LEGAL SERVICES
BOARD

Small business legal needs

Wave four survey 2021

April 2022

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Executive summary

1.1 This report summarises the findings of a large-scale survey of 10,228 small businesses in England and Wales. The research helps to build a picture of the legal issues small businesses face, how they respond to them and if they are getting the legal support they need.

1.2 This is the fourth wave of the research, uniquely allowing comparisons over time. The questionnaire for the study has been updated to reflect good practice in legal needs surveys, include new measures on legal capability and unmet need, and to add new questions on the impacts of Covid-19 and the United Kingdom's exit from the European Union.

1.3 The headline findings are as follows:

- **Around one-third (32%) of small businesses experience a legal issue annually**. This is equivalent to 1.8 million businesses experiencing 15.4 million legal issues[a]. Trading issues were experienced most often followed by those involving regulation, employees and tax. Four in ten small businesses said that Covid-19 had an impact on their legal issue, at an average cost of £3,019. Around one in five said that EU exit had an impact on their legal issue, at an average cost £4,404. The overall incidence of legal issues is unchanged since the 2017 wave, possibly suggesting that new legal issues caused by these two events were offset by reduced trading activity.

- **Small businesses face a significant access to justice gap**. Only a quarter of small businesses used professional help in response to legal issues (slightly down from the 2017 wave), while around half either sought to resolve their legal issues entirely on their own or took no action at all. Around one in five (18%) businesses who paid for professional help drew on personal savings to meet these costs. The legal system is seen as unaffordable and tilted against those lacking financial resources. Just 10% view lawyers as cost-effective, while more than nine in ten view law as a game in which the skilful and resourceful are more likely to get what they want. Experimental modelling suggests that in the vast majority of cases where small businesses have a legal need requiring professional support, this need is not met[b].

- **Legal capability appears to be a significant driver of outcomes.** Adapting legal capability scales used by the OECD, we estimate that around one in five small businesses have low legal confidence and the same proportion have low accessibility of justice. Small businesses with high legal confidence or accessibility of justice ratings on our scales are more likely to shop around, use professional help, describe the process through which their outcome was achieved as fair and report getting an outcome in their favour.

[a] In 2021, there were 5.5 million small businesses in England and Wales.
[b] A legal need is defined as when a small business needs support to deal with a legal issue, this broadly means that the business has an issue that they cannot solve themselves, but would be helped by seeking professional assistance.

- **Smaller businesses appear worse off across a series of measures**. Businesses employing 1-9 people are least likely to use professional help, have the lowest legal capabilities, and report worse outcomes. However, no statistically significant differences in outcomes were found in relation to gender, ethnicity or disability of business owners/senior teams.

- **Small businesses access help from a wide range of sources**. Accountants are the professional advisors used most often for legal issues followed by solicitors' firms, although this varies depending on the type of issue. This pattern is consistent with previous waves of the research. Free or pre-paid sources of information and advice (e.g. government, membership bodies, advice organisations) play an important role in supporting small businesses; together they represent 25% of the main provider used to resolve legal issues. However, while we understand there is a growing market in legal expenses insurance, only 4% of small businesses used this to fund their legal costs.

- **There is evidence that competition is gradually improving in the sector, with increased shopping around since the 2017 wave.** However, there is still scope for improvement since around half of small businesses did not shop around at all. Among all businesses who did not shop around, six in ten said it was unnecessary because they knew which provider they wanted. Other reasons related to perceived lack of difference between providers, lack of choice, and difficulty in finding and comparing providers.

- **70% of small businesses using professional help were satisfied with the service they received.** The same proportion were likely to recommend their provider to another business. Satisfaction levels appear to be declining when compared to previous waves of the research and are lower than comparable measures of satisfaction among individual consumers. 'Silent sufferers'[c] remains an issue – 68% of businesses who were dissatisfied with the service they received took no action in response.

1.4 The Legal Services Board's (LSB) sector-wide strategy, Reshaping Legal Services, identified the need for a cross-government legal support vision and action plan for small businesses equivalent to that already developed by the Ministry of Justice for citizens. These research findings indicate that small businesses are worse off than citizens on some measures of access to justice and their experience of using legal services. Alongside this report, we have published a 'key asks' document that explains why a strategy is needed and some of the key issues it should address.

1.5 The LSB's website contains an interactive dashboard and the raw data from the survey, to allow all those interested in these issues to explore the findings in greater detail than is possible in this summary report.

[c] Small businesses who took no actions in response of being dissatisfied with the service received.

Introduction

2.1 In line with the regulatory objectives in the Legal Services Act 2007, we are seeking evidence that will help improve access to justice for small businesses, protect and promote their interests as consumers, and promote competition. This research study aims to understand the legal issues they face, how they respond to them and if they are getting the legal support they need. The Small Business Legal Needs Survey is the only survey of its type in terms of focus and scale. Robust comparisons by wave, help us to understand if and how small businesses' experience of legal issues and the support they get has changed. The findings will inform work in our 2022/23 business plan to make a case for a legal support strategy for small businesses.

2.2 Small businesses (employing up to 49 people) are important for the national economy but also socially; for their employees and for us all when we buy and use their goods or services. As a brief reminder of their collective scale, small sized businesses in England and Wales are estimated to employ 12 million people and have a combined annual turnover of £1.5bn[d], making up 99.3% of all businesses in the UK. Therefore, how small businesses solve legal issues has a consequential effect on the UK's economic prosperity and societal well-being.

2.3 This is the fourth wave of the Small Business Legal Needs Survey. The first was in 2013, and the second and third waves were run in 2015 and 2017. This is the first wave to be run after the UK's exit from the European Union (EU) and the start of the Covid-19 pandemic. These major events have meant that it has not been 'business as usual' for many businesses and each are likely causes of issues, which may have a legal dimension. Against the backdrop of these events the Federation of Small Businesses and British Chambers of Commerce have warned of increasing issues such as late payments, business premises rent arrears and trade exporting to the EU.

Methodology

2.4 The LSB commissioned YouGov to collect data, using their online panel of 1.8m respondents. The fieldwork was run between July and September 2021. A total of 10,228 responses were collected from owners and managers of small businesses in England and Wales[e]. As with previous waves the survey takes each respondent through a list of 85 legal issues, to identify if they have experienced any of those issues in the 12 months prior to being surveyed. The final dataset was weighted both to be nationally representative of the population of small businesses in England and Wales and to enable comparisons with previous waves of the survey.

