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3rd March 2009

Campaigns

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Dear Cathryn,

Re: LSB draft business plan 2009-10

Thank you for sending us a copy of your draft business plan and for inviting us to attend the stakeholder session on 23 February.

We would like to commend the LSB for an excellent document which clearly sets out the Board's main priorities, aims and purpose, as well as your independent vision. It is an approach we think other regulatory bodies should learn lessons from.

We do not in fact have many detailed or substantial comments to make. Our comments are:

1. Title

We recommend that the final plan, whether it is formally printed or not, is given another title or a subtitle. Though the plan is a 'business plan', as we note above, we felt it was also a statement of the LSB's priorities, aims and purpose; your independent vision of the future legal services landscape. We therefore suggest you name the document along these lines as calling it only a 'business plan' does not get across what the plan actually includes.

2. Vision

Though it is touched on in section 5 (Policy Focus), we thought the Vision ought to acknowledge the importance of the interaction with other sectors' regulatory and redress structures, for example financial services, accountancy, claims management and property sectors. As we said in our letter to you of 23 July 2008 there may be risk to consumers from the crosscutting nature of the legal profession, just as there is also for the OLC with hybrid complaints.

We also wondered if you need to define what you mean by 'consumer'. As you know, some of the legal bodies see their 'consumers' as other legal

professionals and this was also subject to great debate in Parliament when the Legal Services Act 2007 was considered.

3. Context

We agree. No comments.

4. Your role in regulation

We agree. No comments.

5. Policy Focus

We agree with your work programme.

Under 5D we suggest that, given the discussion on this point at the 23 Feb event, it might be more sensible to title this section "*developing confidence in legal services regulation*" or words to that effect. Another word to use could be 'credibility'. In Section 2 (Vision) you describe the aim as "*certainty and confidence in the regulatory structures underpinning the market*". We obviously hope the LSB will be excellent but we think the key point is that you retain the **confidence** of all your stakeholders, as well as consumers more generally, and establish the LSB as a **credible** regulator.

We suggest that, as was also discussed at the stakeholder event on 23 Feb, consumers do not always see their interaction with legal professions as 'consuming' legal services. Thus, it might be sensible to focus on how consumers actually use legal services, for example to buy or rent a house. Given that the Legal Complaints Service currently receives more complaints about conveyancing than any other issue is another reason why focussing on the role of legal professionals in the property market may have particular merit.

Given consumer and parliamentary concerns, other policy areas that you may need to focus on are will-writing and claims management (referral fees).

6. The levy

We agree. No comments.

7. Building your organisation

We agree. No comments.

8. Resourcing

We consider that, as the LSB is doing more and doing it earlier than expected, it is inevitable that the costs will be higher in year 1 than originally anticipated. We are however unclear what other things the LSB will **not** do if the budget is capped at £4.1m in addition to delaying the establishment of the Consumer Panel and not conducting research.

We therefore agree with you that it is sensible that LSB spends more in the first year (£4.9m) than originally planned (£4.1m) to meet the objectives set out in the business plan. We do not consider the proposed shift in resources from the OLC to the LSB to be of concern, in particular if it means that the Consumer Panel is set up at the earliest opportunity and begins to effectively influence the work of the LSB and that you conduct research to support your work.

Our only proviso is that the OLC is happy that the proposed shift in resources from OLC to LSB will not impact on the OLC's ability to deliver a modernised complaints handling system for consumers on schedule.

Another option would be for the Government to increase from £19.9m to £20.7m the overall budget for the LSB and OLC to take account of the additional £0.8m the LSB would like to spend in 2009-10. But, as 'value for money' is a key consumer principle, we would not of course favour an unnecessarily expensive regulatory structure as it is of course ultimately consumers who will pay for this through higher legal bills.

9. What you will do when

We agree. No comments

I hope these brief comments are helpful.

Yours sincerely

Mark McLaren
Public Affairs