

Looking to the Future: Better information, more choice

Impact assessment

June 2018

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Introduction

1. This document builds on our [initial impact assessment](#) published in September 2017, it sets out our assessment of the potential impacts of our final Better Information; more choice reforms. We have considered the additional impacts identified through our consultation and further stakeholder engagement. We have also assessed potential benefits and risks of our final policy positions. Where we have identified risks, we have set out mitigations.
2. In summary, our final policy positions include:
 - requiring firms to publish price information - limited initially to a select number of legal services
 - requiring firms to publish a description of the services they offer - in the same areas in which we will require firms to publish price information
 - requiring firms to publish information on our regulatory protections - this includes introducing a digital badge that verifies that a firm is regulated by us
 - building 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. This will include the areas of practice that a firm has done work in over the last 12 months
 - requiring solicitors working in non-Legal Services Act (LSA) regulated firms to inform clients, at the point of engagement, that they:
 - are not required to hold professional indemnity insurance (PII) that meets our minimum terms and conditions (MTCs)
 - will not be eligible to make a claim to Compensation Fund if something goes wrong
 - have alternative insurance arrangements (if any) and provide details if requested.
 - requiring self – employed solicitors to inform their clients that they hold PII that is adequate and appropriate and that they can claim on the Compensation Fund if necessary.

3. Based on our analysis of consultation responses, ongoing stakeholder engagement and further policy development, we have decided not to proceed with two of our original consultation proposals. Our rationale for these decisions can be found in our consultation response. We will not proceed with:
 - publishing first tier complaints data
 - developing a separate “SRA compensation fund” badge.
4. We assessed the proposals against our regulatory objectives, better regulation principles and our wider equality duty (Annex 1). We believe that our proposals firmly support our obligations.
5. Very few respondents commented specifically on our initial impact assessment. But many did offer views that helped us understand the potential impacts of our proposals. One respondent, the Law Society, provided some comments on our initial impact assessment. It indicated that our proposals should include a clearer indication of cost and more analysis of our diversity data.
6. We have produced a proportionate impact assessment. We have considered who are likely to be affected by our proposals and how they are likely to be affected. We are also committed to evaluating the impacts of our reforms once they have been implemented through a post-implementation review.
7. In June 2017, we published the [Centre for Strategy and Evaluation Services’ \(CSES\) evaluation framework](#). This suggested an approach to assessing the impacts of our Looking to the Future reforms and other initiatives and included metrics to support this assessment. We will evaluate impacts drawing on CSES’ evaluation framework in a post-implementation review. This will consider consumer, economic, market, equality and diversity impacts. We intend to carry out evaluations at one year and three years after implementation, but this timeframe is flexible and will depend on the reform being evaluated.

Our final policy positions: impacts, risks and mitigations

8. Table 1 summarises the changes we have decided to make following consultation. It sets out those areas where we have changed our position following consultation and those we are continuing as consulted upon. It explains what we aim to achieve and what we have done in the light of

consultation responses. More detail is available in our [post-consultation position paper](#).

Table 1 Changes to our consultation position

Post consultation position	What this aims to achieve	Changes we made following consultation
<p>Firms publish price and description of the services they offer in the following service areas: Residential conveyancing, Probate, Immigration, Motoring offences, Employment tribunal (employee), Employment tribunal (employer), Debt recovery, Licensing applications.</p>	<p>Members of the public, including small businesses can find the likely cost and what is included in this cost.</p> <p>Consumers and small businesses can compare the price of legal service providers.</p> <p>Providing a description of services will enable consumers and small businesses to make an informed choice.</p> <p>Consumers and small business get the legal help they need.</p> <p>Consumers are clear on cost before engagement.</p>	<p>Following feedback, we have selected a mix of commoditised and non-commoditised areas for price and service publication.</p> <p>We will also develop guidance in divorce and personal injury to encourage publication.</p>
<p>Introduce requirements on firms to advertise their regulatory status and protections via use of a SRA badge; to publish complaints procedures,</p>	<p>Consumers have information on whether protections that apply when purchasing legal services earlier than they do now.</p>	<p>No change to our proposal to introduce a digital badge.</p>

<p>including access to the Legal Ombudsman (LeO)</p>	<p>Consumer are clear who we regulate and what this means.</p> <p>When addressing service dissatisfaction, consumers are clearer on the complaints process and empowered to complain.</p> <p>A digital badge may help reduce the risk of impersonation.</p>	<p>We will increase public awareness and understanding of the digital badge.</p> <p>We will proceed with our proposal that firms publish complaints procedures, including access to LeO.</p> <p>We will also require that firms publish how to complain to us.</p> <p>We will produce guidance on how firms can best deal with complaints.</p> <p>We will publish anonymised and aggregated complaints data to drive service improvements. Where we have significant concerns, we will use Thematic Reviews to explore further.</p> <p>We will not proceed with the requirement that firms publish PII details and eligibility to access the Compensation Fund. We will display this information, which will be the same for all firms, on the landing page of the digital badge.</p>
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<p>We 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</p>	<p>Consumers have information about providers we regulate that is easily accessible.</p> <p>Consumers can validate their choice of provider.</p> <p>Data re - publishers can access information in our register. Together with our price and description requirements, they can provide information to a wide audience.</p>	<p>No change to this proposal. We will also include in a separate list those firms that have closed.</p> <p>We will increase public awareness and understanding of the digital register.</p>
<p>We publish areas of practice a firm provides legal services in</p>	<p>Consumers have information about providers we regulate.</p> <p>Consumers can validate their choice of provider.</p> <p>Data re-publishers can extract this data.</p>	<p>We will publish areas of practice should be published with the register.</p> <p>We will use areas of practice by turnover</p> <p>We will review the areas of practice categories we currently use to make sure they are fit for purpose.</p>
<p>We will require solicitors working in non-LSA regulated firms to inform clients, at the point of engagement, that they:</p>	<p>Consumers have clear information on the protections that apply when purchasing legal services.</p>	<p>We will require solicitors in a non-LSA regulated firms to explain to clients that they have alternative insurance arrangements in place and provide details if requested.</p>

<ul style="list-style-type: none"> • are not required to hold PII that meets our MTCs • will not be eligible to make a claim to Compensation Fund if something goes wrong • have alternative insurance arrangements (if any) and provide details if requested. <p>Self – employed solicitors will be required to inform their clients that they hold PII that is adequate and appropriate and that they can claim on the Compensation Fund if necessary.</p>		<p>We considered feedback to our Looking to the Future consultation proposals, and as a result, self-employed solicitors will be required to hold PII that is adequate and appropriate. They will be required to inform their clients of this and the fact that they can claim on Compensation Fund</p>
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Summary of potential impacts of our decisions

9. We have carried out analysis to explore whether our proposals could disproportionately impact individuals and firms by:
 - Ethnicity
 - Size
 - Gender
 - Disability.
10. We have not included analysis of the potential impact of our proposals on sexual orientation. The data set we currently hold is small and as a result it would be difficult to draw any sound and reasonable assumptions from it. We have and will continue to engage with representative groups to explore whether there are any impacts.
11. Table 2 summarises the key impacts that could occur because of our reforms. This incorporates the views provided to us in response to our consultation, ongoing stakeholder engagement, as well as our own analysis. We have not weighted the potential impacts in this table. We have then set out some more detail on impacts in the remainder of this impact assessment.