[d] 2020 small business population estimates, see table 9 of the detailed tables: https://www.gov.uk/government/statistics/business-population-estimates-2020
[e] Firms with less than 50 employees.

2.5 The LSB research team conducted the analysis and reporting in-house. The analysis was run using IBM SPSS, Microsoft Excel and R. More detail on the sample profile and the detailed methodology is available in Appendix A.

2.6 As well as new questions on the impact of Covid-19 and EU exit, the survey contains several innovations. Prior to running this fourth wave, the LSB commissioned a review of the survey by Professor Pascoe Pleasence and Associate Professor Catrina Denvir[f]. The aims of this review included incorporating measures of legal capability used in the LSB's Individual Legal Needs Survey. This uses two legal capability scales from guidance on legal needs surveys issued by the OECD: legal confidence[g] and accessibility of justice[h]. Our analysis also uses an experimental model developed by the OECD to measure unmet legal need. Again, the LSB first used the model in the Individual Legal Needs Survey, and it has been adapted for the purposes of this survey of small businesses.

[f] See: https://legalservicesboard.org.uk/wp-content/uploads/2021/02/SMEs-2020-review-Further-Exploring-Capability-Need-and-the-Impact-of-Covid-19-and-EU-Exit-1.pdf
[g] Confidence they could personally achieve a fair and positive outcome in legal scenarios.
[h] The degree to which someone thinks the justice system, excluding criminal justice, is accessible.

Incidence of legal issues

Key findings

- Overall, 32% of small businesses based in England and Wales experienced a legal issue during the previous 12 months. The incidence of legal issues was the same as in 2017, but down from 36% in 2013.
- Trading issues were the most experienced (21%), followed by regulation (9%), employees (8%) and tax (7%). Considering individual issues, ‘goods or services purchased – late delivery’ were at the top of the rank with 8% incidence, followed by ‘goods or services purchased – not as described’ (6%) and the two categories on ‘goods/services late payments’ which together account 6% of incidence.
- Smaller businesses were less likely to experience legal issues.
- Among those who experienced a legal issue, 24% described the problem to be bureaucratic, followed by 22% describing it as a private business matter. Only 12% of businesses recognised the issue as legal. Small businesses describing the issue as legal were more likely to use professional help than those who described it in a different way
- 45% of all legal issues experienced were rated with low seriousness, 39% with medium seriousness and 16% with high seriousness. These were self-rated by the small businesses surveyed.
- For 30% businesses the issue concluded with an agreement reached directly between the two parties, followed by the business acting independently to sort it out (12%), and the problem sorted itself out without intervention from the business (10%).
- 41% of small business with a legal issue confirmed that Covid-19 had an impact on their legal issue, while 22% said that EU exit had an impact on their legal issue.

3.1 This section analyses the frequency of legal issues experienced by small businesses. We define an issue as a problem that diverted or distracted the respondent or anybody else within their business, in a significant way, from everyday work activities or responsibilities. Only issues that started within the last 12 months, or problems that started longer than 12 months ago but are still ongoing were considered. Rather than asking an open question, we asked respondents if they had experienced any of the specific legal issues listed at the start of the survey. They could select more than one option.

Types of issues

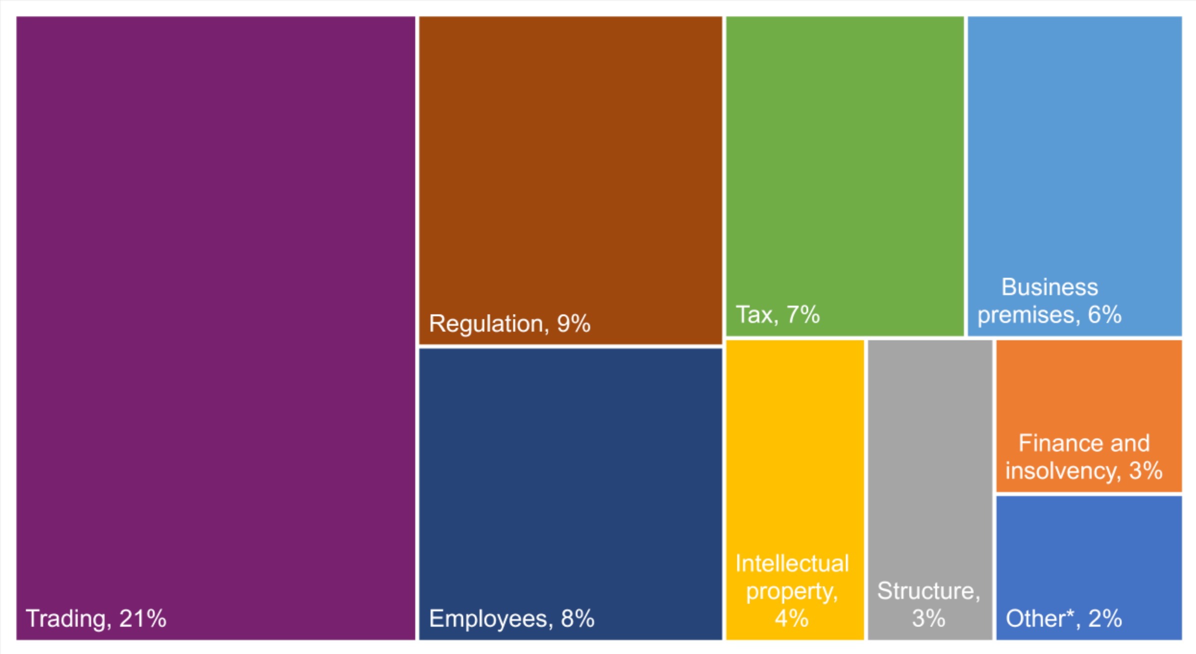
3.2 Overall, 32% of small businesses based in England and Wales had experienced a legal issue during the previous 12 months. The proportion is the same as in 2017[i].

3.3 Issues were grouped in the categories included in Figure 1. Overall, trading issues were the most common issues experienced by small businesses (21%), followed by

[i] Go to section 8 for the longitudinal analysis which compared the four waves of the research.

issues related to regulation (9%), employees (8%) and tax (7%). Notably, 68% of businesses didn't experience any legal issues in the previous 12 months.

