

## **The Chartered Institute of Legal Executives Response to The Legal Services Board Draft Business Plan 2016/17 Consultation questions**

The Chartered Institute of Legal Executives (CILEx) is the professional association and governing body for Chartered Legal Executive lawyers, other legal practitioners and paralegals. CILEx represents around 20,000 members, which includes approximately 7,500 fully qualified Chartered Legal Executive lawyers.

CILEx continually engages in the process of policy and law reform. At the heart of this engagement is public interest, as well as that of the profession. Given the unique role played by Chartered Legal Executives, CILEx considers itself uniquely placed to inform policy and law reform.

As it contributes to policy and law reform, CILEx endeavours to ensure relevant regard is given to equality and human rights, and the need to ensure justice is accessible for those who seek it.

### **Q1. Do you have any comments on our proposed work plan?**

(See pages 11 – 21)

#### **Page 16, Identifying the reach, benefits and risk of unregulated services**

Paragraphs 33 and 34, page 16. If voluntary arrangements are to be agreed with unregulated providers, in order to provide avenues of redress for consumers, there is concern about the standards the Legal Ombudsman will apply. It will not change the fact that many unregulated providers operate without appropriate indemnity insurance. Access to the Legal Ombudsman may give some unregulated providers a veneer of legitimacy and have the potential to mislead the public. Care will need to be taken about the approach to be adopted.

#### **Page 16, Responding to emerging market risks**

Paragraphs 35, 36 and 37, pages 16 and 17. The work being undertaken through the Competition and Markets Authority Review; Competition regime, should inform this work. CILEx would not wish to see duplication of effort and suggest close collaboration will be required.

Mr Justice Brigg's report on the Civil Courts Structure Review (CCSR)<sup>1</sup> has also considered the legal market and the potential impact of the introduction of on-line courts. CILEx suggests that the LSB engage with others who are currently analysing the market for legal services.

Paragraphs 31 and 32, page 16. All providers of legal services that are regulated need sound information governance systems in the context of consumer risk. The greater availability of data to consumers is supported by CILEx. The LSBCP undertaking work in this area is welcomed. In due course we will be updating our IT systems and would be amenable to making appropriate arrangements for data collection about our members, to enable better reporting to the LSB.

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<sup>1</sup> *Interim Civil Courts structure report published by Lord Justice Briggs on 12 January 2016*

## **Page 21, Identifying the benefits and risks associated with regulatory choice and the changing shape of legal services regulation**

Paragraph 59, page 21. Reference is made to legal service providers having a choice of regulator. CILEx Regulation has identified practical problems with run off insurance and has identified this to the LSB as being a potential barrier to the exercise of choice.

### **Q2. Do you have any comments on the research we have proposed?**

(See pages 22 – 23)

The Chartered Institute of Legal Executives (CILEx) welcomes collaborative research with the Legal Services Board (LSB). We are able to share data and research findings of research and surveys that we have conducted with our members, if it will assist the LSB and reduce duplication.

If the LSB have questions that they would like us to pose to our members we would be happy to facilitate this.

Does the LSB have any further collaboration in mind and are all reports placed in the public domain?

We suggest that additional research in the area of Run-off cover is required. We would like to see a commitment to this reflected in the LSB work plan. CILEx Regulation reported to the LSB on 1 December 2015 highlighting the problems with the different length of years of cover, required by regulators which has led to confusion in the market. The letter is appended at Annex A to this response.

It is well documented that diversity and equality within the profession is necessary to reflect the needs of the consumer. There has been little research into the loss of talented lawyers due to difficulty in returning to work after a career break or lack of flexibility in hours. There are no clear pathways or business models to assist organisations to facilitate returners. Regulators should be required to monitor and collect statistics in these areas at member and partnership/board level. This could be a useful tool to effect change within the legal profession. This is also entirely consistent with the regulatory objectives of the Legal Services Act.

### **Q3. Do you have any comments on the commission we propose for the Legal Services Consumer Panel?**

(See page 16)

The LSBCP could make a valuable contribution in this area and CILEx are supportive.

## **Page 16, Encouraging market entry by comparison websites by unlocking regulatory data and helping consumers choose and use legal services**

**Page 16.** We note reference is made to “information remedies”. We understand this to mean empowering the consumer. For example, identifying when consumers are

aware that regulatory protection is afforded to them and when it is not. It would be helpful if clarification of this term was given within the text.

We look forward to further engagement with the Consumer Panel during 2016. During 2015, we welcomed them to our Futures Forum and their input was invaluable.

**Q4. Do you have any comments on the LSB's budget?**

(See pages 24 – 25)

**The costs we incur in delivering our Plan**

We are pleased to see that the LSB is adopting a proportionate approach to its size and scope in 2016.

Our members will appreciate that the financial cost of regulated members is being reduced. It is noted that the LSB costs are £23 per year per practitioner for the current year.

Attachment

Annex A - Report to the LSB on the Restrictions created by Run-off Insurance