Table 2 Summary of potential impacts of our reforms on the legal services market, firms we regulate, solicitors and consumers of legal services.

In table 2 the upward arrows show potential benefits; downward arrows potential risks.

Proposed change	Market	Firms and solicitors	Consumers
<p>Firms publish price and description of the services they offer in the following service areas: Residential conveyancing, Probate, Immigration, Motoring offences, Employment tribunal (employee), Employment tribunal (employer), Debt recovery, Licensing applications.</p>	<ul style="list-style-type: none"> ↑ Increased transparency over price and service ↑ Improved confidence in legal service market ↑ Reduction of price discrimination ↓ Market shrinkage as firms who cannot compete on price leave ↓ Possibility of price collusion 	<ul style="list-style-type: none"> ↑ Increased growth because with consumers are more likely to access legal services for the first time or shop around ↑ Reduced complaints because of cost clarity ↓ Reduced growth as consumers choose cheaper provider ↓ Additional cost / burden of publishing price and service description information ↓ Some firms may feel pressure to reduce price in a way that is not sustainable 	<ul style="list-style-type: none"> ↑ More availability of more price information ↑ Consumers get the legal help they need ↑ Greater degree of cost certainty ↑ Better purchasing decisions made ↓ Lack of consistency over price publication may make comparison difficult and increase consumer confusion

<p>Firms advertise their regulatory status and protections via use of a digital SRA badge</p> <p>Firms publicise complaints procedures, including access to LeO and the SRA</p>	<p>↑ Improved confidence in legal service market as greater transparency over complaints</p>	<p>↑ Firms can promote the protections they offer through regulation</p> <p>↑ A digital badge may help prevent online impersonation</p> <p>↑ Good complaints handling can improve service delivery and operation</p> <p>↓ Publication of complaints processes can create negative perception of service quality</p> <p>↓ Could increase the number of complaints for firms and increase workload</p>	<p>↑ More information about protections when choosing a legal services provider</p> <p>↑ Improved confidence when purchasing legal services</p> <p>↑ Clear and accessible information on how to make a complain</p> <p>↑ Consumers feel more empowered to make a complaint where there is service dissatisfaction</p> <p>↓ Consumers may not understand what a digital badge/badge protection stands for</p>
<p>We build a digital register that holds our key regulatory data about solicitors and firms we regulate in one place and</p>	<p>↑ Existing Digital Comparison Tools (DCTs) will have a richer picture of information to help consumers choose More DCTs may enter the market</p>	<p>↑ No additional burden as information already provided through practising certificate renewals</p>	<p>↑ Access to information that will inform and validate choice</p> <p>↑ Consumers benefit from improved service</p>

make this available to the public	↑ Greater consumer engagement and confidence will create competitive pressure within the legal services market	↑ An opportunity for consumers to recognise the protections that come through regulation ↑ Market growth opportunities as more consumers engage with legal services	↓ Some consumers may not understand the contents of the register
We publish areas of practice a firm provides legal services in	No impact	↑ An opportunity for consumers to recognise the services provided ↓ Work of some firms not included in current practice areas used to categorise work	↑ Consumers can validate choice of provider ↑ Information available to re-publishers will increase consumer exposure to this information
We will require solicitors working in non-LSA regulated firms to inform clients, at the point of engagement, that they: <ul style="list-style-type: none"> are not required to hold PII that meets our MTCs will not be eligible to make a claim to 	No impact	No impact	↑ Consumers are clear on the differences in protections between regulated and unregulated providers ↑ Consumers purchasing legal services from unregulated providers do not access information in a way that enables them to compare providers before purchasing

<p>Compensation Fund if something goes wrong</p> <ul style="list-style-type: none">• have alternative insurance arrangements (if any) and provide details if requested.• Self – employed solicitors will be required to inform their clients that they hold PII and that they can claim on the Compensation Fund if necessary.			
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Potential risks of reforms and mitigating actions

12. We recognise that there are risks and we have identified, and put in place, measures to manage impact. Table 3 summarises some of the key risks that have been identified during our analysis, stakeholder engagement and research.

Table 3 Potential risks of reforms and mitigating actions

Proposed change	Risk	Mitigation
<p>Firms publish price and description of the services they offer in the following service areas: Residential conveyancing, Probate, Immigration, Motoring offences, Employment tribunal (employee), Employment tribunal (employer), Debt recovery, Licensing applications.</p>	<p>Consumers with no internet access will not be able to view prices.</p> <p>Price will be the only factor consumers consider when choosing legal services.</p> <p>A lack of consistency over price and description publication will increase consumer confusion.</p> <p>Cost impact on firms to publish price and description of services.</p> <p>Firms will not have support to help them publish price and description of services.</p>	<p>We will work with consumer representative bodies to help them support individuals with no internet access. We will remind these groups that individuals can also phone a firm to request the information.</p> <p>Our proposals will increase the amount of information available to consumers about solicitors and firms we regulate so that they have more information than just price to make a purchasing decision, for example, the availability of regulatory protections and regulatory history.</p> <p>We will provide price templates to help firms meet our requirements. Whilst not mandatory, this will introduce some consistency. We are also working with other legal service regulators</p>

	<p>Consumers will favour non - LSA regulated firms who are not subject to regulatory burdens and may therefore be able to offer lower prices.</p> <p>Possible market shrinkage as firms leave market who cannot compete on price.</p> <p>Some firms may offer artificially low prices to attract clients.</p>	<p>to explore how we can adopt a consistent approach to price templates.</p> <p>Our discretionary price templates will reduce cost impact for firms that chose to use them. We will work with firms who provide these services to explore what further support they need. We do not think our requirements involve substantial IT development costs, however, we will monitor this as part of our evaluation.</p> <p>We will provide templates to help firms. We will also explore how we can provide further resources to support implementation based on feedback. This will include guidance on how solicitors can provide price information for vulnerable clients.</p> <p>Only firms we regulate will be able to use our digital badge. This means that firms have an opportunity to differentiate themselves from providers that we do not regulate on wider areas than just price. We will also provide information to help consumers understand the differences in</p>
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		<p>protections between a regulated and non-LSA regulated firm.</p> <p>We will monitor the impact of our changes through our evaluation.</p> <p>We will work with solicitors and firms to remind them of their responsibility to ensure advertising is accurate and not misleading and is not likely to diminish trust in the profession.</p>
<p>Firms advertise their regulatory status and protections via use of a digital badge</p> <p>Firms publicise complaints procedures, including access to LeO and the SRA</p>	<p>Consumers may not understand what the badge or regulatory protections mean.</p> <p>Some firms may need support in publishing complaints procedures.</p> <p>Some firms may not display the badge where consumers can easily see it.</p>	<p>Through our communications and working with representative bodies, we will ensure that protections and the purpose of the badge are clearly explained to consumers. We will also provide material that will help consumers understand the difference between a regulated and non-regulated firm.</p> <p>We will support firms by providing guidance and examples of how procedures could be published.</p> <p>We will require that this is displayed prominently.</p>