Figure 1: Types of legal problems faced by businesses



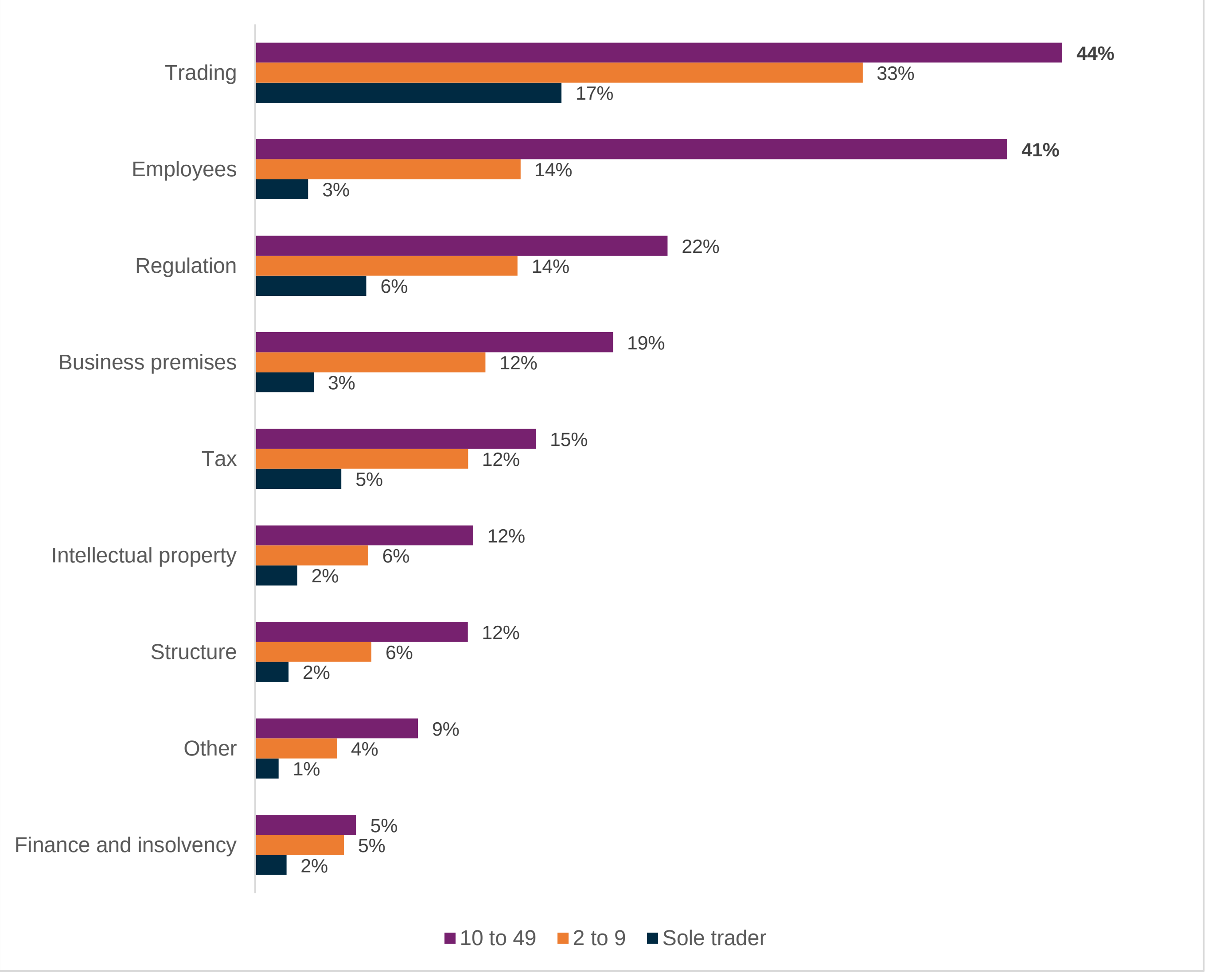
*Category 'other' included legal issues such as 'mismanagement of business money' and 'defamation'

Base: 3,697

3.4 Our analysis found a clear relationship between the number of legal issues experienced and size of the business, as shown in Figure 2. The bigger the firm, the higher the probability of experiencing a legal issue. Only 24% of firms with one employee experienced a legal issue, compared to 48% for firms with 2 to 9 employees and 67% for those with 10 to 49 employees. This trend was observed in all the areas of law except in finance and insolvency. Firms with one employee experienced significantly fewer issues in all the areas of law, as shown in Figure 2.

3.5 Trading and employment were the two areas where we observed the largest differences when analysing incidence figures by size of the businesses. While overall 21% businesses experienced a trading issue, the percentage was more than double for businesses with 10 to 49 employees (44%). Also, while overall only 8% of businesses experienced an employee issue, the proportion was more than five times higher for businesses with 10 to 49 employees (41%).

Figure 2: Types of legal problems by size of business



All statistical significance tests reported in Annex C[1]

Bases: Sole trader = 7,725; 2 to 9 = 1,729; 10 to 49 = 773

3.6 Small businesses with internal legal capacity[j] were also more likely to experience more legal issues in all areas of law, than those without any internal legal capacity. This result is in line with the 2017 wave. Our analysis found that larger firms were more likely to have internal legal capacity. This may reflect that larger businesses experience more legal issues and it makes commercial sense for those businesses to employ a legal professional rather than outsource legal activities.

[j] Internal legal capacity is defined as having a worker within the business that is either a qualified lawyer or has some training in handling legal issues.

3.7 Figure 3 shows types of legal issues experienced by businesses located in Wales and regions of England. There are only a few significant differences. Small businesses based in London were slightly more likely to experience tax (9%), employee (13%) or regulation issues (11%) compared to businesses based elsewhere in England and Wales.

Figure 3: Legal issues grouped by region

	North	Midlands	South West	South East	London	Wales
Trading	22%	22%	21%	19%	21%	21%
Tax	8%	6%	6%	6%	**9%**[2]	6%
Employees	9%	9%	6%	6%	**13%**[3]	7%
Business premises	7%	7%	5%	4%	9%	5%
Finance and insolvency	3%	3%	3%	2%	4%	2%
Intellectual property	5%	4%	2%	3%	5%	4%
Regulation	9%	10%	7%	7%	**11%**[4]	8%
Structure	4%	4%	3%	2%	5%	4%
Other	3%	3%	2%	2%	4%	2%
None	68%	68%	69%	69%	65%	68%

