



Solicitors
Regulation
Authority

Consumer engagement in the solicitor services sector

Executive summary

December 2007

Introduction

The Solicitors Regulation Authority (SRA) is the independent regulator of more than 100,000 solicitors in England and Wales. Our primary purpose is to protect consumers by ensuring that solicitors meet high standards of conduct, and that we take appropriate action where risks are identified.

As a relatively new regulatory body operating in an area in which significant legislative and regulatory change is under way, the SRA has been keen to engage with and understand the concerns of legal service consumers. In order to get a better feel for the risks that might exist in the current regulatory landscape and to help us decide how to engage most effectively with consumers and improve confidence in legal services, we commissioned targeted qualitative and quantitative research in August 2007.

In addition to providing some baseline information on consumer attitudes to the provision of legal services and to the SRA as a regulator, the research was designed to explore consumer attitudes and views about referral arrangements. This is an area where we had already identified the potential for regulatory risk and in which we were keen to improve our understanding of consumer awareness and sensitivities.

The research took the form of an omnibus survey of almost 1,000 adults in England and Wales, and a series of focus groups.¹

The outcomes of the research highlighted several issues that will inform our regulatory approach next year. The research also raised a number of issues of interest to the Law Society and the Legal Complaints Service. As a result, we are sharing the conclusions with both organisations and will involve them in addressing some of the findings.

Key findings

The research covered three broad areas:

- Consumer experience of solicitor services, with a particular focus on conduct, complaints and satisfaction
- Understanding and expectations of the SRA as a regulator of the solicitors' profession
- Understanding of and attitudes towards the specific issue of referral arrangements

¹ The research was conducted by Sidekick, an independent consumer and market research consultancy.

Consumer experience

Overall, the research found that 65 per cent of consumers were satisfied with the services they had received from solicitors, while 19 per cent were dissatisfied with the service they received.

Looking in more detail at the drivers of dissatisfaction among consumers, it became clear that dissatisfaction was felt most strongly by those consumers who had used solicitors to deal with matrimonial and personal injury cases.

Apart from unhappiness about the outcome of a case, there were three key areas about which concerns were expressed:

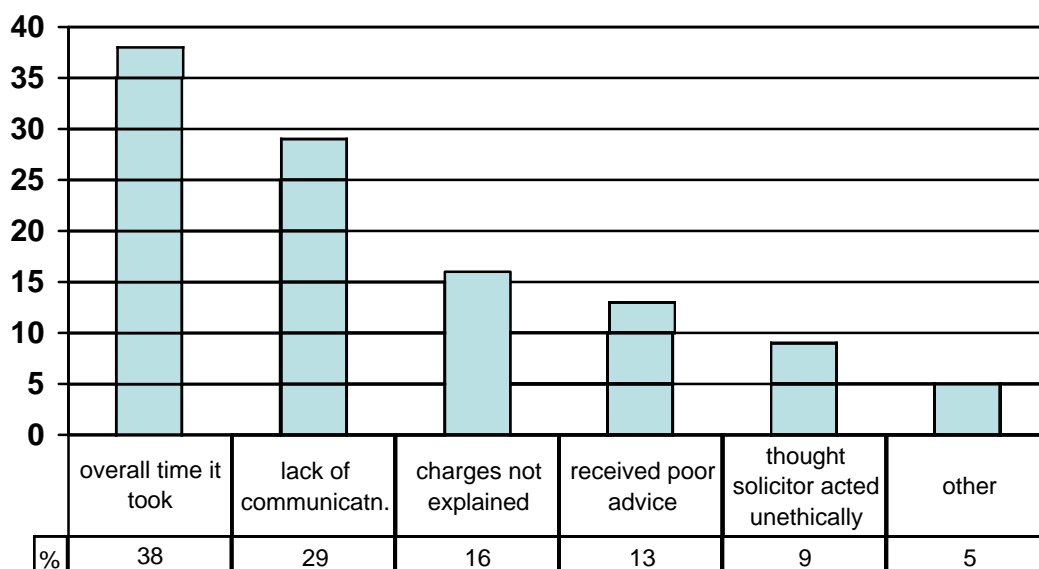
Communications – Consumers felt alienated by the use of jargon, were confused by the volume of paper that they were asked to deal with by solicitors, and felt frustration and loss of control from not being kept up to date on progress.

Cost – There was a strong sense of dissatisfaction about the level of fees charged by solicitors, which was exacerbated by the fact that consumers felt there was a lack of transparency around charging structures and no cap on overall costs. These concerns fed into a general feeling that solicitors had incentives to delay cases unnecessarily.

Delays – Linked to cost concerns, there was a suspicion among consumers that cases were unnecessarily delayed in order to increase solicitors' fees. There was also concern at the fact that there was very little transparency about the length of time that a case was likely to take and a general sense that simple tasks took too long to perform.

Chart 1

If you had cause for complaint, what were the reasons?



The qualitative research highlighted a broader sense among consumers that solicitors failed to deliver sufficient support and personalised service to their clients. This issue was accentuated by the fact that consumers often engaged solicitors at times of vulnerability and emotional stress.

