over the degree to which regulators will be able to identify and respond to individual and systemic issues.

The review has focused on procedural compliance and therefore cannot provide a qualitative assessment of whether the outcomes we have specified are being achieved. Assessing the quality of outcomes for consumers depends on obtaining evidence. Therefore going forward, building on this report, we will be focused more acutely on ensuring that approved regulators develop qualitative and quantitative evidence from which to drive improvement.

We would like to work with you so that we can understand the challenges approved regulators face, both in collecting data and in conducting consumer research. We hope that this approach will assist approved regulators in developing strategies for addressing those challenges and to ensure that improvements in regulation take place in an appropriate timeframe.

The LSB will carry out its own consumer research in the first half of 2011. This will develop a baseline understanding of consumer satisfaction with first-tier complaints handling against which we can measure change. We will share the methodology that develops with approved regulators to inform future consumer research and data collection activities.

If you would like to discuss anything, please call Lucas Ford on 020 7271 0093 or me on 020 7271 0087.

Yours sincerely

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