

Legal Services Board: Draft Business Plan 2017/18

**A response by CILEx Regulation
17 February 2017**

Please see our comments below.

Question 1 - Do you have any comments on our proposed work plan?

Breaking down the regulatory barriers to competition, innovation and growth:

1. We are pleased to see the LSB continue its work in the final year of its three year strategy. This will allow for continuity and will positively impact regulators in terms of continued progress.
2. The LSB's work programme will ensure that regulators are held to account for their performance and maintain their current level of independence from associated membership bodies.
3. We note that the LSB is looking for a "*smaller number of streamlined and simplified regulatory arrangements*" as an indicator of success in breaking down regulatory barriers. We would look for clarification as to whether the LSB intends to implement positive actions or will rely on self-initiated activity by regulators to achieve this goal.
4. We would also urge that, in the drive for greater transparency, reduced cost of regulation, increased pricing-based competition and access to justice, the LSB supports all regulators in maintaining a strong focus on quality of legal services provided to customers.

Enabling the need for legal services to be met more effectively:

5. CILEx Regulation continues to publish data about its authorised individuals and entities for use by comparison websites. Comparison sites are able to access this information on our website and re-produce it to assist consumers effectively to compare the different legal services offered and make informed choices.

CILEx Regulation supports the development of a single digital register as recommended in the CMA's final report published in December 2016. We will explore the viability of achieving this with the other regulators and work with them towards its implementation.

6. We welcome and encourage the Legal Ombudsman's indication that they are interested in extending their remit to clients of unregulated providers over the next three years. CILEx Regulation supports this move to extend consumer protection where members are providing a legal service for payment. The current system of redress for poor service through the civil courts is unfair and especially difficult for consumers who may be vulnerable.
7. CILEx Regulation would welcome the provision of greater clarity by the LSB for both consumers and other lawyers as to what activities unauthorised lawyers can undertake.
8. CILEx Regulation welcomes the CMA's Legal Services Market report. We are currently developing our regulatory response to the report's recommendations as stakeholders of the Implementation Board.
9. There remains an important role for the LSB in supporting the removal of regulatory barriers such as run-off insurance requirements for firms switching regulators. We would also welcome support from the LSB in ensuring competitive access to lender panels.

Performance, evaluation and oversight:

10. The LSB will continue to hold regulators to account for their performance and ensure that regulation is undertaken independently from representative interests. CILEx Regulation regularly monitors and updates its key performance indicators in relation to complaints received against those within its regulated community.

11. We would encourage the LSB to continue actively to foster collaboration between regulators. We acknowledge positive work streams currently underway, particularly in relation to consumer research and disciplinary matters.

12. CILEx Regulation is pleased to see the LSB's acknowledgement of our intended application to become a licensing authority.

13. We would also encourage the LSB to review its Internal Governance Rules this year with a view to providing greater clarity and support for regulatory independence.

Question 2 - Do you have any comments on the research we have proposed?

14. We are pleased to see that the LSB has clearly detailed the research it will carry out during 2016/17. We are particularly interested in the innovation in legal services research and its implications for regulatory change. This study will help us to develop our regulatory regime to match and support changing consumer demand.

Question 3 - Do you have any comments on the LSB's budget?

15. The drive across the public sector to reduce costs has placed added pressure on publicly accountable organisations to continue to fulfil their role with limited funding. Although CILEx Regulation supports the LSB on budget reduction, we would ask the LSB to consider carefully how far budgets can continue to be cut before compromising the delivery of objectives and responsibilities.