

Looking to the future: better information, more choice

Consultation

September 2017

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About this consultation

We are consulting on publishing more of the regulatory data we hold about solicitors and firms we regulate. We are also consulting on asking the solicitors and firms we regulate to publish more information on the legal services they provide.

We are proposing to:

- require firms to publish their price for services (limited initially to a select number of legal services)
- require firms to publish a description of the services they offer - in the same areas we will ask firms to publish price information
- require firms to make information on our regulatory protections available - this includes introducing a digital badge that verifies that a firm is regulated by us
- publish the data we already collect on first-tier complaints made against firms we regulate and their areas of practice
- build a digital register that holds our key regulatory data about solicitors and firms we regulate in one place and make this available to the public
- require solicitors working in non-Legal Services Act regulated firms to inform clients that they are not subject to the SRA requirements for compulsory professional indemnity insurance.

We are proposing these changes because we want to make sure that people have accurate and relevant information about a solicitor or firm when they are considering purchasing legal services. This will help members of the public and small businesses make informed choices and improve competition.

Alongside this consultation, we have published our initial impact assessment of these proposals.

We are keen to hear your feedback on these proposals.

This consultation is running from 27 September until 20 December 2017.

After this consultation closes, we will collate and analyse all the responses. We will then decide what next steps we need to take.

Looking to the future

This consultation is part of our wider Looking to the future programme. We are currently consulting on linked issues in our other consultation, [Looking to the future: phase two of our Handbook reforms](#).

That consultation proposes to simplify and streamline rules in our Handbook. It also sets out our revised Enforcement Strategy and the transitional arrangements for the introduction of the Solicitors Qualifying Examination.

We have already started to make changes with simplified Accounts Rules, Codes of Conduct and SRA Principles, and we consulted on how and where solicitors can practise in phase one.

Through our Looking to the future programme we are:

- simplifying our regulations so they are clear on the high professional standards we expect and what we will do when solicitors fall short of those standards
- getting rid of unnecessary bureaucracy that drives up costs or restricts access to solicitors, while making sure the right public protections remain in place
- improving the information available to help people make better choices.

Learn more about our [Looking to the future programme](#).

Background to consultation

Our rationale for change

1. Our Looking to the future reform programme will update our regulatory framework so that it better fits the evolving market. It follows that our regulatory data collection and provisions should also adapt and help people to access accurate, reliable and comparable information about firms and solicitors when choosing a legal service provider.
2. This consultation has five sets of proposals. They have been developed to both help people to access better information and to drive law firm behaviour to increase competition and provide more information about their services.
 - To introduce requirements for firms we regulate to publish information on price and description of services in certain types of matters.
 - To introduce requirements for firms we regulate to confirm on their websites their regulatory status and protections by:
 - using a 'Regulated by the SRA' digital badge and logo which we will develop. The badge will be mandatory for firms to display on their website to verify that they are a regulated firm. The logo will be optional on print materials, advertisements and signatures as an alternative or addition to the current 'Authorised and regulated by the SRA' wording
 - publicising the complaints procedure including access to the Legal Ombudsman (LeO)
 - publicising that they hold professional indemnity insurance (PII) which meets our minimum terms and conditions (MTC).
 - To publish a new digital register containing key information about the firms and solicitors we regulate, bringing our regulatory data together in one place.

- To publish firm data that we already collect on first-tier complaints and the firm's areas of practice, separately from the digital register. This data will be made available to re-publishers, such as online comparison websites, as well as the public directly. It can also be used by firms to benchmark themselves against legal services providers.
 - To require solicitors working in firms that are not regulated for legal services by any of the approved regulators under the Legal Services Act 2007 ('non-LSA regulated firms') to inform clients that they are not subject to the SRA requirements for compulsory professional indemnity insurance.
3. We see the proposals in this consultation as a first step in changing the way people find and use information about firms and solicitors. This sets out what we think will help address the problems that we are aware of in the legal services market and that the Competition and Markets Authority (CMA) identified in their report. Our proposals will not of course resolve all the issues in the legal services market, but will, we believe, assist people who are considering purchasing legal services. We consider that intermediaries – comparison websites but also organisations that represent clients such as Citizens Advice, consumer groups and others in the third sector will play an important part in the process of providing better information. We will be engaging with intermediaries during and after the consultation process, and would welcome contacts and proposals from those organisations on how to improve transparency.
4. We are committed to evaluating the impact our final proposals have after they are implemented, and accept that there will be a period of refinement and adjustment. We know that change can take time, and want to help firms adjust by providing guidance and support, to learn and develop alongside us.
5. In developing our proposals, we have taken the Legal Services Consumer Panel's (LSCP) nine criteria for successful implementation of information remedies into consideration.¹ The criteria will also be helpful to us when evaluating the responses to this consultation and in developing our final position.

¹ [Information Remedies](#), LSCP, March 2017

6. Our proposals focus primarily on firms publishing required information on their websites. Those without a website will have to provide the information to the public on request without the need for a consultation. We have considered whether the requirements on firms without a website should be more prescriptive. However, whatever format we prescribe will not provide consumers with the ease of up front comparison that is obtained via the internet. We recently surveyed the profession on this question: almost 90 percent of those that replied stated that they have or are developing a website. This ties with other data to suggest that a significant majority of firms will be covered by our website requirements.
7. We are not proposing to impose data publication requirements on solicitors working in non-LSA regulated firms that are equivalent to those on SRA regulated firms. We cannot impose requirements on firms we do not regulate. We are aware that this could be considered an unfair burden on regulated firms that will not exist for non-regulated providers. We aim to make our proposals proportionate and so minimise any burden on regulated firms. For example, we have built some of our proposals around the current processes we have in place to collect data from firms. However, we believe that consumers value and will use the information we propose to mandate firms to publish to make purchasing decisions. If this is correct, it follows that publishing the information will be a competitive advantage for regulated firms, and that unregulated firms will come under pressure to publish similar information to compete.
8. In this context it will be important for consumers to be able to distinguish between regulated firms and others. Our proposals in relation to a digital badge, our revised register and the information firms will be required to display on their websites will help people to do this by marking out regulated firms more clearly. In addition, this consultation also contains proposals on the information that solicitors working in non-LSA regulated firms will have to give clients about regulatory protections in order to reinforce that message.

The Competition and Markets Authority's legal services market study

9. In December 2016, the CMA published its final report on the legal services market. It concluded that competition in the market is not working well and called for consumers and small businesses to be given access to more information to help them navigate the market and make informed choices when purchasing legal services.
10. The CMA stated in its report that: "legal services providers require expert knowledge and skills which consumers of legal services typically do not hold. As such, consumers may be unable to judge the quality of the service provided"².
11. They went on to state that this imbalance can sometimes give rise to significant consumer protection issues by creating incentives for providers to either 'gold-plate' their services to charge more, or to cut corners to appear more competitive on price.
12. The report also concluded that:
 - competition in legal services for individual consumers and small businesses is not working well. These consumers generally lack the experience and information they need to find their way around the legal services sector and to engage confidently with providers
 - consumers find it hard to make informed choices because there is very little transparency on the services offered. In particular, there is not enough information available on price, quality and service to help those who need legal support choose
 - this lack of transparency weakens competition between providers and means that some consumers do not obtain legal advice when they would benefit from it
 - obtaining the right service at good value can therefore be challenging as consumers can face wide variations in the cost of similar services. They can

² [CMA market study](#), December 2016, para. 2.3

also struggle to find enough information to help them identify their legal needs in the first place.