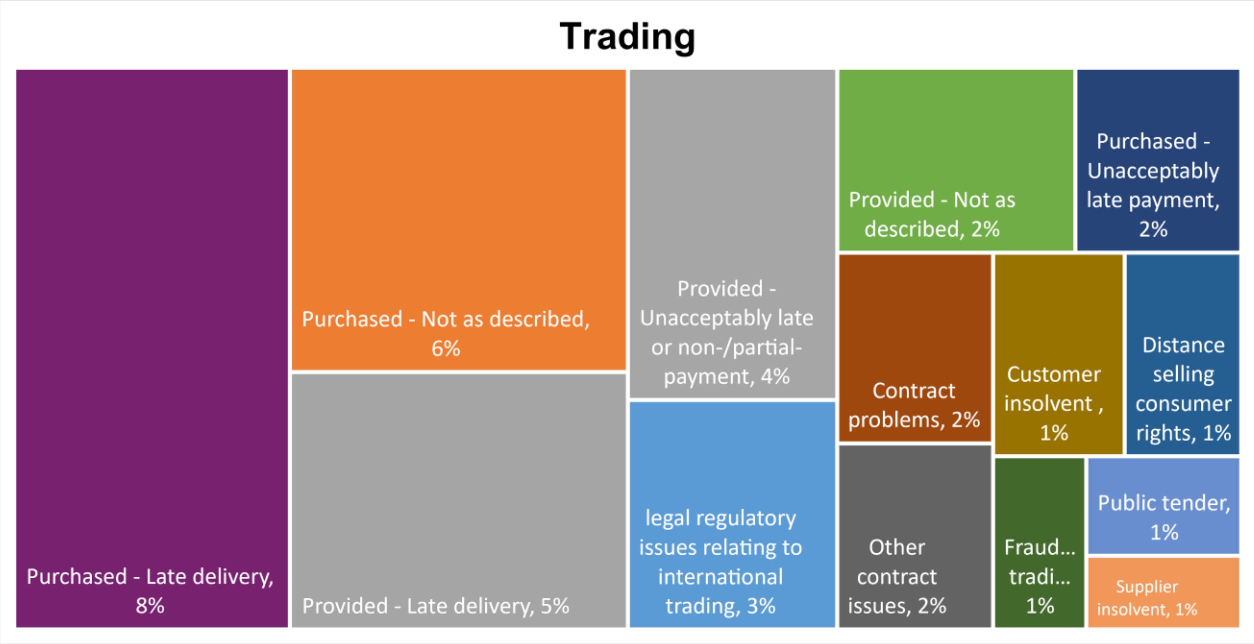
Base: North = 2,321; Midlands = 1,775; South West = 1,377; South East = 3,406; London = 1,460; Wales = 642

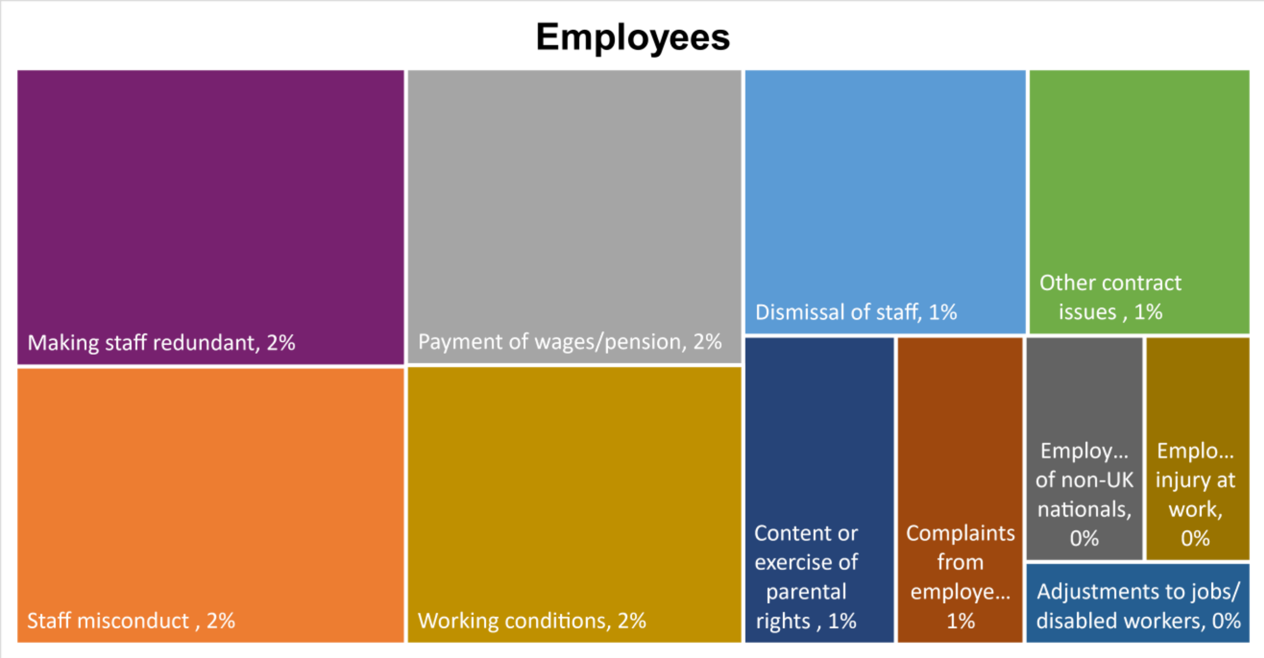
Within each of these areas of law the most frequently experienced legal issues were:

