

	CILEx Regulation Limited
Date	16 November 2023
Item	7.0
Title	Consumer strategic objective review
Authors	Simon Blandy, Director of Governance Sue Chandler, Senior Policy Officer
Purpose	This paper: <ul style="list-style-type: none"> • updates the Board on key activities undertaken in 2023 in relation to the consumer strategic objective, and • sets out the proposed activity for CRL for Q1- Q2 2024.
Recommendation	The Board is invited to: <ul style="list-style-type: none"> • NOTE the progress in 2023 • APPROVE activity for Q1- Q2 2024.
Timing	This report includes proposed activity for Q1-Q2 2024.
Impact assessment	Increasing access to high quality information and support, allows consumers to make more informed choices and will have a positive impact on the regulatory objectives, in particular to promote and protect the interests of consumers.
Impact on Regulatory Objectives	The assurance provided by this report has a positive impact in particular on the following regulatory objectives: <ul style="list-style-type: none"> - Public interest - Consumer interest - Independent, strong, diverse profession.
Implications for resources	CRL's contribution to the research on digital inclusion has been included in the CRL budget.
Impact on consumer empowerment	Increasing access to high quality information and support and allowing consumers to make more informed choices will have a positive impact on consumer empowerment.
Impact on ongoing competence	N/A
Publication status	For publication
Appendices	N/A

Introduction

1. This paper provides the annual update to the Board on progress made in 2023 in meeting CRL's strategic objective to 'enhance the information available to consumers to improve the accessibility to legal services' and to propose the work programme for Q1-Q2 2024.
2. The paper is divided into three parts:
 - Part 1 reviews progress against agreed workstreams for 2023
 - Part 2 provides an update on recent activity
 - Part 3 sets out the proposed activity for Q1-Q2 2024.

Recommendation

3. The Board is asked:
 - to NOTE progress in 2023, and
 - to APPROVE activity for Q1-Q2 2024.

Part One: Review of progress against current workstreams

4. The consumer regulatory objective applies to all legal regulators. Most of the initiatives require a high degree of collaboration with others, particularly with other legal regulators and are medium to long term projects.
5. The CRL [Strategic Objectives 2022-24](#) commit CRL to enhancing the information available to consumers to improve the accessibility to legal services by CRL working to:
 - Improve the information available to consumers, empowering them to choose good legal representation, facilitating fair and equal access to legal services. We will do this through working collaboratively with stakeholders across the sector, including the regulated community and consumers, whilst making best use of resources: Legal Choices, Single Digital register, Quality Indicators
 - Increase understanding of consumer protections available in the legal services landscape, identifying gaps and tackling consumer detriment
 - Contribute to the development of new technologies and other innovations which can transform delivery of legal services to the consumer and enhance our understanding of the impact technology may have on the consumer.
6. The report on progress is set out in the table.

Priority A: Improve the information available to consumers, empowering them to choose good legal representation, facilitation fair and equal access to legal services.		
	Activity	Progress
(a)	Contribute to the running of Legal Choices and prepare copy to update CRL related content on the website	<p>The Legal Choices project to improve site navigation has been the main work focus this year. A Beta site is ready for publication with new easier-to-navigate menus and subject expert videos content, as soon as an expert legal review of content has been completed.</p> <p>The App-based Legal Choices Reference Group remains active, voting on potential topics and reviewing new content.</p>