Our discussion paper on regulatory data and consumer choice

13. In October 2016, we launched a discussion paper, *Regulatory data and consumer choice*.³ In it we considered what information we should publish about individual solicitors and the firms we regulate, and what information we may require solicitors and firms to provide to consumers themselves. We asked people for their feedback and received a variety of responses, which we have analysed and considered.
14. We have used these responses, the CMA findings and our own research and engagement to help shape these proposals. We know that some businesses are already transparent on price and offer a description of services. For them, our proposals will look like business as usual. However, we also know that this is not the case for all firms, and agree with the CMA's overall conclusion that further progress on price transparency is needed in the legal services market.⁴

Feedback to our discussion paper

15. In our discussion paper, we asked for feedback on several categories of information. We asked whether it would be beneficial for consumers to have access to this information when choosing a legal services provider. We have considered feedback on this when drafting our proposals in this consultation paper. The table below shows the categories included in the discussion paper and where they fit in with our proposals in this consultation.

³ [Regulatory data and consumer choice](#), October 2016

⁴ [Legal Services Market Study](#), CMA, December 2016, p. 8-10

Category of data	SRA register	SRA to publish outside of register	Firms required to publish	No proposals to publish
Basic regulatory information	✓		✓	
Enforcement action	✓			
Areas of practice		✓		
Complaints		✓		
Insurance details			✓	
Price information			✓	
How to complain			✓	
Protections in place if things go wrong			✓	
Descriptions of services provided			✓	
Insurance claims data				✓
Quality information				✓
Specialism				✓
Service delivery information				✓

16. At Annex one we explain why we are not consulting on the mandatory publication of insurance claims, or on requiring publication of quality information (such as accreditations), areas of specialism and service delivery information (such as opening hours).

The Legal Services Consumer Panel's annual tracker survey

17. In its 2017 consumer tracker survey, the LSCP found that only 27 percent of people shop around when purchasing legal services. Although this is an improvement on 2011

(19 percent) it is still relatively low.⁵ When choosing legal services, most people still rely on recommendations from friends and family or their own previous experience. In other areas, such as choosing a mortgage provider or a school, consumers generally have a good awareness of key things to compare, such as price or Ofsted rating. However, there is very little information available to help consumers of legal services compare key factors.

Benefits: how our proposals will help consumers

18. The public and small businesses should be able to make more informed choices when choosing a legal services provider. Engaged consumers making informed choices about their legal services provider should help stimulate innovation and competition in the market. The CMA and the Legal Services Board (LSB) agree that the lack of information available to help people compare different legal services providers is a significant barrier.⁶ In addition, there is also evidence that cost or the perception of cost is a key barrier. When people handle legal issues without help from a solicitor, it is often because they think it would be too expensive or offer poor value for money. Research has shown that 63 percent of adults and 83 percent of small businesses see legal services as unaffordable.⁷ If more information is made accessible, it will help to address the information asymmetry that currently exists in the market and allow consumers to make more informed choices.
19. Small businesses in particular should find it easier to seek legal advice. Most have little contact with legal providers and more than half of businesses that experienced a problem tried to resolve it on their own. When advice was sought, accountants were consulted more often than lawyers.⁸ The CMA report⁹ is clear that a lack of information contributes to an uncompetitive legal services market. We share the CMA's view, and have a statutory obligation to promote competition in the market. Without accessible

⁵ LSCP, [Tracker Survey](#), 2017

⁶ [Lowering barriers to accessing services](#), LSB, March 2016

⁷ Unjust Kingdom: UK Perceptions of the Legal and Justice System, Innovation in Law Report 2015, Hodge, Jones & Allen, 2015

⁸ [The legal needs of small businesses](#), Kingston University, commissioned by the Legal Services Board, 2015

⁹ [Legal Services Market Study](#), CMA, December 2016

information, competition in the legal market is restricted and purchasers are at a disadvantage. The outcome is that their legal needs are often unresolved and unmet.

20. The public and small businesses should be able to obtain this information easily. One way this might improve is through comparison websites for legal services, which are still developing. Our current Law Firm Search offers some accessible data for the growing number of legal comparison websites. However, we need to do more to encourage a much higher percentage of people to actively compare different providers when choosing legal services. We want consumers to understand their options, be able to compare them and therefore make better quality choices between which legal services provider they choose.
21. The public and small businesses should have important information about their solicitor or law firm before they instruct them, rather than when they have already instructed them. Therefore, wherever possible, we aim for consumers to be provided with information early enough to affect their choice and not just, as is currently the case, at the point when they have already engaged a firm and are being sent a client care letter. We also want people who currently do not use solicitor services to have better information to enable them to consider doing so in future. We have outlined the potential impacts of our proposals in our initial impact assessment.

Benefits: how our proposals would help solicitors and law firms

22. Clear information on regulatory protections should place firms we regulate at an advantage, compared with firms who do not have these protections. It will also help increase consumer awareness of what it means to go to a regulated provider.
23. Clear information on price, types of services offered and regulatory protections should encourage small businesses and other consumers to approach the firms that are regulated legal services providers to resolve legal problems.

Acknowledging challenges

24. We acknowledge that our proposals present some challenges. However, we have thought about these challenges and ways in which to mitigate or overcome them.

Challenge	Mitigating this challenge
<p>Making sure the information we publish is not intimidating or confusing for consumers.</p>	<p>We will present and explain our information in an accessible way. The aim of publishing our information is to help people choose a legal services provider or validate their choice.</p> <p>We will work with the third parties that re-publish our data to make sure they can access it easily.</p> <p>We will contextualise complaints data to help people to understand and interpret it.</p>
<p>Consumers are not fully aware of protections that apply when purchasing legal services, or the difference between regulated and unregulated providers.</p>	<p>Our digital badges will help consumers understand the protections that apply to firms we regulate.</p> <p>We will require solicitors in non LSA-regulated firms to explain the regulatory position including the absence of compulsory PII when engaging with clients.</p> <p>We will work with stakeholders and use Legal Choices, the joint regulators' consumer</p>

	<p>information website, to help the public understand the protections available to them.</p>
<p>Solicitors and firms we regulate will be burdened by the requirements.</p>	<p>We will proceed in a phased way with price and service publication requirements beginning with a small number of areas and gauging the impact.</p> <p>We will provide price publication guidance to support firms to publish price information in a consumer-friendly way.</p> <p>We will publish the complaints data, rather than asking firms to do it.</p> <p>Our digital badge scheme will not require significant firm resources. We intend to use a low-cost option which still provides a high level of security.</p>

25. Our impact assessment sets out the problems our proposals aim to address. We have also listed the potential benefits, potential risks and mitigations against these risks in more detail. In table two of the impact assessment we provide an overview of the benefits and challenges to the legal services market, solicitors, firms and consumers of each of our proposals.