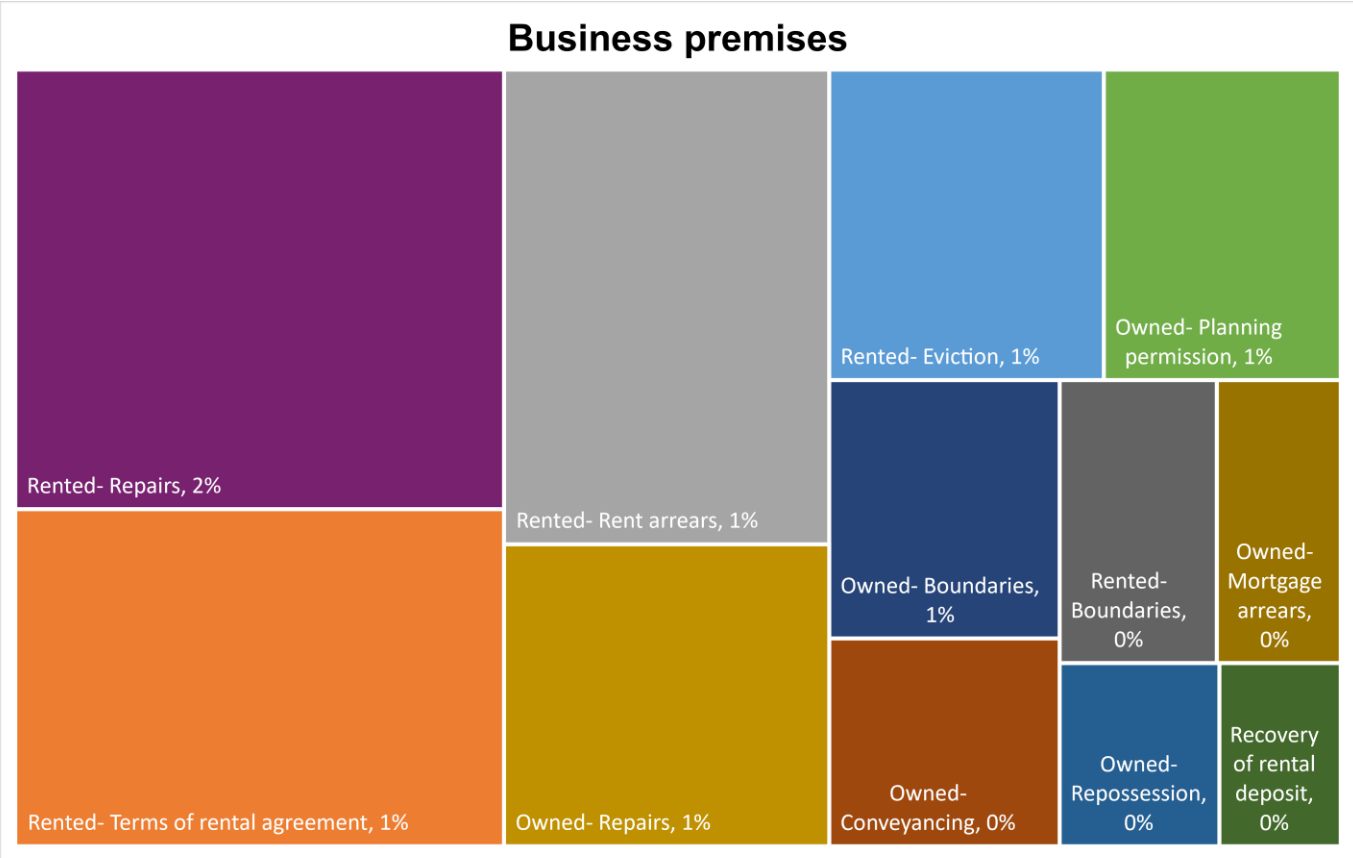
- Trading: Goods or services purchased by your business – Not as described/not of satisfactory quality/fit for purpose (8% of all small businesses)
- Tax: Liability for tax/amount of tax owed (4%)
- Employment: Staff misconduct, including unauthorised absence and disciplinary procedures (2%)
- Business premises: Rented – Repairs (2%)
- Debt/finance: Bankruptcy (9%)
- Intellectual property: Infringement of your business' intellectual property: Copyright – e.g. text, software, sound recording, drawings (2%)
- Regulation: Import/export regulation (3%)
- Structure: Technicalities of business start-up (1%)
- Other problem type: Defamation (1%)

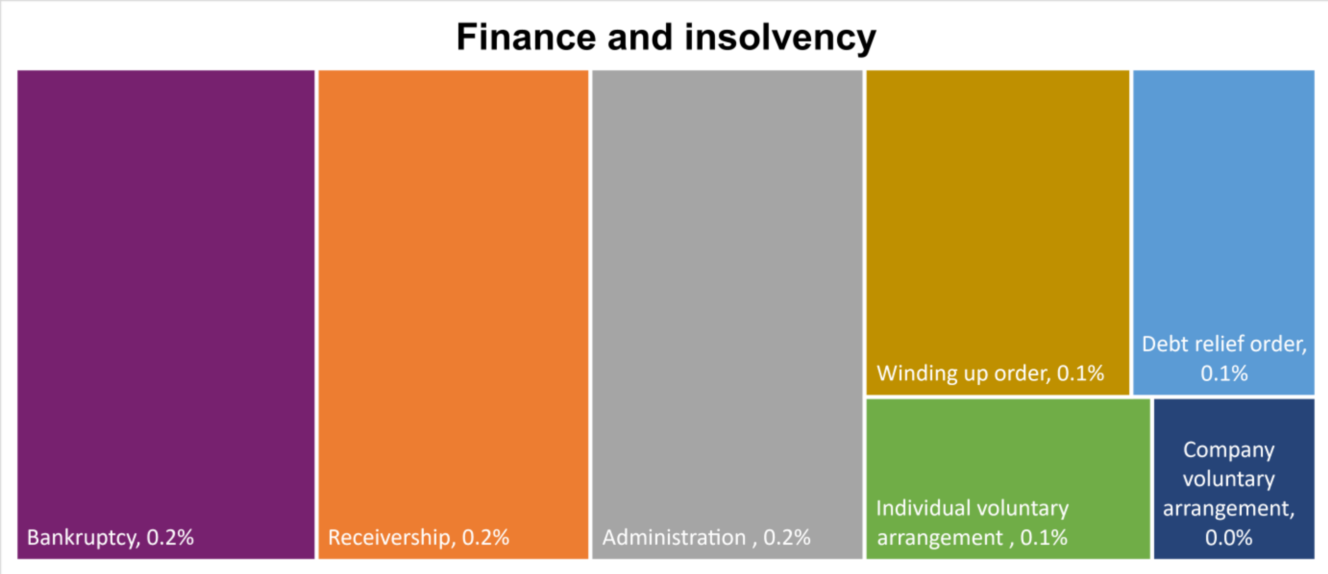
3.8 Figure 4 shows the incidence of individual issues within each area of law. The bullets and charts in the figure below show that the frequency of issues is spread across all the different types. Each individual issue accounts for less than 10% of all legal issues.