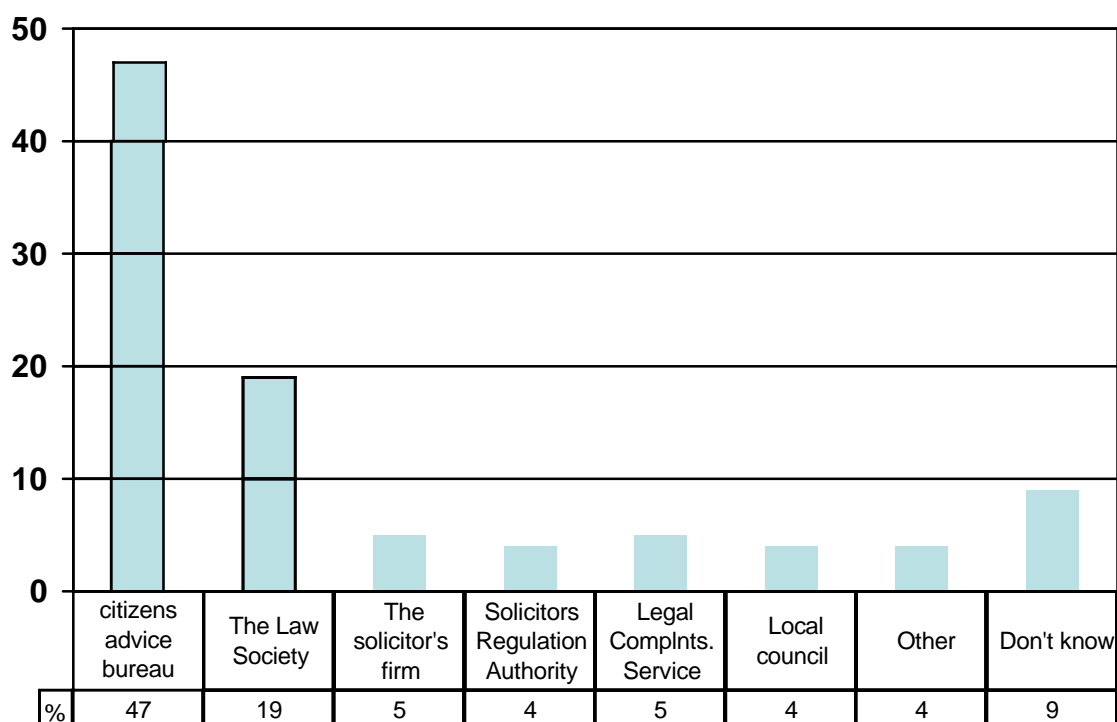
Regulation and the SRA

In focusing on the role of the SRA and regulation, consumers did not easily distinguish between what might be a conduct issue and what might be a service complaint. They expressed a need to be able to access the right people when things went wrong in their relationship with their solicitors.

The research highlighted a high level of confusion among consumers about the bodies that they might usefully turn to and about the sort of issue that might merit complaint. Interestingly, many consumers identified the Citizens Advice Bureau as their first point of contact when raising a complaint about their solicitor.

Chart 2

If you were to make a complaint about the service you received from a solicitor, what organisation would you go to?



Overall, the research showed a perception among consumers that the legal profession is under-regulated, which tied into limited awareness of the existence and respective roles of the Legal Complaints Service and the SRA. While there was some awareness of the Law Society as a body responsible for solicitors, consumers indicated that they felt that this was a body that represented the interests of lawyers and, as such, was unlikely to give any complaint a fair hearing.

Perhaps unsurprisingly, given that the SRA was only launched in January this year, there is currently very low awareness of the organisation. However, asked what they thought a body with this title would do, consumers were quick to identify its role as managing standards within the profession.

Referrals

This is an example of a key policy area for the SRA in which consumer views are important in informing any future policy and decisions. The research provided the opportunity to test consumer attitudes toward the concept of referral arrangements.

In a referral arrangement, a solicitor could have an agreement with a third party such as an estate agent or a claims management company to refer clients to him or her. This usually involves the solicitor making a payment to the third party for the referral.

The research indicated widespread ignorance of the practice (68 per cent), and 39 per cent of respondents said that they would have concerns about the independence of advice that they received if they knew that they were part of such an arrangement.

In light of these clear concerns, the focus group research explored what it was about referral arrangements that gave consumers cause for concern. This more detailed investigation revealed that transparency was the main issue. Consumers were comfortable with the concept of referral arrangements as long as their existence was made clear and there was full disclosure of the fee involved.

Conclusions and future work

This initial consumer research for the SRA is valuable, as it creates a clear benchmark against which we can measure the success of our future consumer engagement strategy. It also highlights some important areas in which we need to focus our efforts in the short term, if we are going to meet one of our key objectives—building consumer confidence in the profession.

Learning the lessons of this exercise, we will implement a comprehensive strategy for consumer engagement. The details have still to be fully developed, but could include the following actions:

- Consumer empowerment through targeted provision of information and education initiatives
- Adaptation of solicitor training to take on board learning from the research programme
- A series of events designed to promote the role of the SRA to consumers and to build confidence in the regulation of legal services
- Partnership work with the Legal Complaints Service and the Law Society to address some of the issues raised in the report

We are keen to learn from other regulators' experience, and to share information about consumer engagement research and initiatives.