<p>We 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</p>	<p>Consumer awareness and usage will be low.</p> <p>Some consumers will not be able to access the online register.</p> <p>The register will be difficult to use, and content will be inaccessible.</p> <p>Information on struck off solicitors could affect the reputation of a firm.</p> <p>Possible market shrinkage as some firms cannot absorb impact of consumers purchasing elsewhere.</p>	<p>We will also work with Legal Choices and consumer representative bodies to raise awareness.</p> <p>Our Contact Centre will be able to provide the information over the phone. We will work with organisations that represent consumers to raise awareness and understanding of the register, so they can find information on behalf of consumers.</p> <p>We will involve consumers and small businesses in the design and development of the register to make sure information is accessible and easy to use. we will continue to adhere to the high standards of accessibility that we use for our digital publishing.</p> <p>We will explore how we can provide information to consumers to contextualise data about those solicitors that have been struck off.</p> <p>We will monitor this through our ongoing evaluation.</p>
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<p>We publish areas of practice a firm provides</p>	<p>Information based on previous practising year may mean that consumers cannot find areas of practice on register that a firm is now practising in (particularly if firm is a new entrant or moving into new area).</p> <p>Inflexible and rigid categories that mean firms are unable to adequately categorise their work and suffer commercial disadvantage.</p>	<p>We will highlight in our register that the data is based on previous years data and to contact the firm to check information.</p> <p>We will review our current practice areas to ensure they represent diversity of work firms undertake. We will involve firms in helping us do this.</p>
<p>We will require solicitors working in non-LSA regulated firms to inform clients, at the point of engagement, that they:</p> <ul style="list-style-type: none"> • are not required to hold PII that meets our MTCs • will not be eligible to make a claim to Compensation Fund if something goes wrong • have alternative insurance arrangements (if any) and provide details if requested. 	<p>Consumers purchasing legal services from unregulated providers do not access information in a way that enables them to compare providers before purchase.</p>	<p>We will require solicitors working in non-regulated providers to explain to consumers which regulatory protections apply.</p> <p>Non-LSA providers may need to respond with greater transparency to compete.</p>

Self – employed solicitors will be required to inform their clients that they hold PII that is adequate and appropriate and that they can claim on the Compensation Fund if necessary.		
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Our proposals

Price and description of services

Decision on price and description of services

We will require firms we regulate to publish price information for certain legal services on their websites. This information should be easy for a consumer to find.

Firms we regulate providing services in the following areas will need to publish price information: Residential conveyancing, Probate, Immigration, Motoring offences, Employment tribunal (employee), Employment tribunal (employer), Debt recovery, Licensing applications.

Firms will also be required to publish a description of these services.

What did we propose in our consultation?

13. We proposed that firms we regulate publish information on the cost of some legal services. We suggested that firms should do this for those services that individual members of the public and small businesses commonly want to purchase. We also proposed principles to underpin this requirement, for example, whichever way prices are shown, the total cost should be shown where practicable and this must include disbursements and VAT.
14. We also proposed requiring firms to provide a description on the same types of legal services as they provide price information about. This will assist people to understand what they are purchasing.

What are the potential impacts of our final position?

15. We maintain the view that price and service description publication requirements are required to help consumers, including small businesses make more informed purchasing decisions. Assuming services are too expensive is the most common reason for not using solicitors, especially for complex and multiple legal issues.¹ We have a regulatory objective to improve access to justice and promote and protect the interests of consumers.
16. Research shows that small businesses are unlikely to think that lawyers provide a cost-effective means to resolve legal issues. This suggests that there is still a way to go until small businesses seek legal help to deal with their problems rather than ‘going it alone’.²
17. Our research into price demonstrates the difficulty individuals face when looking for price information. For the conveyancing market, only 15 percent of

¹ [Individual Legal Needs, Legal Services Board, 2016](#)

² [The legal needs of small businesses 2013-2017, BMG Research](#)

consumers were able to obtain the pricing information they wanted without having to make a specific request first³. The research also found that presenting price information made it more likely that people would make good financial decisions.

18. We recognise that some legal issues some vulnerable consumers face are not included in our final list. However, we believe the areas we have selected cover the key legal needs of consumers and small business. We also believe requiring price transparency in the areas we have selected will encourage transparency in other areas of law.
19. We also know from our [Quality of Legal Services for Asylum Seekers Report](#) (January 2016) that price transparency is required for immigration servicers. For those asylum seekers able to access privately-funded advice, there was evidence of a lack of understanding of how costs are compiled and of solicitors overcharging or deliberately obfuscating costs, more so at the lower end of the market, where exploitation is more likely.
20. We recognise that some consumers may not be able to access online price information. This may be due for example, to visual impairments or a lack of internet access. For these people, they will still be able to contact a firm as they do now. Importantly, intermediaries, such as charities, will also be able to access our information and help these consumers to use it, making it more widely available. We will also engage with consumer representative groups to help them understand our changes. We will also provide guidance for firms on how to provide information for vulnerable clients.
21. For some people with mobility issues, the availability of price information offers benefits in terms of accessing cost information without physically visiting a firm. We will work with consumer representative bodies to raise awareness of price transparency and what people can expect from firms.
22. We do not share concerns raised by stakeholders that publishing price will drive consumers to choose the cheapest provider. Our research into consumer purchasing behaviour suggests whilst price is important, consumers do not always choose the cheapest provider. Only 6 percent of respondents to our

³ [Price transparency in the conveyancing market](#)

survey (over 5000 consumers surveyed) said that they chose a provider because it was the cheapest.⁴

23. Our research also supports the view that whilst price is important, quality is even more so. Those surveyed cited a firms' reputation (42 percent) and price (32 percent) as the two most important factors in choosing a provider, ahead of location (26 percent) and a personal recommendation (22 percent).⁵
24. We will monitor the impact of this risk on firms and the operation of the legal services market. This will enable us to also examine whether there is an adverse impact on the provision of legal services and whether firms are leaving markets because of our requirements by choice or because of competitive pressures.
25. We recognise concerns raised by wider stakeholders in our discussions that some firms could set artificially low prices to attract consumers. This could lead to consumers choosing the perceived cheapest service, rather than the one that is most suited to their needs. If a firm publishes a price on its website and the quoted or actual cost is significantly higher without adequate justification, we may consider this misleading advertising. We already have regulations in place to enable to us to act where this happens.
26. We also do not believe price and service description publication will increase consumer confusion. Price transparency research suggest that consumer take time when purchasing legal services. Our price templates will support firms in ensuring that their prices are clear and understandable to consumers. We will also work with other legal service regulators to explore how we can achieve consistency in our templates.
27. The way that price is presented on a website and the effort an individual must expend to find it is important to consumers when choosing a provider. Our research suggests that consumers are more likely (62 percent) to select a provider where price information is readily available on the homepage of the website, compared to 57 percent of participants when prices had to be sought by filling out an online for.⁶
28. We understand that some firms outsource the maintenance of their website to third party providers. For firms that do not currently advertise price or description