Section one: Asking firms to make more information available to consumers

26. There is some information that we think firms are best placed to publish on their websites, mainly as it will help people and small businesses to choose a legal services provider. Early access to information will help consumers make informed purchasing decisions and better understand the service they are buying.
27. We have considered the CMA's findings and the responses to our discussion paper when developing our proposals. We propose that the following information should be published on firms' websites:
- price (initially limited to a small number of services)
 - a description of the services provided (initially limited to the same areas as price)
 - that a firm is regulated by us, and its SRA registration number
 - protections available to the consumer
 - how to complain.
28. By their nature these requirements will only apply to firms we regulate, as we cannot impose requirements on those we do not regulate. Solicitors working in firms regulated by other LSA regulators, such as the Council of Licensed Conveyancers (CLC) and Bar Standards Board, will have to comply with the entity requirements of those regulators. At paragraphs 121-129 we discuss how these requirements work with our decision to allow solicitors to practise in non-LSA regulated firms when the new regulatory framework takes effect.
29. For multinational firms, these requirements would only apply to their UK website, or the UK-facing section of it. Firms that do not have a website would have to make sure that they can provide the information to the public on request without requiring a consultation. According to a recent survey we carried out, 83 percent of firms who

answered have a website, and another 6 percent are developing one. We think, therefore, that the overwhelming majority of firms will be able to comply with the proposals in this consultation by website publication.

30. Our proposals do not aim to limit the information that firms can publish on their websites, they just seek to set some minimum requirements. Nothing in our requirements prevents firms from publishing additional information that benefits consumer choice. For example, firms are free to publish information on accreditations their staff hold, customer feedback and accessibility information. We encourage firms to do this.

Price publication

Background

31. Under the rules in the current Code of Conduct, solicitors and firms must provide information about the likely cost of their services at the point of engagement. This helps clients understand the cost of the work, but it does not help consumers to compare the prices of different providers before the point of engaging with a firm.
32. The CMA has recommended that firms should be required to display price information in a prominent way. It is important that the information is accurate, understandable and comparable. Consumers should be able to get an understanding of the cost of the service they are looking to purchase.¹⁰
33. Last year, the LSB commissioned research into the price of individual legal services in the areas of conveyancing; divorce; and wills, lasting power of attorney and estate administration. The research asked legal services providers to price a standard scenario. The findings of this research were that prices vary significantly for some common legal services, meaning it pays for consumers to shop around.¹¹ The cost of services and reputation of the provider are the most important factors to consumers when searching for a solicitor.¹² However, 63 percent of the public do not believe that

¹⁰ [Legal Services Market Study](#), CMA, December 2016, p.58-59

¹¹ [Prices of Individual Consumer Legal Services: Research Report](#), OMB Research (2016), commissioned by the LSB, p3

¹² [Tracker Survey 2017](#) Legal Services Consumer Panel, 2017

professional legal advice is an affordable option for ordinary people.¹³ The lack of transparency on price may therefore act as barrier to people accessing legal services and a barrier to competitive pricing among firms. Many of the complaints that the LeO receives are about the cost of legal services. These could be avoided by providing clear, upfront and transparent price information.¹⁴ Therefore proposals that focus on transparency require a firm-wide public facing approach should assist in reducing complaints.

34. The LSCP has found that consumers can be disadvantaged in the legal services market by an imbalance of information and that consumers cannot be empowered to fully participate and in turn drive competition without price transparency.¹⁵ This, and the fact that consumers do not tend to shop around, suggests that so far there has been a lack of incentive for firms to address the imbalance.
35. There is very little information about the price of legal services available to consumers and small businesses to help them compare and choose a legal services provider. The LSB study found that only 17 percent of firms advertise price online.¹⁶ This, together with recent research findings that 77 percent of consumers do not shop around when looking for a legal services provider,¹⁷ suggests that there is a lack of information in the market that need to be addressed.

Our approach

36. We propose requiring firms to publish on their websites information on the cost of some legal services. The initial services we think could benefit from such transparency on price are set out in the table at paragraph 39. These are focused on the legal services that individual consumers and small business consumers commonly want to purchase. The CMA's market study also focused on many of these areas.

¹³ Unjust Kingdom: UK Perceptions of the Legal and Justice System, Innovation in Law Report 2015, Hodge, Jones & Allen, 2015

¹⁴ [SRA Risk Outlook 2017/18](#), p. 14

¹⁵ [Open Data in Legal Services](#), Legal Services Consumer Panel, February 2016

¹⁶ [Legal Services Market Study](#), CMA, December 2016, p.234-23

¹⁷ [Legal Services Market Study](#), CMA, December 2016, p.234-23

37. We will most likely begin by asking firms to publish price on three to four of the consumer facing services and two of the small business facing services. There would be clear advantages to choosing residential conveyancing as one of the first services, as this would be an area where we could work jointly with the CLC on arrangements that will cover almost the entire conveyancing market.

38. Starting off with a small number of legal services allows us to evaluate and address any issues or concerns encountered by firms. We can also to refine our requirements to make sure they meet the needs of consumers and are straightforward for firms to comply with.

39. Proposed legal services:

For consumers	For small businesses
<ul style="list-style-type: none"> • Residential conveyancing (limited to sale, purchase and remortgage) • Family – undefended divorce and financial disputes arising out of divorce • Drafting of a will • Probate/Estate administration • Drafting a lasting Power of Attorney • Motoring offences • Employment tribunal • Personal injury claimant 	<ul style="list-style-type: none"> • Employment tribunal • Debt recovery • Licensing applications in relation to business premises

40. At annex two to this consultation we have provided an example of what the price transparency guidance might look like. This guidance includes proposed definitions of each of the areas in the table. We welcome comments from respondents on this and how they consider we could most effectively break down the areas to enable clear and understandable price information to be given.

41. Starting with a select number of areas could result in the market responding more broadly to our requirements. This could lead to greater price transparency in areas of practice where we have not mandated it. As part of our ongoing commitment to evaluate

the impact of our proposals, we will look at whether this happens, and decide whether it is therefore necessary to expand our requirements to other types of legal services.

42. We welcome views on which of the services in the table above are the right ones for us to focus on initially.

Why these services?

43. We have chosen these areas of legal services for these reasons:

- They are common areas where individuals and small businesses need legal help and are likely to compare prices.
- Although there are many examples of good practice there is not universal price transparency offered in all these services and the methods of setting out prices vary considerably. Some firms include extra costs such as disbursements and VAT and some not. This makes it hard for consumers to find comparable information. Our proposals aim to accelerate the pace towards universal price transparency.
- Some of these services are relatively commoditised compared to other legal services. This will make it easier to provide price transparency.
- Although some of the most vulnerable consumers have needs in other areas of law, such as asylum, housing problems or mental health law, these are areas where services are more likely to be provided either by the not-for-profit sector or at legal aid rates. Therefore, the role that price comparison can play is significantly reduced.

What might price transparency look like?

44. Prices can be charged in several different ways – whilst 100 percent certainty will often not be possible when giving a price estimate, we want clients to be given the best information available. Whilst the use of fixed fees is now common in legal services, in some areas we understand that firms will not always be able to provide an exact figure, or sometimes even an estimate before having had an initial discussion with the client. We want firms to strive to provide price information which is as accurate as possible and

we are clear that providing inaccurate information would be worse than providing none at all.