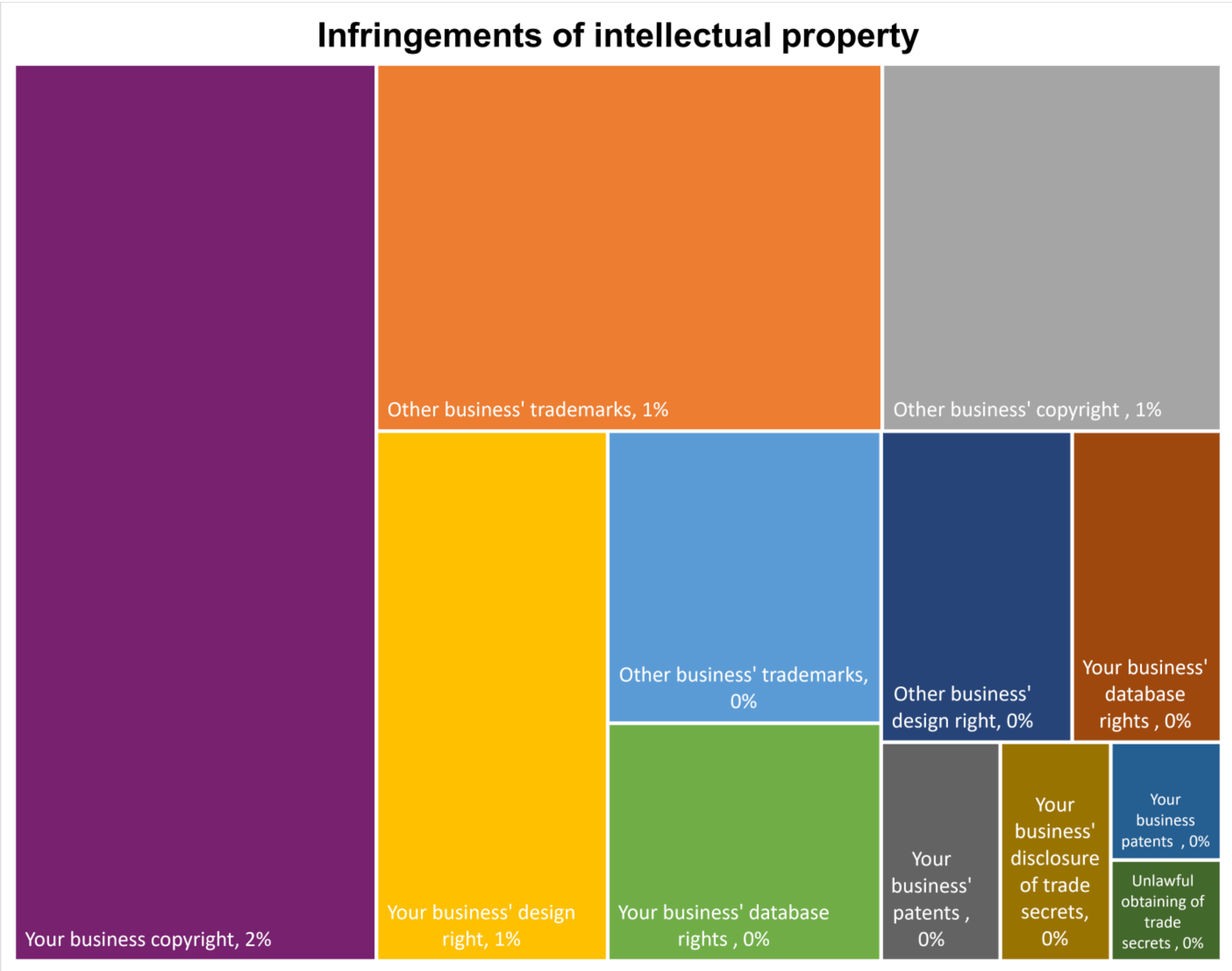
Figure 4: Experience of individual legal issues by group