⁴ [Economic Insight Ltd, Price transparency in the conveyancing market](#)

⁵ [Economic Insight Ltd, Price transparency in the conveyancing market](#)

⁶ [Economic Insight Ltd, Price transparency in the conveyancing market](#)

of services and who have a website, this may mean changes are required and that may result in additional costs

29. We have engaged with firms who outsource website maintenance. Our view is that publishing price and description of services will not require significant website development costs. We monitor this impact through our ongoing evaluation.
30. We have considered whether our proposals will create a more favourable position for non-regulated providers (who are not required to publish price). We do not consider this a serious risk. All the evidence suggests that people will value price information in helping them find a provider. However, we know that consumers also consider wider factors when making a purchasing decision. Our wider proposals, for example, the introduction of a digital badge that helps consumers understand the protections that come with our regulation, is also an opportunity for firms to differentiate themselves from non-regulated providers on more than just price.
31. Publishing price will be a competitive advantage for firms we regulate. We believe our proposals offer market growth opportunities to firms. Increased price transparency will encourage consumers that are not currently purchasing legal services based on a lack of cost information to consider doing so. In addition, some consumers, armed with price and quality information, are more likely to shop around for services.
32. As the use of comparison websites increases, it is likely that non-LSA regulated firms will have to improve and extend the information they provide to consumers if they wish to remain competitive.
33. We are also committed to helping consumers understand the differences between regulated and non - LSA regulated providers when making a purchasing decision. We will produce material for Legal Choices and work with stakeholder groups to increase awareness.
34. Over a quarter of complaints escalated to LeO involve cost issues.⁷ In our price transparency law firm research, 39 percent of firms who published prices stated the main benefit of advertising prices was managing people's expectations about

⁷ [Initial Impact Assessment](#)

cost. 24 percent of firms also said that price transparency directly led to a reduced number of complaints about cost.

Impact on BAME firms providing Employment, Immigration, Probate and Residential Conveyancing services

35. For the purposes of this impact assessment, we define a Black, Asian and Minority Ethnic firms (BAME) as those firms with a majority of BAME lawyers.
36. Table 4 shows that most BAME firms are less likely to carry out work in price publication areas than the majority of white firms. However, our analysis indicates that there is a high concentration of BAME firms providing immigration services.

Table 4 Likelihood of BAME firms practising in price publication areas

Price publication area	Likelihood of a BAME firm providing these services than a white firm
Employment	Less likely
Immigration	More likely
Probate	Less likely
Residential Conveyancing	Less likely

We then looked at whether those BAME firms who carry out the above work were more likely to have a substantial percentage of their turnover (at least 25 percent) in the price category concerned compared to white majority firms. Our analysis in Table 5 shows that if there is an impact of our price requirements, BAME firms providing immigration services are more likely to be disproportionately impacted. We do not consider that this should prevent us going ahead given that we believe the impact is not significant and the importance of making the cost of immigration services available. We will also monitor what impact this has upon such firms moving forward.

Table 5 Likelihood of impact of price requirements on BAME firms by turnover

25% of turnover from price publication area	Likelihood of a BAME firm providing these services than a white firm
Employment	Less likely
Immigration	More likely
Probate	Less likely
Residential Conveyancing	Less likely

Impact on size of firms providing Employment, Immigration, Probate and Residential Conveyancing services

37. Table 6 shows the impact of our price categories on small firms. Apart from immigration, small firms are less likely to provide services in employment, probate and residential conveyancing. However, where 25 percent of turnover is from providing employment, immigration and probate services, there is more likely to be a disproportionate impact on small firms over any other type of firm. We do not anticipate any impact on those small firms providing residential conveyancing services as they are less likely to provide these services.

Table 6 Likelihood of impact of price requirements on small firms

Price publication areas	Likelihood of a small firm providing these services	Impact on small firms with over 25% turnover from area
Employment	Less likely	More likely
Immigration	More likely	More likely
Probate	Less likely	More likely
Residential Conveyancing	Less likely	Less likely

38. Small firms account for 54 percent of all firms we regulate. However, we recognise that price publication may present challenges to small firms in these areas. Resources already exist to support firms in providing the best possible cost and service information to clients, both before and after engagement embrace, for example, the Law Society price transparency tool kit. We will help promote this resource to those that we regulate.

39. We will mitigate this risk by providing tailored support to help small firms. For small firms with limited website support, our proposals may present additional bureaucracy. We will develop price templates that firms can populate to help reduce the time and resources required to implement our proposals. As part of implementing our price requirements, we will work with BAME representative groups to identify further ways in which we can support firms.

40. We recognise the impact of our proposals on small firms. Our view is that the potential for consumers to benefit is justification for proceeding. As part of our post implementation review, we will assess the impact of price publication for small firms providing these services. We will use this evaluation to make changes to our requirement if we identify any significant and detrimental impacts.

Impact on gender

41. We have used our diversity data to explore the gender impact. Females account for 47 percent of individuals we regulate and males account for 53 percent.
42. It is important to note that diversity data is collected against broad categories that contain more than one work type, for example, probate data, under private client work, is combined with consumer, children and mental health work. Our analysis therefore only provides an indication of likely impact.

Table 7 Likelihood of impact of price requirements on gender

Price publication areas	Likely impact on females	Likely impact on males
Corporate*	Less likely (44%)	More likely (56%)
Criminal**	Less likely (39%)	More likely (61%)
Private client ***	More Likely (54%)	Less likely (46%)
Property ****	Less Likely (44%)	More likely (56%)

*Corporate includes debt collection, financial advice or bankruptcy/insolvency

** We have classified motoring offences in criminal category

***Private Client includes work for private individuals covering children, consumer, matrimonial, immigration, mental health, social welfare, wills and probate.

****Property includes conveyancing, planning and landlord/tenant

43. Our analysis in Table 7 highlights that both females and males across the majority of price publication areas are unlikely to be impacted by our requirements. A disproportionate number of males undertaking debt collection, motoring offences and residential conveyancing are more likely impacted. We

recognise this risk, but we believe the impact is not significant and our approach justified given the objectives we are trying to achieve.

44. Females providing immigration and probate work are more likely to be disproportionately impacted by price publication requirements. We do not consider that this should prevent us from requiring price publication in these areas given the potential benefits to consumers.

Impact on disability

45. We have analysed our law firm diversity data to explore whether our price and description requirements impact lawyers with disabilities. Based on our analysis in Table 8, we do not anticipate our proposals will have a disproportionate impact on solicitors in our selected price and description areas.