45. We propose the following principles.

- Whichever way prices are shown, the total cost should be shown where practicable. This must include disbursements and VAT.
- Appropriate instant online calculators or quote generators can be used to provide price transparency in some areas of legal services.
- However, where it is not practicable to give overall costs at the beginning, any costs that are known such as hourly rates, fixed fees for certain elements, the charging basis for any unbundled services etc. should be stated. It will be good practice to list factors that could increase or decrease overall costs.
- The cost of likely or typical disbursements should be stated, together with a brief description of what the disbursement covers (if this is not obvious from the name of the disbursement). Where it is not practicable to give precise costs of disbursements at this stage (eg expert reports) then the type of disbursement should be described and a range of costs provided where this is possible.
- Any likely exceptions to the prices shown should be explained.
- Where charges will attract VAT this must be stated.
- If a fixed price is quoted, it should be clear what the price includes and excludes, and in what circumstances (if any) it will be exceeded.
- If conditional fee or damages-based agreements are available, then the circumstances in which clients may have to make payments themselves (including from any damages) should be explained.
- If an hourly rate is shown, then average costs or a range of average costs for the type of matter should be quoted where this is practicable and where to do

so would not be misleading Any variation of the hourly rates, for example, based on who provides the work at the firm should be set out.

46. Any work that is funded by the Legal Aid Agency would be excluded from the price publication requirement. These payments will be excluded because legal aid rates are set by Parliament and are not subject to competition in the market in the same way as other services.
47. We recognise the challenges that some firms providing these legal services may face with price publication. To support firms, we will produce guidance and resources to help them, for example, templates. The CMA has already published examples of price transparency in its report.¹⁸ The Law Society has produced a price and service transparency toolkit¹⁹ which can be helpful to firms when considering how to publish prices.

Challenges with price publication

48. Price information should be made available in an accessible and comparable way. Our requirements do not seek to mandate how firms should calculate their prices or what pricing model they should use.
49. The nature of some areas of legal work means that it can be difficult to provide exact information. In some cases, the matter needs to be discussed with the client before providing an estimate. In other cases, the price may well be driven by matters beyond the control of either the firm or the client, such as the behaviour of third parties. In such circumstances, providing overly precise statements of costs upfront may even be misleading.
50. We are aware that price alone tells the consumer nothing about quality. However, price publication may help address views that legal services are not affordable. Firms are of course free and are encouraged to provide any additional information they want on the quality of the service they provide, going above what the proposed requirements ask.²⁰

¹⁸ [Legal Services Market Study](#), CMA, December 2016, p.234-23

¹⁹ [Price and service transparency toolkit](#), The Law Society

²⁰ We plan to issue guidance to firms on how to engage with quality data, such as online reviews

This might include accreditations achieved by the firm or staff showing expertise or commitment to quality, links to reviews on third party websites etc.

51. Information on price combined with clearer information about the protections regulated firms offer could assist clients in seeing the advantages of using a regulated firm. Where firms charge significantly different prices for the same type of service, consumers will be able to question why.
52. As the market becomes more competitive, there is a risk that firms will offer 'bait pricing', ie offering unrealistically low prices which will not be available in practice. Any such behaviour will be a breach of our proposed principles of price transparency as well as the duty in the new Codes of Conduct for publicity to be accurate and not misleading.
53. We recognise that there is a risk that some firms will start colluding on price. However, we do not think that there is a high risk of this occurring in the legal services market, given the large number of providers. The CMA reached the same view when considering the issue.²¹ If collusion did happen, it is likely that it would be unlawful behaviour. The CMA has issued guidance that firms can use to make sure that they are fulfilling their competition law obligations.²²

Question 1

In which of the services suggested do you think we should proceed initially with requirements for price publication and are there any other additional categories that we should consider?

Question 2

Do you agree with our proposed principles of price transparency?

Large commercial clients

54. The CMA report focused on whether the legal services market is working effectively for members of the public and small businesses rather than large commercial clients who are often better positioned to make informed purchasing decisions. There are SRA

²¹ See paragraph 7.81 of the CMA final report

²² [Competing fairly in business: advice for small businesses](#), CMA, November 2015

authorised firms (both large and small) that focus completely on dealing with those large corporate clients (with perhaps some work carried out for high net worth individuals) and in those cases requiring the publication of price would perhaps serve little useful purpose. The areas of service proposed are selected based on a focus on issues most affecting individual consumers and small businesses (we have not, for example, suggested corporate merger work or commercial work generally) which would generally mean that such firms would not be subject to the price requirements or to the linked service description requirements (see below). The intention behind our proposals is not to exempt any category of firm from our publication requirements. The focus is on services consumers and small businesses commonly use, and not, for example, on the size of the firms that provide these services.

55. However, there may be circumstances in which firms that normally do not serve the consumers on which the CMA report is focused might occasionally carry out work that could be included in price description requirements (for example employment tribunal cases for large commercial clients or family work for very high net worth individuals only) and we would welcome views on whether there should an exemption in such cases and how any such exemption should be framed.

Question 3

Is there a need for any specific exemption from the price publication proposals for firms dealing exclusively with large commercial clients? If so how should any exemption be defined and operate?

A description of the services provided

Background

56. The CMA recommended that we should ask firms to publish a description of services provided on their websites. This information should include details on the different staff who deliver services, a timeline showing when key stages of the work will be completed, and any factors that could affect these. By providing this context, consumers can assess and compare what different firms offer. Many firms already do this.

57. As with publishing price, we think that we should proceed gradually, and impose minimum standards that are straightforward to comply with. Firms that do not offer sufficient information for consumers to make a choice are likely to lose out to firms that do.

Our approach

58. We propose requiring firms to provide a description on the same types of legal services as they provide price information about (see table at paragraph 39 on page 19). This will assist consumers in understanding what they are purchasing.

59. Our proposal in this area sets out what we think the minimum standard for publication should be. Firms will of course have the option to add further information should they wish and we would encourage them to do so. For example, firms could choose to highlight expertise that solicitors in their firm have, such as areas of specialism or languages spoken, or customer feedback and reviews.

60. The information we propose firms publish is:

- a clear, brief description of the relevant services
- a brief description of any key stages of the services
- indicative timescales and any affecting factors, if possible
- information about the different staff that deliver the services in the area. This should, as a minimum, include the experience and qualifications of the staff that carry out the work and those that supervise the work.

Mix of staff delivering the service

61. We recognise that for firms where multiple people may work on a particular matter, to provide information about all those involved may be too onerous. In this case, it may be appropriate to state the broad level of experience or typical qualifications of staff carrying out the work and state who is responsible for overall supervision.

Indicative timescales

62. The nature of the stages of service and timescales involved can vary significantly across different services. For example, in a property purchase this might simply include the timing of different elements (such as conducting searches or the delay between exchange and completion). However, the timetable may also depend on the complexity of any 'chain' and the timeliness of other parties in providing relevant information, such as replies to pre-contract enquiries. In contrast, in a litigated dispute a firm might set out the stages of a claim, from an initial letter, through to pre-action correspondence and filing a claim with the court as well as typical waiting periods for a court date and phases of a court hearing (such as case management).
63. Firms could meet our requirements by providing an average time, or the average range of time, that the bulk of matters of this type will take. We recognise that in many cases, particularly those involving litigation, this may not be practical. Nevertheless, where the matter includes a number of stages, these should be briefly explained.
64. In some legal services, the duration of the service may be determined by the actions of another party. Where this is the case, appropriate contextual information may need to be provided to the public so they are clear about what to expect should they choose to go ahead.
65. In other areas, for example drafting a will, the time taken from receipt of full instructions will be more under the firm's control. In these instances, firms might choose, for example, to publish their targets for completing such work.