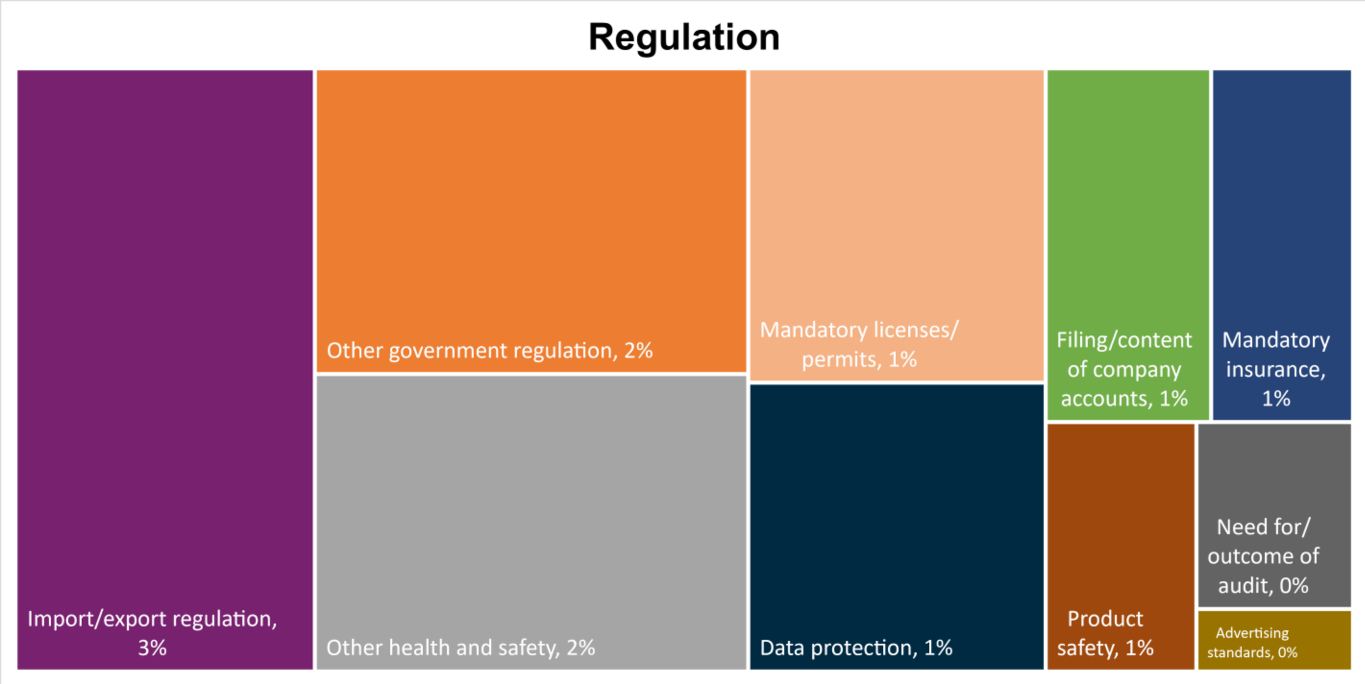


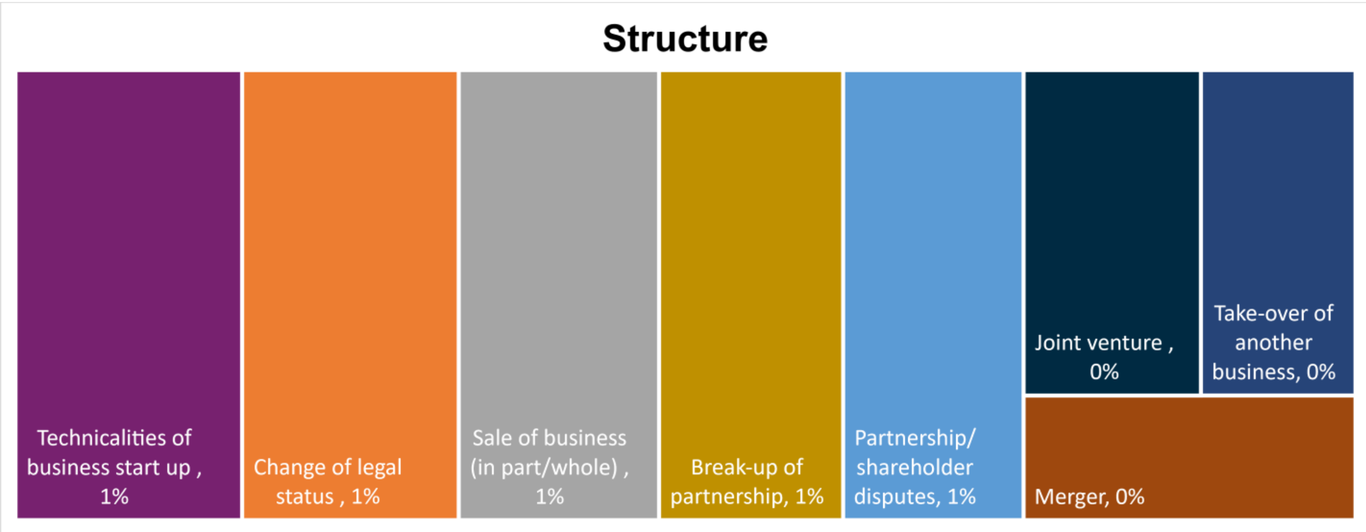

Employees
Making staff redundant, 2%
Payment of wages/pension, 2%
Dismissal of staff, 1%
Other contract issues , 1%
Staff misconduct , 2%
Working conditions, 2%
Content or exercise of parental rights , 1%
Complaints from employe... 1%
Employ... of non-UK nationals, 0%
Emplo... injury at work, 0%
Adjustments to jobs/ disabled workers, 0%

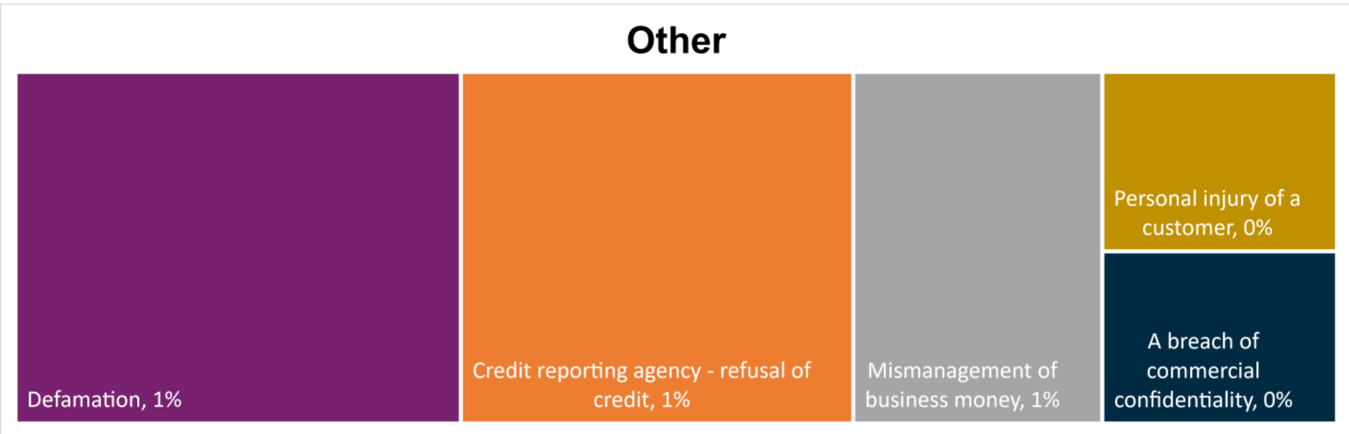

Business premises
Rented- Repairs, 2%
Rented- Rent arrears, 1%
Rented- Eviction, 1%
Owned- Planning permission, 1%
Owned- Boundaries, 1%
Rented- Boundaries, 0%
Owned- Mortgage arrears, 0%
Rented- Terms of rental agreement, 1%
Owned- Repairs, 1%
Owned- Conveyancing, 0%
Owned- Repossession, 0%
Recovery of rental deposit, 0%


Finance and insolvency
Bankruptcy, 0.2%
Receivership, 0.2%
Administration , 0.2%
Winding up order, 0.1%
Debt relief order, 0.1%
Individual voluntary arrangement , 0.1%
Company voluntary arrangement, 0.0%


Infringements of intellectual property
Your business copyright, 2%
Other business' trademarks, 1%
Other business' copyright , 1%
Your business' design right, 1%
Other business' trademarks, 0%
Your business' database rights , 0%
Other business' design right, 0%
Your business' database rights , 0%
Your business' patents , 0%
Your business' disclosure of trade secrets, 0%
Your business patents , 0%
Unlawful obtaining of trade secrets , 0%


Regulation
Import/export regulation, 3%
Other government regulation, 2%
Other health and safety, 2%
Mandatory licenses/ permits, 1%
Data protection, 1%
Filing/content of company accounts, 1%
Mandatory insurance, 1%
Product safety, 1%
Need for/ outcome of audit, 0%
Advertising standards, 0%


Structure
Technicalities of business start up , 1%
Change of legal status , 1%
Sale of business (in part/whole) , 1%
Break-up of partnership, 1%
Partnership/ shareholder disputes, 1%
Joint venture , 0%
Take-over of another business, 0%
Merger, 0%


Other
Defamation, 1%
Credit reporting agency - refusal of credit, 1%
Mismanagement of business money, 1%
Personal injury of a customer, 0%
A breach of commercial confidentiality, 0%

Base: 10,228

Number of issues

3.9 We asked small businesses about the number of legal issues experienced in each area of law, enabling us to analyse the overall number of problems experienced. A small number of businesses replied that they had experienced more than 9,000 issues in a year. Such a high frequency seems unlikely but might reflect the subjective judgement involved in deciding when a problem has become an issue.