Table 8 Impact on solicitors with a disability

Disability	Profession	Corporate/financial/IP	Criminal	Private Client	Property
Yes	3%	3%	3%	3%	3%
No	97%	97%	97%	97%	97%

Debt collection services

46. We do not collect data for debt collection. It is therefore not possible for us to analyse in detail the potential impact on firms and individual solicitors. We have looked at our law firm diversity data to explore potential impacts on firms providing these services. It is important to note that debt collection is combined with other areas in our analysis.
47. We do not anticipate that price publication for debt collection services will have a disproportionate impact on BAME firms. Table 9 highlights that there are a lower proportion of Asian / Asian British and Black / Black British firms providing this service than the total of Asian/ Asian British and Black/ Black British firms we regulate.

48. There are one percent mixed/ multiple ethnic groups providing debt collection services compared to two percent amongst the firms we regulate. As this is not significant, we do not consider this a risk.

Table 9 Impact of debt collection price requirement of BAME firms

Group	Profession	Corporate/financial/IP
Asian / Asian British	12%	7%
Black / Black British	2%	1%
Mixed / multiple ethnic groups	2%	3%
White	82%	87%
Other ethnic group	1%	1%

49. We have also used diversity data to explore the impact of our price publication requirements in debt collection by size and ethnicity of firm. Table 10 shows a higher concentration of small Asian / Asian British and Black / Black British firms providing debt collection services. It is likely that these firms will be disproportionately impacted by our price publication proposals. Larger firms with majority white partners are also more likely to be affected.

50. We have outlined support we will provide to small firms to help them implement our price publication requirements. These measures will help mitigate the impact on Asian/ Asian British and Black/ Black British firms. We will also meet with stakeholders representing these groups to discuss what further support we can provide.

Table 10 Impact of debt collection price requirement by ethnicity and size

Group	All	0 - 1 partners	2 to 5 partners	6 to 9 partners	10 to 50 partners	50+ partners
Asian / Asian British	12%	23%	16%	8%	6%	7%
Black / Black British	2%	6%	3%	1%	1%	1%
Mixed / multiple ethnic groups	2%	2%	2%	2%	2%	2%
White	82%	68%	78%	89%	91%	89%
Other ethnic group	1%	1%	1%	1%	1%	1%

Motoring offences

51. We do not collect specific data on this category. However, we have used our diversity data to explore the potential impact on BAME solicitors and firm size. We have included motoring offences in the criminal category which includes a wider range of criminal work than just motoring offences. Our analysis therefore only provides an indication of impact. Table 11 shows that Asian /Asian British firms are likely to be disproportionately impacted by our proposals. Black and Black British groups are also likely to be disproportionately impacted.

Table 11 Impact of motoring price requirement of BAME firms

Group	Profession	Criminal
Asian / Asian British	12%	19%
Black / Black British	2%	5%
Mixed / multiple ethnic groups	2%	3%
White	82%	73%
Other ethnic group	1%	1%

52. In terms of impact on firm size, Table 12 highlights that there is likely to be a disproportionate impact on small Asian/ Asian British firms, Black/ Black British firms and larger white firms. White medium to large firms are likely to be disproportionately impacted by our proposals. Whilst, we recognise these impacts, we believe the benefits of our proposals outweigh this risk. We will monitor the impact as part of our evaluation.

Table 12 Impact of motoring price requirement of BAME firms

Group	All	0 - 1 partners	2 to 5 partners	6 to 9 partners	10 to 50 partners	50+ partners
Asian / Asian British	12%	23%	16%	8%	6%	7%
Black / Black British	2%	6%	3%	1%	1%	1%
Mixed / multiple ethnic groups	2%	2%	2%	2%	2%	2%
White	82%	68%	78%	89%	91%	89%
Other ethnic group	1%	1%	1%	1%	1%	1%

53. We have not identified any significant gender impacts of our decision to require firms providing legal services relating to motoring offences.

Licensing applications

54. We do not hold data on this area to enable us to identify any impacts of our decision. We will use the evaluation to identify any potential impacts.

Impact on age of price publication areas

55. We have used our diversity data to explore the impact of transparency requirements in our selected area on age. Our analysis provides an indication only. As we have pointed out, the data categories we have used to assess impact are not specific to our selected areas and include wider areas of law. We do not hold information on licensing applications.

56. Our analysis in Table 13 shows that there is unlikely to be a disproportionate impact of our transparency requirements on most age groups. We have however, identified a potential impact on the following age groups:

- 25-34 working in Corporate/Financial/IP
- 55-64 working in Property
- 65+ working in Property

Table 13 Impact on age of price publication areas

Age	Profession	Corporate/ Financial /IP*	Criminal**	Private Client***	Property****
16 - 24	1%	1%	1%	1%	1%
25 - 34	32%	50%	22%	19%	16%
35 - 44	29%	27%	33%	29%	24%
45 - 54	22%	16%	26%	28%	23%
55 - 64	13%	6%	15%	18%	26%
65+	4%	1%	5%	6%	11%

*Corporate includes debt collection, financial advice or bankruptcy/insolvency

** We have classified motoring offences in criminal category

***Private Client includes work for private individuals covering children, consumer, matrimonial, immigration, mental health, social welfare, wills and probate.

****Property includes conveyancing, planning and landlord/tenant

57. We will undertake further detailed analysis to understand whether solicitors practising in these age groups are impacted. If we identify a specific risk, we will work with solicitors and representative bodies to explore how best we can mitigate.

58. At this stage, we do not consider our analysis should prevent us from proceeding with transparency in the selected areas we have selected. The impacts that we have identified are outweighed by the potential benefits to consumers and to the legal services market.
59. We will evaluate the impact of price and description publication requirements. We propose to carry out high level research towards the end of 2019. This is likely to build on our price publication survey from summer 2017. We are also committed to a full evaluation of our proposals after 3 years.

Introduce requirements on firms to advertise their regulatory status and protections

We will proceed with development and implementation of a 'regulated by the SRA' digital badge. This should be displayed on the landing page of a firm's website. We have taken the decision not to require firms to publish details that they have 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 on their website. Instead we will display this information, which will be the same for all firms, on the landing page of the digital badge. This approach will also make the development of a separate "Compensation fund badge" unnecessary.

We will proceed with requiring firms to publish their complaints procedure and how and when a complaint can be escalated to LeO and to us.

What did we propose in our consultation?

60. We consulted on proposals to require firms to publish the following details:

- that the firm is regulated by us.
- that consumers may be eligible to submit a claim to the compensation fund, and to promote visibility of the compensation fund by using an SRA Compensation Fund badge.
- 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.

What are the potential impacts of our final position?

Development of a digital badge

61. We said in our initial impact assessment that the introduction of a digital badge could result in positive benefits for consumers and firms. We maintain this view following analysis of consultation responses and further stakeholder engagement.