Question 4

Do you agree with our proposals to introduce requirements in relation to description, staff, stages and timescales in any legal services where we decide to require price publication?

Section two: Regulatory status and protections

66. This section sets out our proposals to improve the information firms we regulate make available. It is important that consumers understand the way in which the organisation and individual solicitor they use are regulated. We want consumers to be made aware of what protections are in place and what it means to choose an SRA regulated provider.

Background

67. The CMA found that most consumers do not know whether their provider is regulated, and looked at the implications of this for consumer protections.²³

68. The requirements in our current Code of Conduct²⁴ and new Code for Firms²⁵ ask firms to provide information on regulatory protections, such as access to the LeO and how to complain, only at the time of engagement and onwards.

69. We think it is important that consumers are made aware of what protections and remedies are available to them from an SRA regulated firm at an earlier stage. This will help consumers make an informed purchasing decision between any firms we regulate and other types of provider. Firms making this information more openly available should help increase general consumer knowledge of what protections and benefits come with choosing an SRA regulated provider.

Our approach

70. We propose requiring firms to publish on their websites:

- that the firm is regulated by us. To do this, we propose developing an SRA regulated logo which will also operate as secure digital badge

²³ CMA report, page. 11.

²⁴ Outcome 1.7

²⁵ Standard 7.1 applying Standard 8.11 of the Code for solicitors, RELS and RFLS

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- that consumers may be eligible to submit a claim to the compensation fund, and to promote visibility of the compensation fund by using a SRA Compensation Fund logo
- that the firm has PII, and that it complies with our MTCs (including the amount of the minimum level of cover), the contact details of their insurer (or insurers if more than one) and the territorial coverage of the insurance
- details of the firm's internal complaints procedure
- how and when clients can make a complaint to LeO.

Firms without websites must make the information available to the public on request without the need for a consultation.

71. Below we have outlined these proposals in turn.

Regulated by the SRA logo and digital badge

72. We currently require firms to tell people about their regulatory status and to use the phrase "authorised and regulated by the SRA" on letterheads, websites and emails. This requirement can be found in outcome 8.5 of the current Code of Conduct.
73. The use of logos to show whether a service provider is regulated is common practice in other regulated areas, for example within financial services. The Financial Conduct Authority (FCA) and the Prudential Regulation Authority ask all the firms they regulate to tell new and existing customers that the Financial Services Compensation Scheme (FSCS) protects their deposits. The "FSCS protected" badge is displayed on materials available in branch, online and on all letters to customers. The badge is intended to increase awareness of the FSCS and to increase consumer confidence in financial services.
74. We are proposing to introduce an SRA logo for promotional and printed materials and window displays etc, to confirm that we regulate the firm. The use of the logo would only be available to SRA regulated firms. Solicitors working in non-LSA regulated firms would not be allowed to use the logo.

75. We propose to develop an electronic version of the logo as a digital badge that clients can click on to verify that the website belongs to a genuine, SRA regulated firm. This will be similar to the scheme recently introduced by the CLC.²⁶ We consider that such a step is important in an area where online fraud and the use of fake websites are becoming more common.²⁷
76. To make the digital badge fully effective, we propose that all firms we regulate will display this on their websites. On other media (such as printed materials), firms will be able to choose to use either the logo or the current phrase "authorised and regulated by the SRA". We realise that for the logo to work it will need to achieve consumer recognition. We will work with consumer groups to communicate that the badge means a firm is regulated by us, and that the firm offers protections that non-regulated organisations do not provide.
77. We are also proposing that firms should publish their firm SRA number on websites and printed materials. This information can help consumers identify if their provider is regulated or not.

Question 5

Do you agree with our proposal to introduce an "SRA regulated" logo and digital badge?

Question 6

Do you have any suggestions as to how we can best increase consumer awareness of the logo?

Access to the Compensation Fund

78. Eligible clients of regulated firms can submit a claim to our Compensation Fund in the event their money is misappropriated or otherwise lost and claim is not covered by PII. Research has shown that clients are often not aware of the existence of protections such the Compensation Fund.²⁸

²⁶ <http://clc-uk.org/CLC-Lawyer/Tackling-Cybercrime/CLC-Secure-Badge-for-Websites.aspx>

²⁷ [SRA Risk Outlook 2016/2017](#)

²⁸ See *Risk and the Role of Regulation*, Report prepared for the Legal Services Consumer Panel by Vanilla Research, January 2013

79. We are aware that some clients (for example large corporations) will not be eligible to claim on the fund, and that those who are eligible to submit a claim may be refused. The purpose of the fund is to be a fund of last resort. In this respect, the solicitor's compensation fund differs from other schemes such as the FCA's compensation scheme where entitlement is automatic once the eligibility criteria are met. However, as mentioned above, we know that public awareness of the existence of the fund is low. We have therefore developed a proposal to help increase public awareness.

Compensation Fund logo

80. As set out above, we plan to provide additional support to consumers in understanding the different protections that may be available through developing a SRA regulated logo. In addition to this, we also propose to develop a second logo which denotes access to the Compensation Fund.

81. The use of this Compensation Fund logo will be restricted to SRA regulated firms, as clients of solicitors practising in non-SRA regulated firms will not be entitled to claim on the fund. However, we propose to make it voluntary for firms to use this logo. Firms that do not want to use it can instead provide information as to the existence of the fund in writing on their website and communication materials where they have clients that may be eligible to claim. We will supply a standard wording in guidance for this purpose.

82. In our October 2016 discussion paper, we asked respondents for their views on the use of logos. Most respondents chose not to give a view on our proposal to introduce a logo that denotes access to the Compensation Fund. Those that did respond were split in their views. Those that supported the introduction of a Compensation Fund logo thought that consumers would be further reassured that protections applied in case of something going wrong.

83. Those that did not agree with the introduction of a Compensation Fund logo suggested that it would further increase consumer confusion rather than help them understand what protections apply.

84. We think that a Compensation Fund logo will act as both a signpost for clients that they are protected if things go wrong and will increase general consumer awareness of the existence of the fund. Increased awareness of consumer rights has been one motivating factor behind the development of the FSCS logo.

85. We have considered developing one single logo which denotes both SRA regulation and access to the Compensation Fund. We think it is better to have two logos, as the two do not always overlap. There are clients, for example businesses with a turnover of over £2m that cannot claim on the fund.

Question 7

Do you agree with our proposal to introduce a requirement to publicise the existence of the Compensation Fund and a voluntary logo?

Professional indemnity insurance

86. Under our current rules, we do not require firms to tell clients or potential clients about their insurance cover and what protections are available to them if things go wrong, unless asked by the client. They do need to have PII cover in place.
87. However, firms must tell clients if they discover an act or omission by them that could give rise to a claim. They also must disclose details of the compulsory element of the insurance (the MTCs) on request.
88. We propose that firms will have to disclose:
- that they hold PII to the MTCs and specifying the minimum amount required²⁹
 - the insurer's contact details
 - the territorial coverage of the insurance.³⁰
89. We propose requiring firms to publish this information in a way that is simple and easy for consumers to understand.
90. We do not propose requiring firms to disclose the full details of what PII cover they hold, as this information is considered commercially sensitive by some firms. We also consider it unlikely that most individual consumers or small businesses would seek legal advice that requires their provider to hold PII above the MTCs.

