

16 February 2017

Ramandeep Bhatti  
Legal Services Board  
One Kemble Street  
London  
WC2B 4AN

Dear Ramandeep

### **LSB Business Plan 2017/18**

The OLC welcomes the opportunity to provide feedback on your draft Business Plan 2017-18.

The final year of your three year strategy is an opportune time for reflection before the next planning period. We look forward to further, two way, engagement with the LSB on the development of its next strategy, and also during our consultation on the OLC's three year strategy and business plan.

There are a number of points within the draft business plan which we would like to highlight and we look forward to working with the LSB on these. We have two general points before moving on to the specific consultation questions on which you have requested responses:

1. As an overriding point, we think it would be useful to test the business plan against the better regulation principles, and make a more explicit link between these and the business plan. It would also be useful to understand the relative significance of each activity in the business plan.
2. There is an overarching theme about how regulatory impact and performance should best be measured. The NAO's recent (November 2016) publication on *Performance Measurement by Regulators* may provide a useful point of reference for the business plan.

The logo for the Legal Ombudsman. The word "LEGAL" is written in a bold, pink, sans-serif font. Above the letters "L", "E", and "G" are decorative, flowing pink lines that resemble a signature or calligraphic flourish. Below "LEGAL", the word "OMBUDSMAN" is written in a black, all-caps, sans-serif font.

**The proposed programme of work:**

While we welcome the work the LSB are undertaking in breaking down regulatory barriers, we remain concerned about ensuring consumers do not lose access to redress. We are keen that the LSB's programme maintains a strong focus on ensuring appropriate checks and balances for any changes to regulation. Where changes to regulation affect consumers' access to redress and the compensation scheme we would like the LSB to work with all parties concerned to consider and mitigate potentially negative impacts for consumers.

We felt that the length of the section on the OLC could be seen as a disproportionate emphasis relative to the other objectives. This raised two questions:

1. Might the 2018-21 strategy more usefully focus on the specific ways in which the LSB's work will add value to the delivery of the ombudsman scheme, rather than repeating statutory responsibilities?
2. How will the LSB discharge its responsibilities to maximise the impact and benefit delivered by the OLC?

Referring back to paragraphs 4.2.1.5, 4.2.1.6 and 4.2.1.33 and to recommendation 1 of the Grant Thornton governance review, we would welcome the new strategy more clearly signaling the LSB's commitment to a more balanced measurement of OLC performance that moves away from the previous 'better, faster, cheaper' slogan to a broader and more balanced suite of measures that better reflect purpose, values, strategic objectives and strategic risk.<sup>1</sup> There are great opportunities to work together as the OLC develops its new performance measurement framework, based on our new three year strategy.

We are committed to working in partnership to ensure that the governance relationship between MoJ, LSB and OLC is as effective as possible. We welcome the LSB's participation and contribution to our joint work on the tripartite operating protocol. We look forward to continuing this joint work to implement the recommendations of the Tailored Review and embed the tripartite operating protocol once this has been agreed.

**The proposed research:**

We are keen to see the vulnerable consumers' research and look at how we might utilise the learning gained to inform the delivery of the ombudsman scheme.

---

<sup>1</sup> Grant Thornton, *Review of OLC Governance and Financial Management*, 23 December 2015, page 14, 16

Our strategy and business planning consultation highlights our own commitment to improving accessibility for vulnerable customers. Given the potential synergies between our business plans, we would welcome the opportunity to work together to improve delivery of services to vulnerable consumers. It would be useful to look at how we and service providers can deliver a more inclusive service taking into account the outcomes of the LSB's research. An area of future research interest could be holistic consideration of consumer vulnerability throughout their use of legal services. The outcomes might usefully focus on how the legal sector can eliminate any exclusionary barriers.

Following on from the CMA market study, we welcome your research on the legal needs of SMEs. As set out in our strategy and business planning consultation, we would welcome the opportunity to work with the LSB on research to better understand this segment of the market and the opportunities to extend redress to SMEs.

Your research on innovation could usefully be extended. The scale of potential changes in the delivery of professional services and technological innovations such as artificial intelligence and low cost sharing of expertise could fundamentally reshape the legal service landscape. We are interested in how these strategic drivers might impact redress, vulnerable consumers, access to legal services and the delivery of the ombudsman scheme.

**The indicative budget:**

We have no comments on the indicative budget proposed other than as to why there is no capital budget set out.

We welcome your business plan and the opportunity to contribute to this consultation, and look forward to seeing the work planned progress throughout the year.

Yours sincerely,



Steve Green  
Chair  
Office for Legal Complaints