



Legal Ombudsman

CONSULTATION ON

Draft Strategy 2023-24
Draft Business Plan and Budget 2023/34

A response by
CILEx Regulation

13 December 2022

CILEx Regulation Limited

301 Endeavour House, Wrest Park, Silsoe. MK45 4HS

T 44 (0)1234 845770 | **F** +44 (0)1234 840989 |

E info@cilexregulation.org.uk | www.cilexregulation.org.uk

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EXECUTIVE SUMMARY

1. CILEx Regulation Limited (CRL) welcomes the Legal Ombudsman's (LeO) consultation and is supportive of its plan for performance recovery.
2. Whilst recognising the progress made to date, CRL agrees that LeO should concentrate all its efforts in achieving and maintaining the level of performance reasonably expected.
3. CRL looks forward to LeO publishing guidance and FAQs for both consumers and service providers in early 2023 explaining the effect of the new Scheme Rules and, in particular, the criteria to be applied in determining whether to extend time limits.

RESPONSE TO CONSULTATION QUESTIONS

1. How has your level of confidence in LeO changed since this time last year? Has it increased, decreased or stayed the same?

CRL recognises the substantial progress made by OLC and LeO over the past three years to eliminate the case backlog and their determination to 'maintain a laser-like focus on getting LeO to a level of performance that is both acceptable to its customers and sustainable in the long run'. There remain a number of challenges, not least the level of staff attrition, which may frustrate LeO's ambition by 2024/25 to achieve an average 90 day turnaround for most cases once accepted.

CRL's level of confidence in LeO has remained the same since this time last year. CRL continues to support LeO's plan for performance recovery.

2. Do you support LeO's plans under Strategic Objective One and Business Plan Priority One? Is there anything else the OLC should take into account in 2023/24 or further ahead?

Yes, CRL agrees that LeO needs to engage and retain skilled and motivated people to improve customers' experience with LeO. It notes LeO's continuing challenges around staff retention in a competitive local and national job market.

Suggested actions (which LeO may already have assessed):

- Further hubs in addition to Cardiff and potential Leeds hub
- Hybrid and remote working (it is unclear the extent, if at all, these modes of working have already been adopted).

The Business Plan acknowledges the Legal Services Act places constraints on LeO's ability to outsource investigations, though it is noted (see eg [November VA](#)) that this is still being actively considered.

3. Do you support LeO's plans under Strategic Objective Two and Business Plan Priority Two? Is there anything else the OLC should take into account in 2023/24 or further ahead?

CRL supports the Scheme Rule changes which come into force in April 2023. Because of the need to ensure that the changes will not have a disproportionate impact on certain groups of customers, CRL believes that LeO's Ombudsmen will need to exercise their discretion to extend the time limits for a three or possibly four year period, and this will be resource intensive.

The estimated number of incoming complaints (7,200) in the draft Business Plan is the same as budgeted in the 2021/22 business plan. CRL is concerned that one of the effects of the change in the rules will be to accelerate the inflow of complaints. LeO has estimated that 2,160 of 7,200 complaints received in 2023/24 will relate to complaints made more than one year after the event. CRL suggests it would be reasonable to assume that, as a result of the rule changes, LeO will receive 500-1,000 incoming complaints (where time limits are extended) in addition to 7,200 currently estimated.

CRL looks forward to LeO publishing guidance and FAQs for both consumers and service providers in early 2023 explaining the effect of the new Scheme Rules and, in particular, the criteria to be applied in determining whether to extend time limits.

4. Do you support LeO's plans under Strategic Objective Three and Business Plan Priority Three? Is there anything else the OLC should take into account in 2023/24 or further ahead? For example, what more would you like to see LeO do in this space?

CRL supports LeO's commitment to continue to deliver a programme of training and learning events for the legal services sector. It also looks forward to working with LeO in promoting consumer choice and protection, such as the development of comparable information to improve the accessibility and availability of its decisions for consumers.

5. Do you support the proposed 2023/24 budget for LeO?

Although to date it has been required to pay the minimum levy, CRL has a material interest in the setting of LeO's budget. The minimum levy may be increased, alternatively the number of complaints made against firms it regulates may exceed the minimum threshold, in which case the CILEx Regulation's contribution to the levy could increase substantially. Bearing in mind the impact of the cost of living crisis on consumers and the lawyers and firms it regulates, CRL had agreed its budget for 2023 on the basis that the PCF Fee remains unchanged from 2022. In CRL's view this is the approach which LeO should also take.

6. Is there anything else you think the OLC should take into account it finalises LeO's 2023/24 Business Plan and Budget and 2023-24 Strategy?

No.

7. Once LeO is delivering a significantly improved service, how might it need to evolve to meet customers' needs and expectations? This will help shape the OLC's thinking as it starts to develop its new multi-year strategy.

CRL agrees that LeO's key focus should remain on achieving and maintaining the target level of performance.

Subject to that overarching priority, CRL suggests that LeO should review the nature and timeliness of the data it publishes (see response to question 4 above).