Question 8

Do you agree with our proposals on the publication of PII details?

²⁹ £2m or £3m for any one claim depending on whether liability of the authorised body is limited

³⁰ This information meets the requirements of the Provision of Services Regulations to implement the Services Directive.

How to complain to the firm and to the Legal Ombudsman

91. In addition to publishing information on the firm's first-tier complaints process, we propose that firms must also publish details of the rights of clients and any other relevant parties, such as prospective clients³¹, of their right to complain to LeO (second-tier complaints), the time frame for doing so and full details of how to contact them.
92. This should help consumers understand what their rights are and that they can complain if they are unhappy with the service they receive from a firm.
93. In summary, we are therefore proposing requiring firms to publish on their websites the following information³²:
- the name of the person in the firm that a complaint should be made to
 - how a complaint should be made
 - how the complaint will be dealt with, such as timescales
 - if the complainant³³ can refer a complaint to LeO, including the time frame for doing so and full details of how to contact them
 - the name of the person in the firm with overall responsibility for complaints (if different).
94. We will support firms in meeting these requirements by providing example templates of how this information could be presented.

³¹ Prospective clients that have been refused a service and beneficiaries of an estate where the solicitor is acting for the executors/personal representatives also have a right to complain to the LeO.

³² In developing these requirements we have considered the relevant LSB guidance " [First-tier complaints handling: section 112 requirements and section 162 guidance for approved regulators](#), LSB, July 2016".

³³ Note that prospective clients that have been refused a service and beneficiaries of an estate where the solicitor is acting for the executors/personal representatives also have a right to complain to the LeO.

Question 9

Do you agree with the proposal for firms to publish details of how to complain?

Question 10

Do you agree with our proposal that firms should publish details of how to complain to the Legal Ombudsman?

Section three: Creating a digital register

95. We already publish regulatory data, but it is published in several different places, making it hard to get an overview of the information we have about a particular firm or solicitor. For example, our current Law Firm Search can be used to find information about firms we regulate, but anyone wanting to find information about a specific solicitor's record needs to use a different search service on our website. We also have a separate register of alternative business structures (ABS) and produce a separate list of people recently admitted to the roll of solicitors.
96. We are currently redeveloping our website. As part of that, we intend to bring together all the relevant information we hold on solicitors and firms into a digital register. The register can be used to verify the firms and individuals we authorise. We already share data with re-publishers, such as comparison websites, and we will continue to make our data available.
97. The register will be divided into two main sections.
- All individual solicitors on the roll, registered European lawyers (RELs) and registered foreign lawyers (RFLs) regulated by us³⁴.
 - Firms we regulate.
98. The register will also contain information about disciplinary findings against other regulated individuals (such as employees of SRA regulated firms) or former regulated individuals.
99. We see several uses for the information we propose to publish in our digital register and elsewhere.

³⁴ References to solicitors in this document includes references to RELs and RFLs where the context admits.

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- Consumers will be able to validate their choice of SRA regulated firm and will be able to carry out basic checks, for example to find out whether we have taken any disciplinary or regulatory action against the firm or individual.
- Re-publishers can build on the data they extract from our register and elsewhere on our website to produce a product that will help consumers choose legal services. Some of this information will be available from firms' websites due to our new price and service transparency requirements set out above.
- Solicitors and firms can use our register to validate the practising status of other solicitors (for example before they decide to employ them) or firms, as can other third parties, such as banks and insurance companies and other regulators.
- To reduce digital crime by the combination of the above functions.

100. We are not proposing to radically change the information that is already published but we do intend to publish it in one place and in a form that is much more accessible to those that will use it. Below we set out in more detail what we are proposing to include in the register.

Key regulatory data

101. We will publish a range of key information on individuals and firms we regulate in our digital register. This will include:

For firms:

- the firm's name
- the firm's authorisation number
- the date we authorised the firm
- any practising conditions we have placed on it
- any trading names or former names

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- its practising addresses
- whether its authorisation has been revoked or suspended
- any other relevant regulatory and disciplinary decisions against the firm (see below).

For individual solicitors:

- the solicitor's name
- the solicitor's authorisation number
- whether they have a current practising certificate
- any practising conditions we have placed on the individual's practising certificate
- their practising addresses and whether the firm or firms concerned are regulated by the SRA, by another approved regulator or is not regulated under the LSA
- whether they have been struck off or suspended from the roll
- any other relevant regulatory and disciplinary decisions against the individual (see below).

The same details as appropriate for RELs and RFLs.

102. There are other categories of data about licensed bodies that we must publish. For example, under section 87(4) of the Legal Services Act, we have to publish the names of the Head of Legal Practice (HOLP) and the Head of Finance and Administration (HOFA). We will continue to publish these details for those legal services providers.

103. The full list is included in our proposed Registers, Roll and Information Regulations contained at Annex 4. We have a statutory obligation to record much of this information, for example; the name of everyone on the roll of solicitors and everyone who has a practising certificate (PC) and to make this available to the public.

104. Where an individual solicitor, REL or RFL is employed by or working in a SRA regulated firm we propose to link that individual to their employer on the register and vice versa.

Regulatory and disciplinary decisions

105. Unless they have already had a previous interaction, consumers can find it difficult to assess quality when choosing a legal services provider.³⁵ Information on the regulatory and disciplinary action we have taken against firms and individual solicitors can offer consumers an indication of their provider's quality.

106. We have a statutory obligation to publish some of this information. We currently publish a range of regulatory and disciplinary decisions where we consider it is in the public interest for us to do so. For example, in relation to individual solicitors, firms (and in some cases employees in firms we regulate), for example we publish decisions to:

- fine or rebuke them
- put conditions on their practising certificates or authorisations
- refer them to the Solicitors Disciplinary Tribunal (SDT) and in due course the outcome of the SDT hearing (however, to access the SDT's full judgment, a member of the public would need to search the SDT website)
- exercise our powers of intervention
- disqualify a HOLP or HOFA from holding that position in a Licensed Body.

107. We propose that we would continue to publish as part of our digital register the same range of regulatory and disciplinary decisions that we currently do, in accordance with our decision-making³⁶ guidance.

³⁵ [Market study into the supply of legal services in England and Wales – consumer findings](#), Prepared for the CMA By IFF Research, July 2016

³⁶ [Guidance on publishing regulatory and disciplinary decisions](#), SRA

108. However, we intend to bring together the existing information we have on enforcement action into our register, so that is available in one place. The information will be recorded against the relevant individual or firm.
109. We will also, as now, continue to publish relevant decisions about regulated individuals who are not on the roll or our individual registers for RELs or RFLs because they are not (or are no longer) solicitors, RFLs or RELs. This will include employees who have, for example, been fined or who have been made the subject of an order under section 43 of the Solicitors Act 1974. A section 43 order prevents them from being employed by an SRA regulated firm without our prior permission.
110. We also intend to publish a separate list of those solicitors that have been struck off or who currently have their practising certificate suspended. This information is already available on our website but not in one place. We propose to publish such decisions broadly in accordance with the current approach and time lines set out in our guidance on publishing regulatory and disciplinary decisions.
111. This means that for certain decisions, such as when we have struck a solicitor from the roll or disqualified an individual from a specific role or imposed a condition on an annual practising certificate, we will publish that information for as long as it remains current. For example, indefinitely for a solicitor who has been struck off, for the whole duration of a fixed period of a suspension, or for the practising year relevant to the application of a condition.
112. For decisions with no particular duration, such as an intervention, fine or rebuke, we will publish these as part of the register for three years.