62. Consumers are largely unaware of the regulatory protections available to them when buying legal services. 60% of respondents who took part in our research indicated that they would like additional information about the protections regulation provides.⁸ A “regulated by the SRA” digital badge will help increase awareness of the protections and remedies available from a SRA regulated firm. Consumers will be in a better position to make an informed purchasing decision for services that meet their needs.
63. Our wider Looking to the Future reforms are designed to increase consumer choice by allowing solicitors to work in non-LSA regulated entities. Without increasing awareness of protections available, increased choice could increase consumer confusion. The digital badge will help consumers differentiate between the protections that come with using a firm we regulate and other types of provider.
64. A digital badge will also improve consumer purchasing confidence. Bogus law firms and firm identify theft poses a risk to consumers of legal services and to firms, for example, targeting people under the guise of being a genuine law firm or solicitor to obtain money or information. Genuine law firms are also targeted into sending money or information.
65. Information security breaches can harm clients’ interests, result in financial loss and cause reputational damage. Cyber security is an increasingly widespread issue. Law firms are targeted because many hold large amounts of information and client money.
66. This threat is increasing; reports to us about bogus law firms have doubled since 2012 to more than 700 per year. Our proposed digital badge for use on firms’ websites will confirm that they are regulated by the SRA. Consumers will be in a better position to obtain assurances that the firm is genuine.
67. A number of stakeholders felt that the benefits to consumers of improved purchasing confidence could be undermined through low usage and low awareness of the role and function of SRA.
68. We conducted an online trial to understand the role and impact on consumer choice and behaviour of a SRA digital badge.⁹ The trial tested websites featuring a badge compared to websites with the current requirement of just text saying

⁸ [Research into better information in the legal services market](#)

⁹ [Research into better information in the legal services market](#)

'Authorised and Regulated by the Solicitors Regulation Authority and the authorisation number. Our works shows that a "SRA regulated" badge has a statistically significant impact on consumer choice; that is, when choosing providers, people are more likely to select those displaying a SRA badge. Our research also shows that:

- 79% of people felt more confident when purchasing services from a website with a badge.
 - over half of participants would find it useful to be able to click on a "SRA regulated" badge and find information on the authenticity of the website, as well as what protections are available.
 - over half (56%) of participants stated that they noticed the "SRA regulated" badge on the homepages
 - across the trial, websites that had a badge were selected 13% more than those that did not have the badge. There is therefore a potential commercial benefit for regulated firms over non-regulated firms.
69. We recognise that an increase in consumer understanding is required to help them understand the advantages that these protections provide. We will consider how we can help to achieve this, working with stakeholders.
70. A digital badge is a signal to consumers that a firm is regulated by us. Making this information available publicly is likely to provide an advantage to SRA regulated firms by providing assurances to clients that they can offer protections if things were to go wrong.
71. We recognise that there may be an impact on firms to implement our digital badge. At this stage of our development, we do not envisage there will be a disproportionate burden on firms of any size to display a digital badge. We have explored various options to develop the badge and with some options there is little requirement for firms to do anything other use a small amount of code which we provide to upload the initial logo. Any further work and changes to the logo, including linking to the register, could be managed by us.
72. We have not taken a decision on how the digital badge scheme will be delivered. As a result, we cannot provide final details of cost.
73. We know through our ongoing policy development that firms we regulate have a variety of IT arrangements in place to support their websites, for example, in

house provision or out sourcing to a third-party provider. We recognise that for those who use a third-party provider and pay when changes are needed, there may be a cost involved in uploading a digital badge (and price details). There will be variations in these costs.

74. We have tried to establish the exact number and size type of firms who have these arrangements in place. This data has been difficult to obtain without adding further administrative burden to firms, for example, through a profession wider survey.
75. We think that this small risk is justified given the objectives we are trying to achieve. Our decision not to require firms to publish PII arrangements and that firms do not need to include a badge in emails will help reduce cost impact on firms. We will also monitor this impact post implementation.
76. We recognise that some firms may require support to implement a digital badge irrespective of their IT support provision. We will provide support to help.
77. We said in our initial impact assessment that we had not identified any detrimental impacts on protected characteristics groups within firms of this proposal. The consultation exercise and our ongoing engagement and analysis has not raised any issues.

Publication of complaint procedures

78. The publication of complaint procedures will benefit consumers. Complaint information provided by firms can often be complicated and difficult to understand. 98 percent of firms provide information about their complaints procedure at the start of the process, usually in the client care letter. But 37 percent of service users say they were not told about the complaints procedure. This indicates that many consumers do not always recall the information, so the way information is presented could be clearer.¹⁰
79. We said in our initial impact assessment that the publication of complaints procedures is likely to benefit BAME consumers. They are likely to be less satisfied with both the service they receive and the outcome of their matter than White British users. They are also less likely to make a complaint to their

¹⁰ [Research into the experiences and effectiveness of solicitors' first tier complaints handling processes](#)

provider.¹¹ Clear and accessible information may encourage users to make a complaint.

80. Similarly, consumers whose day-to-day activities are limited by disabilities are more likely to say they do not understand the complaints procedure (21 percent) or know how to complain (25 percent), compared to 4 percent and 17 percent of consumers whose day-to-day activities are not limited by disabilities.¹²
81. We do not consider publication of complaints procedures a risk to a firm's reputation. Our research into the experiences and effectiveness of first tier complaints handling demonstrates that 93 percent of firms say there are business benefits to complaints handling: most frequently, these are improving service delivery (76 percent), understanding consumer expectations (71 percent) and providing a chance to improve consumer retention (63 percent).
82. We also know that not all firms are meeting their regulatory and legal requirements at the end of the complaints process, as only 34 percent of firms provide information about the LeO at the end of the complaint process. Providing this information clearly on a firm's website will help them meet their regulatory obligation.
83. We recognise that there will be additional burden for some firms to publish complaints procedures on their website. We do not consider this a significant IT development cost. We recognise that some firms may need support in publishing complaints procedures. We will publish examples of how firms already do this.
84. We have not identified any negative gender or disability impacts of our proposal to introduce a digital badge or requiring firms to publish complaints procedures.

¹¹ [Looking to the future: better information, more choice Initial Impact Assessment](#)

¹² [Research into the experiences and effectiveness of solicitors' first tier complaints handling processes](#)

Develop a digital register

Decisions on building a digital register

We will proceed with the development of a digital register. It will contain information on firms and individuals we regulate including enforcement and disciplinary data. We will also publish a separate list of those solicitors that have been struck off. We will also include those firms that have closed. Our target for implementation is mid-2019.

What did we propose in our consultation?

85. We proposed in our consultation to publish regulatory information about solicitors and firms in a single digital register. This would be publicly available and bring the information we currently publish, for example through our popular Law Firm Search facility, into one accessible place. The register would also include information about disciplinary findings against other individuals and firms we regulate, regulated individuals (such as employees of SRA regulated firms) or former regulated individuals.
86. We did not identify in our initial impact assessment any significant negative impacts of our digital register proposal.

What are potential impacts of our final position?

87. We outlined in our initial impact assessment that a lack of information about legal service providers can prevent people getting the legal help they need. We maintain the view that consumers, firms and businesses will benefit from the introduction of a digital register.
88. Consumers and small businesses will benefit because they will have access to more information about firms we regulate. This will help them to carry out basic checks and validate their choice of SRA regulated firm.
89. Similarly, 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.
90. We also said in our initial impact assessment that digital comparison tools (DCTs) face barriers in providing comprehensive information to consumers

because of the lack of access to basic data¹³ Our register (and price information published by firms) will help existing providers and support new entrants to access more regulatory data. Consumers will benefit because they will have access to a richer picture of legal services.