		<p>Risk categories are agreed green, with two at amber: poor engagement of Advisory Panel and production of new content.</p> <p>CRL made £26,100 (10.4%) contribution to 2022/2023 budget of £250,000. The budget is expected to remain unchanged in 2023/2024.</p> <p>BSB agreed to resume its contributions to Legal Choices in September 2023. The current Legal Choices budget is expected to increase by the value of BSB's contribution.</p> <p>The target of 1,250,000 visitors to the Legal Choices site for 2022/2023 is on track and is expected to be exceeded.</p> <p>Social media campaigns have been successful, for example Facebook Information for renters reached 120,000 people.</p>
		<p>We have continued to improve consumer experience on CRL's Website including:</p> <ul style="list-style-type: none"> • a new landing page at 'I am a member of the public' linking consumer pages • a video: who we are and what we do • improved problems and complaints information and navigation • a social media campaign during the first half of the year raising awareness of issues relevant for consumers including information on Legal Choices and about the reduction in the time period for taking complaints to LeO.
(b)	Work with other regulators through the MTCOG PLE group to see how collaborative efforts could increase information to consumers, and continue collaborative work on improving experience of immigration consumers	<p>CRL has continued to work with SRA, BSB and OISC to progress the immigration project to help vulnerable people going through the immigration and asylum process understand:</p> <ul style="list-style-type: none"> • who can give them legal advice on their matter • what to expect from their legal adviser • what they can do if things go wrong. <p>The project was paused in Q2 2023 while action was taken by regulators following the Daily Mail undercover operation into immigration services. A new information page on Legal Choices and information leaflet have been user tested but have not yet been published. CRL has drafted a leaflet for advice agencies to distribute with a request that these are trialled.</p>
(c)	Improve access to regulatory information, including through the development of Regulatory Information Service	<p>The LSB commissioned a report by PA consulting to look into options to progress this work (published by the LSB in Q2 2023). The SRA was asked by the MTCOG to cost possible approaches to deliver the options presented (see also paragraphs 11-12 below).</p>
(d)	Review the evaluation of the Quality Indicators pilot and	<p>The main Quality Indicators Pilot (QI) work - engaging with firms and DCTs to explore reviews</p>

	develop next steps to take this work forwards in collaboration with other regulators	and other information as an indicator of quality for consumers - was carried out during the year from February 2021. CRL contributed to the evaluation which was expected to be published in Q3/Q4 2022. The SRA published the report in Q2 2023. In parallel, the BSB are running their own study into the use of customer reviews and DCTs in general. Initial findings suggest on-line comparison of barristers is well established and that the BSB has limited scope to influence the right outcomes for consumers.
(e)	Play a key role in the MTCOG, proactively participating in appropriate projects to include working collaboratively on next steps identified from the Quality Indicators pilot and the LSB's statement of policy on empowering consumers	CRL has continued to participate in MTCOG, contributing in particular to formulation of the actions arising from the Quality Indicators pilot (see (d) above).
	The Unbundling pilot	The SRA's unbundling research report was published in Q2 2023.
(f)	As committed in the gap analysis, carry out an evaluation of CRL's transparency requirements against the LSB's statement of policy on empowering consumers by Q3 2023, and will use findings to determine next steps	The scope of this work has been increased substantially to take account in particular of the proposals set out in the LSB's consultation on First Tier Complaint Handling . As a result time for completion has been extended to Q2 2024 (see paragraph 16 below).
(g)	Take the consumer empowerment policy into account as part of the decision making and rule change processes at CRL.	Evaluation and impact built into all applications to the LSB.
Priority B - Increase understanding of consumer protections available in the legal services landscape, identifying gaps and the potential for consumer detriment		
(a)	Review the outcomes of the SRA research into the unregulated sector and consider next steps once the findings have been published	The SRA published the Understanding the unreserved market research in Q2 2023. This will be taken into account in CRL's review of its Transparency Rules.
(b)	Consider an appropriate input to the LSB consultation on its review of consumer financial protections	The LSB has not yet published a consultation on its review of consumer financial protections, though it has published an Econometric analysis of professional indemnity insurance costs for legal service providers.

(c)	Review the outcomes of LSB review into consumer protections and develop the appropriate approach.	
Priority C - Contribute to the development of new technologies and other innovations which can transform delivery of legal services to the consumer and enhance our understanding of the impact technology may have on the consumer		
	CRL will continue to engage in understanding the developments in legal technology, and to keep a watching brief on the following developments:	As reported regularly in the Director of Operations' report to Board, CRL has continued to work with HM Land Registry and other stakeholders in the home buying and selling sector. This collaboration has been formalised as the Digital Property Market Steering Group . A review on developments on Legal Technology was separately reported at the May 2023 Board meeting and is scheduled for annual review in May 2024.
Priority D - Ensure that there are high levels of compliance with the minimum standard of transparency across the legal services sector		
(a)	CRL law firms - CRL will continue to monitor compliance with the current Transparency Rules set through annual reviews.	Continuing. Entities with outstanding compliance issues, or new websites, were brought into compliance as part of their renewal of authorisation in 2023.
(b)	CILEX-ACCA Probate firms - CRL will complete its work to bring the firms into compliance, including provision of guidance support and where necessary moving to appropriate stages of enforcements procedures, to bring these firms into compliance by March 2023.	Work was carried out with CILEX-ACCA Probate entities during 2022 to bring them into compliance.