Question 11

What are your views on the proposed content for the digital register?

Section four: Publishing areas of practice and complaints data

113. When firms complete their annual return as part of the practising certificate renewals they submit information on the complaints they received and their areas of work. This means our proposal to publish this information will not introduce an additional regulatory burden on firms.
114. We also considered integrating information on areas of practice and complaints data within the proposed register. However, the purpose of the register is to provide up to date, 'real time' information. The data we have on complaints and areas of practice will inevitably be historical. Our view is that it is best presented separately in a format that can be easily used by third parties, such as comparison websites.

Areas of practice

115. We propose to publish data on the areas of practice in which a law firm practises annually, following the annual practising certificate renewal. We will do this separately from the register and in a format which includes all firms we regulate and is easily accessible to third party users. We will not publish any information on turnover. Although the information will show data from the previous year, we think it will be useful to third parties and consumers.
116. If we implement this proposal, we will review and make sure the areas of legal services that we currently collect information about are fit for purpose.

Question 12

Do you agree with our proposal to publish annual information about areas of work and to do so separately from the digital register?

Complaints data

117. Research carried out by the LSCP suggests that consumers would use complaints data when choosing legal service providers if that information was available.³⁷ The LSB in its response to the LSCP acknowledged that complaints data has the potential to inform consumer choice by indicating quality of service.³⁸ It also said that the increased availability of complaints data could drive improvements in service delivery from legal service providers.

118. Our discussion paper sought views on who should publish complaints data if it were to be published. Almost all respondents, including firms, solicitors and consumer groups, called for us to publish the data rather than firms as it would:

- reduce the risk of any potential confusion among consumers, as the information would be provided consistently
- increase accessibility for consumers, with relevant information being provided in one place
- reduce the potential for firms to present artificially positive complaints data
- ease the administrative and cost burden on firms.

119. We agree with these reasons and have decided that we are best placed to publish the data.

What are we proposing?

120. We propose to publish first-tier complaints received, complaints resolved and complaints referred to LeO by firms. These are the categories of complaints data that we currently collect annually from firms but do not publish. The data therefore comprises complaints about service submitted directly to firms and does not include regulatory complaints submitted to the SRA. Our intention is to publish this firm collated data

³⁷ LCSP, [Opening up data in legal services](#), February 2016

³⁸ [LSB chairman letter to the Legal Services Consumer Panel](#), April 2016

separately from the main register. We will also make it available for organisations that reuse data, in particular comparison websites.

121. We propose to continue to use the definition of complaint in the practising certificate renewal form. The definition is:

122. “A formal complaint to you (written or oral) raised under your organisation’s complaint handling procedure and includes complaints made initially to a third party and referred back to you to address in the first instance. This does not include concerns raised by a client about your service provision but not taken forward as a formal complaint.”

123. We also recognise the risk that unjustified, repeat or vexatious complaints from a small number of clients could distort the figures for a firm. One way of dealing with this is for firms to only report a maximum of one complaint per client per matter for our purposes. We welcome views on this.

124. As the complaints data would be publicly available, it could be used by third-party publishers, or firms on their own websites, to provide further context if they wish.

125. We currently collect data in the categories set out in the table below. We will review these with LeO to ensure consistency.

Conduct	Cost information deficient	Costs excessive	Criminal activity	Data protection/
Delay	Discrimination	Failure to advise	Failing to comply with agreed remedy	Failure to follow instructions
Failure to investigate complaint internally	Failure to keep informed	Failure to keep papers safe	Failure to progress	Other

126. A key theme raised by all respondents to the discussion paper, particularly from firms, is that raw complaints data could be unhelpful without explaining what the data means. This view was also supported by the consumers we engaged with.

127. Respondents felt that, without sufficient context, the data would not:

- provide a reliable indicator of quality of service
- address the complexity of the issue against which a complaint has been made, nor the quality of redress
- be meaningful or accessible for consumers.

128. We are keen to hear respondents' views on what further information it would be appropriate to collect and publish to provide context. We recognise that raw data on complaints has little merit without context and recognise that the context may be best provided by SRA, law firms or a third party. It is important that any information is straightforward, so that consumers can understand it and there is consistency. This could be, for example, the total number of legal matters a firm has undertaken in the year. We could also publish the complaints data by category of areas of practice, recognising that complaints tend to be higher in some categories than others. To provide context, we would need to ask firms to provide us with this additional information.

129. LeO already publishes data on the complaints it handles. We intend to provide a link through to this data, to make it more accessible for consumers.

130. If we can make complaints data available, we will help facilitate the development of digital comparison tools (DCT). The CMA is currently undertaking a year-long market study on DCTs. The study does not specifically focus on legal services, but includes some reference.³⁹ The final report is due to be published at the end of September 2017. The findings of the study will help inform our final proposals in this area.

131. Publishing complaints data should incentivise firms to publish their own data and provide appropriate context to give positive quality signals. This could for example be what action the firm takes when a complaint is received. Firms can of course also

³⁹ [Digital comparison tools market study - Update paper](#), CMA, March 2017, p. 4

include positive feedback such as ratings and reviews the firm has received on sites such as Trustpilot, and details of how they monitor and react to feedback.

132. We are seeking views on how many years of complaints data we should publish if we proceed with this proposal. We consider that three years of data will be sufficient to provide a pattern, without being overly historical. Data will be published annually following practising certificate renewals and our thinking is to build up the data. We will therefore publish one year's data in year one of implementation, two years in year two etc such that from the fourth year of implementation the last three years of complaints data will be publicly available for each firm at any one time.⁴⁰ We think that three years is enough time to provide context that would not be provided if we only published the data for one year at a time. For example, the data could indicate an improvement in a firm's services by showing a decreased level of complaints received by the firm.

133. We recognise that the argument as to whether to publish firm collated, first-tier complaints data is a balanced one. Whilst this data may be an important quality signal for consumers, there may be a risk that publication will encourage some firms to keep matters out of their complaints system. This may be counteracted by the proposal for firms to publish details of their complaint system on their websites which will encourage the use of that system. More widely however, it will be difficult for us to ensure the consistency of first-tier data given that the complaints will not have been filtered by the SRA. We would welcome views on these issues.

Question 13

Do you agree with our proposed approach to publishing complaints data, and if you do not agree, what do you propose?

Question 14

If we do publish first-tier complaints data, what (if any) context should we provide?

⁴⁰ Unless of course the firm is less than three years old in which case we will publish whatever annual data is available.