91. We recognise that some vulnerable consumers and those with protected characteristics seeking legal services will not be able to use our online register. For example, individuals from BAME backgrounds are less likely to use legal services by email or over the internet and nearly half the UK's 7.1 million adults that do not use the internet are aged 75 and over.¹⁴ We will take steps to work with bodies that represent these consumer groups to raise awareness of our register. Data republishers will also help increase access by aggregating data we and firms publish under our proposals. Intermediaries such as charities can help vulnerable consumers access and use the register.
92. For those with mobility issues, the availability of increased information may be helpful as it enables them to access data (either directly through our register or through a comparison tool) that may have only been obtained by visiting a solicitor in person.
93. Consumers will also benefit indirectly from the introduction of our register through potential changes to the market. Greater consumer engagement and confidence will create competitive pressure, and this is likely to drive lower prices, encourage more responsive services for consumers and greater innovation. Similarly, the Competition and Markets Authority, in their final report suggests that the increased role of DCTs can help stimulate competition between providers.¹⁵
94. Our register will also be beneficial for firms. Access to information and increased confidence when making a choice means that some consumers are more likely to engage with legal services to help address their issue rather than doing nothing or relying on previous suppliers or recommendations. This offers market growth opportunities for providers of legal services to meet this latent demand for legal services.
95. The publication of enforcement and disciplinary data presents opportunities to firms with positive data to attract new clients. Given that we generate much of

¹³ [Competition and Markets Authority, Digital comparison tools market study.](#)

¹⁴ [Looking to the future: better information, more choice Initial Impact Assessment](#)

¹⁵ [Looking to the future: better information, more choice Initial Impact Assessment](#)

the content of the register, there will not be any additional burden on individual firms or solicitors to provide this information.

96. We also considered in our initial impact assessment whether our proposals could lead to some firms leaving the legal services market because of more consumers shopping around. For some firms who rely on repeat or recommendations, our proposals may mean that consumers may purchase legal services from alternative providers. We do not consider this a significant risk or one which should prevent us from proceeding. One of our core regulatory responsibilities is to promote competition in the legal services market. Our work is consistent with this objective.
97. Several potential risks were raised during the consultation and ongoing stakeholder engagement of our proposal to introduce a digital register. It was felt consumer benefit would not be realised because of low awareness and usage of the register. We do not share this concern. In 2017, over 70,000 people visited our Law Firm Search (which provides basic regulatory information on firms we regulate) page. On average, there were about 150 searches run per day. In addition, 57 percent of small businesses check whether their legal service provider is regulated or not.¹⁶
98. A register that contains more information relevant to decision making is likely to attract more users. We will also develop a comprehensive communications plan to promote the register.
99. We will work with stakeholders, including consumer and business representative groups, to raise awareness of the register. This will help those consumers with no online access or those with a visual impairment access the register, for example, a charity could access the register on behalf of an individual. Our Contact Centre will also continue to accept queries from the public about individuals and firms we regulate, although we expect the level of overall demand to decrease.
100. We recognised in our initial impact assessment that for consumers and data re users to fully benefit from our register, it must be easy to use, and that data should be presented in a clear and accessible way. In developing the register, we will work with a wide range of stakeholders, including those that represent

¹⁶ [The legal needs of small businesses 2013-2017, BMG Research](#)

vulnerable consumers, to ensure that the register is easy to use and that data categories are explained clearly. We will avoid where possible, regulatory terminology.

101. Some consultation respondents raised concerns that without appropriate context the content of the register could negatively impact junior solicitors by distorting consumer behaviour towards choosing more experienced solicitors.

102. Consumers will not be able to identify the level of post qualification experience of an individual solicitor. We think it would be difficult for a consumer to identify the level of experience of a solicitor from firm data (date of authorisation in particular) content, for example, a sole practitioner who has been recently authorised could well be an experienced solicitor.

103. In addition, we have explored whether the publication of disciplinary information could negatively impact on junior solicitors. Based on our analysis in Table 14, we do not consider this a risk. The table below shows junior solicitors (those within the 0-3-year post qualification) are less likely to be referred to the SDT.

Table 14 Impact of publication on solicitors by post admission qualification

Action taken against a solicitor at the point of the allegation was raised Data from January 2011 – December 2015					
Post Qualification Experience (years)	Number of individuals against upheld or referred to SDT	% of total matters	Number of individuals against matters where no action was taken	% of total matters	Total matters
0-3	97	13.7%	611	86.3%	708
4-6	181	14.9%	1030	85.1%	1211
6+	1872	14.0%	11508	86.0%	13380
	2150	14.1%	13149	85.9%	15299

104. Some respondents were concerned that developing a digital register could increase the cost of regulation and these costs could be passed onto regulated firms and individuals. We have already started a significant programme of work to modernise our IT systems. The development of a digital register will be part of this work. We do not anticipate at this stage that the development costs of register will be borne by the profession.

105. We recognise concerns raised by some consultation respondents that the inclusion of solicitors who have been struck could negatively impact on the reputation of a firm.

106. We already publish details on our website of those individuals that have been struck off by the Solicitors Disciplinary Tribunal. This information includes the firm or organisation the individual was employed with at the time the outcome was reached.

107. We have looked at this possibility in more detail. We have looked at the number of individuals struck off from the roll between the years 2015 to 2017. During this time, 156 individuals have been struck off. 105 are impacted. We have also explored whether there is a BAME impact of our decision. Table 15 highlights that BAME solicitors are less likely to be impacted. Based on this analysis, we do not consider this a significant issue that should prevent us from proceeding.

Table 15 Analysis of BAME impact on publishing struck off solicitors

	Total	Percentage	Percentage of known ethnicity (Profession)
BAME	30	19%	21%
White	115	74%	79%
No data	11	7%	N/A
Grand Total	156		

108. We highlighted in our initial impact assessment that there is evidence of disproportionality at several stages in the regulatory process. This includes the number of complaints brought against regulatory outcomes for BAME practitioners, as well as in the sanctions that were imposed upon them both by the SRA and by the Solicitors Disciplinary Tribunal.

109. After further consideration, our view remains, that the publication of enforcement and disciplinary data as part of the register does not exacerbate the impact on BAME solicitors. Our proposal is to publish existing enforcement data and does not involve the publication of any new or additional enforcement information that is not already available to consumers, albeit in a less accessible way.

110. We have not identified any negative gender or disability impacts of our proposal to introduce a register or publish enforcement data.

Areas of practice

Decisions on areas of practice

We will proceed with the publication of areas of practice. We will review the current areas of practice we currently so that we fully reflect the diversity of legal services provided by firms we regulate. We will publish areas of practice as part of the main digital register. The information we will use will be taken from the turnover figures provided by firms through the annual renewal exercise.

We will proceed with the publication of areas of practice. We will review the current areas of practice we currently so that we fully reflect the diversity of legal services provided by firms we regulate. We will publish areas of practice as part of the main digital register. The information we will use will be taken from the turnover figures provided by firms through the annual renewal exercise.

