



Submission to the Legal Services Board Consultation on Referral Fees, Referral Arrangements and Fee Sharing

November 2010

1. Introduction

The Conveyancing Association (CA) welcomes the Legal Services Board's (LSB) consultation into referral fees, referral arrangements and fee sharing and the opportunity to feed into this consultation.

The CA is a non-profit making body representing conveyancing operations throughout the UK with a view to shaping the future of conveyancing. We are the voice of the commercially-minded, service-focused conveyancer, ensuring that we have real influence on those who make the decisions that affect our market. We aim to be the first point of contact for all industry stakeholders or interested parties who need to discuss conveyancing.

The CA launched in September 2010 and currently has 27 members (a full list of members is provided in the Appendix below). Membership is varied in that there are international, national, regional and local firms spread across every region in the UK. Our members process a wide variety of conveyancing and property transactions acting for both private and corporate clients. All members process their work supported by IT systems which are focused on quality and service, and are recognised as pragmatic, innovative and serious about conveyancing.

2. Consultation Response

The CA represents a number of significant legal firms who operate in the house transfer market. Most if not all of our firms will have referral arrangements in place for securing work and all are absolutely committed to ensuring that disclosure and transparency are foremost when dealing with clients. We believe that existing disclosure by CA members achieves this objective.

The issue, as noted in the consultation paper, is that whilst our members are able to control their own processes and therefore ensure that they are compliant with their own rules of disclosure, they are not able to exercise the same degree of control over their introducers. There is therefore concern regarding the extent to which conveyancers are required to check and monitor introducers' compliance. It should also be noted that whilst this burden may be acceptable where there are only

a small number of introducers it becomes substantially more difficult where there are a significant number of introducers.

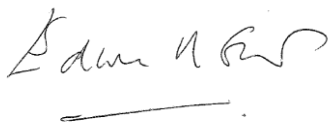
Furthermore, we do not support the publishing of Service Level Agreements on regulators' websites. While we have no objection to sharing fee information with the client, sharing fee information with the industry at large is potentially an anti-competitive practice and could lead to a standardisation of fees rather than the opposite. We would also question whether clients would read the documents or indeed understand some of the more subtle differences between types of referral arrangements. If they are to be made publicly available, we would argue that the agreements will need to be in a short, standardised and easy to understandable format if they are to have any benefit.

3. Conclusion

The CA is calling for proportionality and consistency by regulators on the issue of what compliance checks our members must have in place in respect of their introducers.

We are concerned about the costs of regulation and an issue that would need to be addressed is ensuring that the regulations introduce a level playing for all companies, which is even more imperative given the impending introduction of Alternative Business Structures.

E-signed on behalf of the Conveyancing Association:



Edward Goldsmith, Chairman

4. Further Information

For further information please contact Dan Wilson Craw or Surinder Gill on 0207 618 9141 or conveyancingassociation@luther.co.uk

Appendix: List of Conveyancing Association Members

Members of the Conveyancing Association are:

- Ashfords Solicitors
- Barnetts Solicitors
- Blacks Direct
- Convey Direct
- Enact
- Eversheds LLP
- Fidler and Pepper
- Goldsmith Williams
- HL Interactive LLP
- Irwin Mitchell LLP
- Optima Legal
- Pictons Solicitors LLP
- Shoosmiths
- Taylor Walton LLP
- Wilson Nesbitt
- RTL
- Gaby Hardwicke
- My Home Move
- Shulmans
- Howes Percival LLP
- Breeze & Wyles Solicitors LLP
- O'Neill Patient Solicitors LLP
- Thomas Legal Group
- Russell & Russell
- Martin Tolhurst Partnership
- Advantage Property Lawyers
- Gordon Brown Associates