Section five: Individual solicitors working outside LSA-regulated firms

134. One of the key changes of our Looking to the future programme is allowing solicitors to provide non-reserved legal services to the public outside of firms we regulate. This will provide consumers with increased choice, enabling them to more easily access qualified, regulated solicitors at a cost they can afford. These solicitors will be regulated as individuals and will have to comply with our Code of Conduct for Solicitors, RELs and RFLs.
135. It is important to us that clients of these solicitors receive the same quality of service that they would from solicitors working in regulated firms. However, these clients will not be entitled to all the protections that solicitors working in regulated firms can offer.
136. For example, there will be no mandatory insurance requirement and clients of solicitors working in non-LSA regulated firms will not be eligible to make a claim to our Compensation Fund if things go wrong. It is worth noting that these solicitors will not be allowed personally to hold client money in their own name.⁴¹

Our approach

137. Under our rules, solicitors working in non-LSA regulated firms will not be required to have personal PII in place. This will ordinarily be a matter for the organisation the solicitor works for. However, we propose that clients of solicitors in non-LSA regulated firms must be informed at the point of engagement that those solicitors are not subject to the requirements for mandatory PII that would apply in an SRA regulated firm. This will create an incentive for the non-LSA regulated firm to explain their insurance position to clients.
138. We also propose that clients of solicitors in non-LSA regulated firms must be informed at the point of engagement that the potential protections of the Compensation Fund do not apply,

⁴¹ See Standard 4.3 of the Draft Code of Conduct for Solicitors, RELs and RFLs

139. Standard 8 in the new Code of Conduct for Solicitors, RELs and RFLs requires all solicitors, regardless of where they practise, to provide certain information to clients. This includes details of how to complain, including how to complain to LeO.
140. In addition, all solicitors have a duty under standard 8.10 to make sure that clients understand whether and how the services they provide are regulated. This includes:
- explaining which activities will be carried out by them, as an authorised person
 - explaining which services provided by them, their business or employer, and any separate business are regulated by an approved regulator
 - making sure that they do not represent any business or employer which is not authorised by the SRA, including any separate business, as being regulated by us.
141. Additionally, standard 8.11 requires solicitors to make sure that clients understand the regulatory protections available to them.
142. Solicitors working in firms that we do not regulate will, therefore, need to provide information on their regulatory status in a different way than those working in SRA regulated firms. This means that these solicitors will need to provide information face-to-face or in writing on their regulatory status when engaging with clients and potential clients.
143. These proposals will not apply to solicitors working in special bodies – since they are subject to requirements to hold PII that is reasonably equivalent to the MTCs and their clients are also entitled to claim on the Compensation Fund.

Question 15

Do you agree with our proposal to require solicitors working in non-LSA regulated firms to inform clients of the absence of the requirement to hold compulsory PII?

Question 16

Do you agree with our proposal to require solicitors working in non-LSA regulated firms to inform clients of the absence of the availability of the Compensation Fund?

Section six: the draft rules and enforcement

144. We propose to give effect to these proposals in our new draft SRA Register, Roll and Information Regulations, which are available at annex 4. These mainly reflect the statutory obligations we are already under to maintain and make available to the public the roll of solicitors and the registers of RELs, RFLs and authorised bodies. We have however made clearer in these rules the information the roll and registers will contain and what we will publish. The rules also contain our new proposals for firms to publish information on their website.

145. Enforcement of the proposed requirements in this consultation will take place in accordance with our proposed enforcement strategy.⁴²

146. To make sure that consumers obtain the information they need to help them choose legal services and, there is a level playing field between firms, it will be important that firms comply fully with these obligations when the rules come into force. We propose to give firms help and guidance well in advance of the introduction of the requirements so they understand how to comply.

Question 17

Do you have any comments on the drafting of our rules?

Question 18

What more does the SRA need to do to work with others such as third party intermediaries to deliver improvements in the information available to consumers?

Question 19

Do you have any further information to inform our final impact assessment?

⁴² [Looking to the future: phase two of the Handbook reform](#)

Our questions in full

We are keen to hear your views on our proposals set out in this consultation. An uninterrupted list of our questions is below.

Question 1

In which of the services suggested do you think we should proceed initially with requirements for price publication and are there any other additional categories that we should consider?

Question 2

Do you agree with our proposed principles of price transparency?

Question 3

Is there a need for any specific exemption from the price publication proposals for firms dealing exclusively with large commercial clients? If so how should any exemption be defined and operate?

Question 4

Do you agree with our proposals to introduce requirements in relation to description, staff, stages and timescales in any legal services where we decide to require price publication?

Question 5

Do you agree with our proposal to introduce an "SRA regulated" logo and digital badge?

Question 6

Do you have any suggestions as to how we can best increase consumer awareness of the logo?

Question 7

Do you agree with our proposal to introduce a requirement to publicise the existence of the Compensation Fund with a voluntary logo?

Question 8

Do you agree with our proposals on the publication of PII details?

Question 9

Do you agree with the proposal for firms to publish details of how to complain?

Question 10

Do you agree with our proposal that firms should publish details of how to complain to the Legal Ombudsman?

Question 11

What are your views on the proposed content for the digital register?

Question 12

Do you agree with our proposal to publish annual information about areas of work and to do so separately from the digital register?

Question 13

Do you agree with our proposed approach to publishing complaints data, and if you do not agree, what do you propose?

Question 14

If we do publish first-tier complaints data, what (if any) context should we provide?

Question 15

Do you agree with our proposal to require solicitors working in non-LSA regulated firms to inform clients of the absence of the requirement to hold compulsory PII?

Question 16

Do you agree with our proposal to require solicitors working in non-LSA regulated firms to inform clients of the absence of the availability of the Compensation Fund?

Question 17

Do you have any comments on the drafting of our rules?

Question 18

What more does the SRA need to do to work with others such as third party intermediaries to deliver improvements in the information available to consumers?

Question 19

Do you have any further information to inform our final impact assessment?

Our next steps

Consultation dates

This consultation is running from 27 September until 20 December 2017.

Our decision

Once the consultation closes, we will analyse responses and then decide what proposals we need to take forward. We will evaluate and monitor the impact of the proposals once implemented.

Publishing responses

Please note that, unless otherwise stated, we will publish responses to our consultations.

Implementation dates

Implementation of any of these proposals will not be before Autumn 2018.

Working with other regulators

We will continue to collaborate with other regulators as set out in our [CMA action plan](#). This will include working towards the longer-term goal of a joint digital register.

Get involved

Your views matter, which is why we are keen to engage with you outside of formal consultations.

Attend one of our events

To attend one of our events, or to see us at an event we are participating in, keep an eye on all our upcoming events by visiting our [website](#).

Invite us to speak at your event

If you would like to invite an SRA speaker to your event, please fill in our [speaker request form](#).

Follow us on social media



Join a virtual reference group

Our virtual reference groups allow you to stay in touch and learn more about what we are working on. [Visit our website](#) to join one or more of these groups:

Diversity matters

Members of our Diversity matters reference group are helping us to think about how we can progress our work on equality, diversity and inclusion.

Looking to the future

We are setting out major changes we think are necessary to the way we regulate. We want to hear what you think of our proposals and how they might work in practice.

Small firms

We want to make sure that thinking about how our work affects sole practitioners and other small firms is embedded in our operations and our regulatory reform programme.

How to respond

This consultation is open from 27 September until 20 December 2017.

Online questionnaire

Our online consultation questionnaire is a convenient, flexible way to respond. You can save a partial response online and complete it later. You can download a copy of your response before you submit it.

[Start your response now](#)

Reasonable adjustment requests and questions

[Read our reasonable adjustments policy](#)

[Contact us](#) if you need to respond to this consultation using a different format or if you have any questions about the consultation.

Publishing responses

We will publish and attribute your response unless you request otherwise.