7. The Board is asked to NOTE progress in 2023

Part Two: Update on recent activity

First Tier Complaints Handling

8. The LSB is currently [consulting](#) on First Tier Complaints Handling. The aim of the consultation is for providers to take a step change in the handling of first tier complaints so that all legal service users (including 'silent sufferers') feel empowered to raise concerns if they are dissatisfied, knowing that these will be taken seriously and used to deliver better services.
9. According to the Legal Ombudsman a substantial number of complainants are either unable, or unwilling, to see the first-tier process through to completion.

This raises further questions about whether complainants are confident that the process will be conducted properly and fairly by their legal service provider.

10. The LSB also believes that there is more scope for regulators to encourage a culture of learning from complaints and thereby ultimately improve services for legal service users and the public more widely. The outcome of the consultation will be fed into the finalising of the transparency evaluation (see table at paragraph 16 below).

Regulatory Information Service

11. The LSB is keen to progress its commitment to the CMA for the development of a central register for all legal professionals.
12. The Legal Choices Governance Board (LCGB) met in September 2023 to discuss three approaches proposed by the SRA to realise Option 2: Digital Portal set out in a [report](#) by PA Consulting to the LSB. It was agreed that the LCGB should explore the approaches further with the LSB at a meeting later in the year.

Part Three: Proposed workstreams for Q1 – Q2 2024

13. Details of the priorities for Q1 and Q2 2024 are detailed in the Table below.
14. Work has been planned work through to Q2 2024 when we will reassess our plans for implementation of the strategy.
15. CRL has committed to carry out an evaluation of CRL’s [Transparency Rules](#) (TR) and [Guidance](#) to take account of the LSB’s [Statement of policy on empowering consumers](#). The LSB has since published its consultation on [First-tier complaints](#) and the SRA has published a series of reports which include the [Quality Indicators Pilot Report](#), [understanding the unreserved legal market](#) and the [unbundled services pilot report](#). The proposal is to expand the scope of the evaluation to take account of the emerging proposals from the LSB’s first tier complaints consultation and elements from the reports published by the SRA to ensure that any amendments made to the Transparency Rules and Guidance are proportionate and robust.
16. CRL will continue to support the Legal Choices project and participate in the other cross sector initiatives to include Regulatory Information Service, Public Legal Education and other actions arising from the Quality Indicators pilot.

Evaluation of the Transparency Rules	(a) Identify the amendments required to the Transparency Rules to bring them into compliance with the LSB’s consumer statement of policy and First Tier complaints Consultation.	Q1 2024
	(b) Consult on proposed changes to the regulatory arrangements.	Q2 2024
Build on consumer	To include information identified under Unbundling and Quality Indicators below.	Q1 2024

resources on CRL website		
Cross Sector Consumer Initiatives		
Legal Choices	CRL will continue to participate in Legal Choices Governance Board and Steering Group.	Continuing
Regulatory Information Service (RIS)	CRL will continue to participate in discussions about the development of the RIS.	Continuing
Digital Exclusion	CRL is participating in cross-regulator research into digitally excluded consumers of legal services to better understand the types and needs of digital exclusion and how these might be met by the professionals that we regulate. Draft report expected.	Q2 2024
PLE	Complete consumer facing leaflet on immigration services.	Q1 2024
Unbundling	Information about unbundling to be added to consumer information resource on CRL website.	Q2 2024
Quality Indicators	Following on QI pilot report additional information to be added to consumer information resource on CRL website: <ul style="list-style-type: none"> • Add suitable wording and a link to LeO Ombudsman decision data Legal Ombudsman on the firm directory pages • Dedicated consumer page about reviews and comparison on CRL website. 	Q1 2024 Q1 2024

RECOMMENDATION:

17. The Board is asked to **APPROVE** the proposed activity for CRL in Q1- Q2 2024.

SUMMARY OF RECOMMENDATIONS

18. The Board is invited to:
- **NOTE** the progress in 2023
 - **APPROVE** activity for Q1- Q2 2024.