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Dear Neil

### **First-tier complaints handling: LSB requirements for approved regulators**

I am writing in response to the above consultation. The Solicitors Regulation Authority (SRA) welcomes the opportunity to comment on the proposed requirement updates, and your proposed guidance changes.

I am including in our submission a description of our current approach towards first-tier complaint handling, and how this is evolving.

#### **Our current approach**

We have been collecting first-tier complaints information from SRA-regulated entities since 2011 (following the publication of your original [signposting and publication requirements](#) in 2010, and thematic work with a range of SRA firms).

This information is submitted by firms as part of the annual recognition renewal process, and includes:

- numbers of complaints received and resolved by the firm,
- numbers of complaints referred on to the Legal Ombudsman (LeO), and
- reasons for each complaint (linked to complaint categories).

The data forms part of our core package of information about individual firms that supports the creation of risk profiles. These also include information about service complaints at the second tier, received from the Legal Ombudsman.

That information then drives our operational activity as necessary on a case-by-case basis, such as carrying out supervision work with an individual firm.

## How information about first-tier complaints drives SRA improvements

We use the data we collect about first-tier complaints to support our monitoring activities across the wider legal services market, which helps to inform our understanding of the effectiveness of arrangements for complaints handling, and also the ways in which consumers are impacted by those arrangements.

This approach follows the feedback loop model described on page 5 of your consultation paper, and makes sure that first-tier complaint information is a driver for change and for bringing about improvements. In practical terms this includes:

- creating guidance and support that we provide to solicitors to help them understand best practice, and improve the delivery of their first-tier complaints duties *for example* - [guidance issued to solicitors and SRA-regulated firms](#) (published in 2014) about each client's right to complain when a barrister is instructed
- using research work to understand how complaint handling processes translate to consumers, and to build action plans for improvement *for example* - our 2015 research project '[Quality of legal services for asylum seekers](#)' included an exploration of the provision of complaint information, and has triggered a full thematic review which will look at complaint handling alongside a range of other elements of practice
- informing our [Risk Outlook](#) so that we can focus our resources on client care and first tier complaints processes, and explore those areas in greater depth.

## Further opportunities relating to first-tier complaints

As part of our ongoing reform programme we are taking forward work that will have a positive impact around first-tier complaints.

For example, our '[Looking to the future](#)' programme is proposing shorter, more accessible codes of conduct with quality supporting material, that will clearly set out the standards required of SRA regulated firms and individual solicitors, wherever they practice.

We will also develop improved information (and new communication channels for that information) to help consumers choose and use legal services providers, and to make sure consumers understand the regulatory protections that are in place.

Good quality "open data" is essential to allow consumers to drive competition in the market and to drive demand for high service levels, as well as creating real incentives for providers to deal with complaints fairly and efficiently. This is an area that we have been focusing on and in March 2016 we launched our [SRA Firm Search](#) facility. We will continue to develop our approach to help improve the availability and accessibility of regulatory data which may include new opportunities to communicate information about first-tier complaint handling to consumers alongside other regulatory datasets.

We are taking forward this work in discussion with key stakeholders including LeO and the Legal Services Consumer Panel, as well as representatives from different types of legal services providers and other intermediaries.

### **Comments on the detailed consultation proposals**

Broadly the SRA supports the proposed changes to the LSB's requirements under section 112.

The proposed revisions to the guidance, set down at Annex B of the consultation paper, are also welcomed. My only observation about the section covering '*Guidance for authorised persons*' relates to the interaction this may have with the Consumer Rights Act 2015, which introduces stronger powers for consumers using different businesses and services (including law firms) to seek redress and in some cases to request work is carried out again, or money is refunded partially or in full.

With more potential opportunities emerging for solicitors and other lawyers to practice in new commercial environments that may have alternative complaint systems, it may be worth including reference to the need for authorised persons to be reminded of their duties to still provide the required information about first-tier complaints and LeO, regardless of the complaint mechanisms used elsewhere in the business they work in.

I hope that our submission is helpful, but please don't hesitate to get in touch if you would like to discuss anything further or to request any further input.

I look forward to hearing in due course about the outcomes from the consultation process. Following the completion of the exercise I would also be happy to meet you to discuss our action plan referred to in this response in greater detail.

Yours sincerely



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