What did we propose in our consultation

111. We proposed to publish data on the areas of practice in which a law firm practises annually, following the annual renewal exercise. We proposed to do this separately from our digital register and in a format, which includes all firms we regulate, and which is easily accessible to third party users. We also said that if we proceeded, we would review the categories of areas of legal services that we currently collect information about to ensure they reflect modern practice.

112. We did not identify any negative impacts of our proposal in our initial impact assessment. We highlighted that there would be no any additional administrative burdens on firms as we already collect this information through the annual renewal exercise.

What are the potential impacts of our final position?

113. We maintain the view that consumers will benefit from the publication of this information either by accessing our website or through other organisations reusing our data. In our initial impact assessment, we said that this information is beneficial because:

- it helps consumers validate the services that a firm we regulate provides
- making this information available to re-publishers such as online comparison websites, will increase consumer exposure to this information.

114. We also said that publishing areas of practice presents a marketing opportunity for firms to promote their services to a wider market particularly if information is used by data re publishers. This view was supported by consultation responses.
115. At this stage, we envisage that this information will be provided by firms to us through the annual renewal exercise. As firms must do this, we do not anticipate any significant increase in regulatory costs and burden on firms of our decision to proceed.
116. Given our data is based on information provided from the previous year, there may be a discrepancy between the services a firm provides and the content of our register. For example, a firm may advertise and deliver new services and this information may not be available in our register for a consumer to validate their choice. To mitigate this risk, we will clearly explain in our register that the information is based on data collected from the previous year.
117. We acknowledge the risk raised by some consultation respondents that consumer benefit could be diluted if we publish areas of practice separately from the main digital register. We will publish information as part of the register. We will also work with Legal Choices and consumer representative bodies to help raise awareness of this information and how it can be used.
118. Some respondents also felt that broad areas of practice could unintentionally disadvantage specialised or niche firms. We will reduce the risk of a firm being unable to appropriately classify their work by reviewing the categories we currently use. This will provide an opportunity to develop an up to date, relevant areas of practice that better reflects modern and diverse practice areas. We will work with a wide range of firms to help us do this. We will also provide examples of activity to help consumers equate their legal need with the category of service provided by a firm.

Solicitors working in non-LSA regulated firms inform clients that they are not subject to the SRA requirements for compulsory professional indemnity insurance and eligibility to Compensation Fund

Individual solicitors working in non-LSA regulated firms will be required to inform their client at the point of engagement that they do not have PII that meets our minimum terms and conditions. They will also be required to inform clients of alternative insurance arrangements, if any, they have in place and provide details if requested. They will also need to inform clients that they are not eligible to submit a claim to the Compensation Fund.

In addition, following feedback to our Looking to the Future consultation proposals, self-employed solicitors will be required to hold PII that is adequate and appropriate. They will be required to inform their clients of this and the fact that they can claim on Compensation Fund.

What did we propose in our consultation?

119. We proposed that solicitors working in non-LSA regulated firms should not be required to have personal PII in place. We also proposed that clients of solicitors in non-LSA regulated firms should 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.

120. We also proposed that clients must be informed at the point of engagement that the potential protections of the Compensation Fund do not apply.

What are the potential impacts of our final position?

121. For some consumers, our requirement means that they do not access protection information in advance of considering a provider. We do not consider that this seriously disadvantages consumers nor places an impractical obligation on firms we don't regulate.

122. Our Code obligations will make sure that a solicitor we regulate working in a non-regulated organisation will provide details on:

- 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; and
- ensuring 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.

123. In addition, solicitors in non-LSA regulated firms will also be subject to Standards 8.2 and 8.3 in the new Code to inform clients about the rights to complain both internally and Fto LeO.

124. As part of implementing this requirement, we will consider how we can use Legal Choices to increase consumer understanding of the distinction between regulated and non-regulated providers and the protections that apply. We will also consider how best we can provide information to consumers to help them understand the different protections between a regulated and non-regulated provider.

125. We recognise that solicitors in non-regulated entities will need to provide information in a different way. To support solicitors, we will provide guidance to solicitors in firms that we do not regulate on how they meet this obligation.

Annex 1 Assessment of our proposals against our regulatory objectives and the better regulation principles

Objective	Our proposals
Regulatory Objective	
Protect and promote the public interest	<ul style="list-style-type: none"> • There is greater transparency in the legal services market • The public and small business have more confidence when purchasing legal services, the protection that come with purchasing from a regulated provider and how they can seek redress.
Support the constitutional principle of the rule of law	<ul style="list-style-type: none"> • Nothing in our proposals conflicts with this regulatory objective.
Improve access to justice	<ul style="list-style-type: none"> • Information about solicitors and firms we regulate will be more easily available for the public and small businesses. • Increased transparency will reduce barriers people and small business face when looking to purchase legal services. • More and better information will help people access the legal services that best suits their needs at a price they can afford.
Protect and promote the interests of consumers	<ul style="list-style-type: none"> • Because of our changes, the public and small businesses can make informed choices about quality, access and value.
Promote competition in the provision of services	<ul style="list-style-type: none"> • Engaged consumers making informed choices about their legal services provider should help stimulate innovation and competition in the market. • 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. • The public and small businesses have important information about protections and remedies their solicitor or law firm provides before they instruct them.

Objective	Our proposals
Encourage an independent, strong, diverse and effective legal profession	<ul style="list-style-type: none"> • Our proposals are designed to give consumers more information when deciding how to meet their legal needs. Nothing in our proposals conflicts with this regulatory objective. Our requirements set minimum expectations around transparency. • We anticipate that some firms could provide more information to consumers about how their services meet the needs of a diverse range of consumers, for example, solicitors who speak different community languages. • Our proposal could lead to further diversity in the profession and how services are offered as informed consumers seek this type of information when looking for and making choices about legal service providers. • As we implement our proposals, we will explore how we can evaluate this.
Increase public understanding of the citizens' legal rights and duties	<ul style="list-style-type: none"> • Our requirement that all firms must publish complaints procedures, how to complain to the Legal Ombudsman and to us will increase consumer and confidence of redress. • Our register will provide credible information and solicitors and firms on one accessible place.
Promoting and maintaining adherence to the professional principles	<ul style="list-style-type: none"> • Our transparency requirements enable regulated firms and individuals to comply with our wider regulatory obligations.
Better Regulation principles	
Transparent	<ul style="list-style-type: none"> • Our requirements allow flexibility of firms we regulate in how they publish price and description of services.
Accountable	<ul style="list-style-type: none"> • Our rationale for implementation is clear and we have engaged with the public and stakeholders through a range of activity and public consultation.
Proportionate	<ul style="list-style-type: none"> • Our changes are designed to limit the administrative burden on those that we regulate.
Consistent	<ul style="list-style-type: none"> • Our measures are designed to price transparency and access to a wider information about legal service • We are working with other regulators to adopt a consistent approach

Objective	Our proposals
Targeted at cases where action is needed	<ul style="list-style-type: none">• Our proposals are designed to address barriers consumers face in accessing legal services and a lack of competition in the legal services market.