Annex A – Summary note of the quality indicators discussion event

Monday 18 May 2021

Introduction

The LSB welcomed attendees and provided background to the event, noting the CMA's interest in the legal services market, its findings and recommendations from its 2020 review, and the LSB's recent work in this area. The LSB gave a presentation setting out the main themes from the discussion paper and the areas of consensus and contention which had emerged in responses to the paper, which formed the basis of the questions for the event agenda.

Question 1: What types of information are relevant in indicating quality in a legal services provider?

- It was noted that before tackling the more advanced or difficult issues, it is important to ensure that there is universal provision of basic information about firms such as an address or phone number – at the moment there are gaps and there isn't a standard typology used by regulators, and this is hindering progress of tools offering consumers information.
- Even though clients might not be aware of what good technical legal knowledge looks like, they do know what good customer service looks like and so therefore this should be taken into account as an indicator of quality.
- The legal services market is very different to other markets and so there may be specific questions which need to be asked to gather appropriate feedback.
- While regulators set a base level of competence, there needs to be a way of distinguishing firms that exceed this base level.
- With regards to success rates as a possible indicator of quality, it is important to address the client's expectations and measure what a 'win' would look like for them at the very beginning. It is important to manage these expectations and communicate clearly what is and is not possible.
- It is important to explain the legal process from the outset including making clear what may be required from the customer, as this is often unknown to consumers.

Question 2: Should there be a base level of transparency of quality, with enhanced transparency in priority areas? What would this look like?

- There was a discussion on whether there should be a core set of indicators that firms sign up to, and then a wider set of indicators that apply to different areas of law. It was noted that any core indicators must be something that all firms can provide.
- Customer feedback is necessary, particularly in assessing quality of communication. However, the opportunity to provide feedback must be uniform across the sector for it to be a meaningful comparison.
- Complaints and disciplinary data should be used as an indicator of quality, although context would need to be provided to help consumers interpret such data.
- There was a concern raised about whether an inevitable "bad" outcome for a client could result in an unfair review. In response, it was pointed out that negative reviews could never be avoided entirely, that consumers were sophisticated in seeing these in context, and so this possibility should not outweigh the overall benefits of using online reviews.
- Price and quality of service could be "core" indicators and along with operational specific data could be interpreted by the regulator and converted into something meaningful – like star ratings – for consumers to engage with.

- It is important that consumers have a good understanding of the legal service they are engaging with. Peer reviews can be expensive to gather, so there needs to be other sources of data that can give an indication on quality.

Question 3: What can be done to improve the competence and confidence of DCTs?

The discussion on this question raised the following points:

- Regulators should work closely with review sites to encourage firms to engage more with online reviews and better understand their role in conveying quality.
- There were concerns about negative and fake reviews. In response, one review website said it had a system in place for firms to address negative reviews before they appeared on the website. There are also technical systems in place to identify fake reviews – both negative and positive. It is in review websites' interests to maintain trust in their service.
- It may be helpful to mandate firms to collect reviews and signpost to review websites.
- It may also be helpful in building consumer confidence if regulators developed an accreditation scheme for DCTs and review websites.
- Three types of data are required by DCTs:
    - Basic information about a firm's practice area, location, opening hours etc.
    - Information about the competence of the service provided
    - Consumer reviews

Question 4: What is the role of the regulator in catalysing the market?

The discussion on this question raised the following points:

- Regulators have unique access to firms, and their role and expertise can be used to address concerns and provide guidance. They can also raise awareness amongst consumers and ensure that useful quality indicators are in place to fully inform consumer choice.
- Regulators should make sure the information and data they hold is available and easy to use for DCTs.
- Regulators should be prepared to introduce regulation if necessary – for example, if encouraging firms to engage voluntarily with quality indicators is not fruitful. However, it may be difficult to measure change in this engagement.
- Many people don't know that they have a legal problem or need a lawyer – as such, more needs to be done to educate the public and to help consumers (through PLE) and to signpost where they can get help.
- Where there is a profit motivation, the market will innovate to solve any problems with competition. However, this does not hold in non-fee-paying work, such as legal aid work. As such, intervention was needed to ensure these people were best served by quality indicators.
- Regulators must encourage firms to collect DCT data and signpost it to consumers, although others noted that where most firms have feedback gathering mechanisms in place, there needed to be emphasis on making this more transparent.
- There would need to be consideration of the costs of any regulatory intervention, noting that this would ultimately be passed to consumers.

The LSB offered an overview of the issues discussed and set out next steps, including its upcoming Board meeting.