3.10 We saw a similar pattern in previous waves and so have taken the same methodological approach by using a trimming technique[k]. Before trimming the overall number of problems reported was 80,768. This averages around 8 legal issues for each small business per year. In order to treat outliers, we calculated the 99th percentile and removed any value above this[l]. After removing outliers, the overall number of problems reduced to 28,718. This equates to a mean of 2.8 problems experienced per business (up from 2.1 in 2017). The 28,718 overall problems within the 2021 sample can be generalised to an estimated 15.4 million legal issues experienced by the 5.5 million small businesses in England and Wales.

Figure 5: Number and proportion of problems experienced

	n	%
Trading	15,487	54%
Tax	1,647	6%
Employees	3,045	11%
Business premises	1,779	6%
Intellectual property	1,499	5%
Regulation	3,915	14%
Structure	772	3%
Other	574	2%
n	28,718	
Mean	2.81	

3.11 Small businesses experiencing debt and finance problems were not asked about the number of issues. Instead, they were asked if, in the previous 12 months, they had creditors they couldn't repay. If so, they were asked if they had been declared insolvent and what had happened subsequently.

3.12 Overall, 3% of businesses owed money to creditors which they were unable to repay. Figure 6 shows that among all businesses unable to repay their creditors, 18% were declared insolvent, this was slightly down than in 2017.

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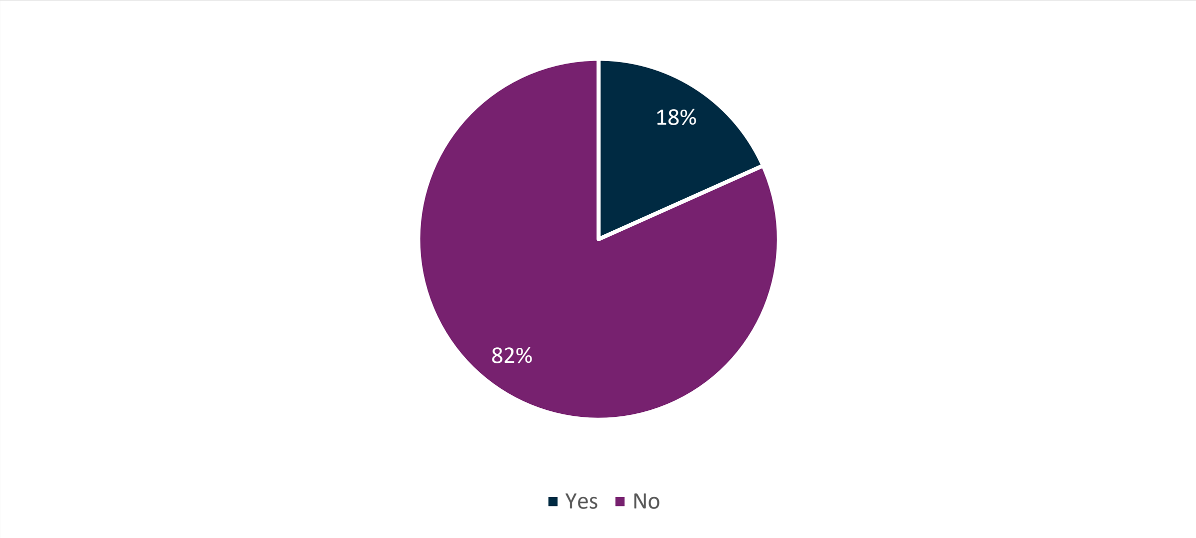
[k] The process of removing or excluding extreme values, or outliers, from a data set.
[l] When removing outliers, rather than removing the case completely the outlier value was replaced with the average number for that respective business size and sector. This is because we know for these cases that they had at least one problem (if not, they would have entered zero) but also that the entered figure is likely inaccurate.

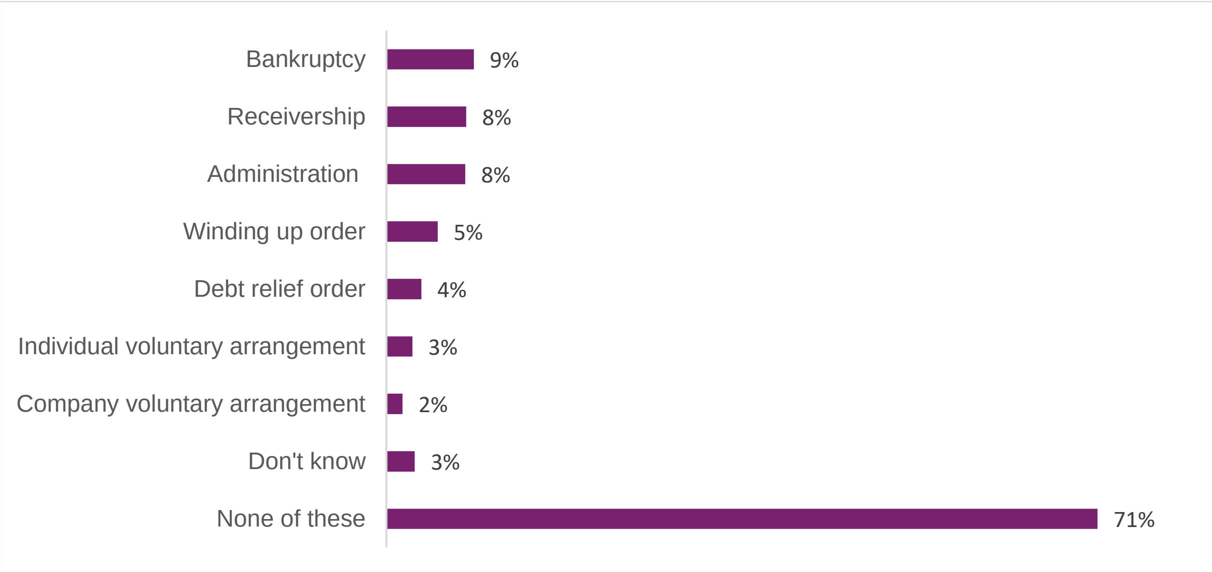
Figure 6: Whether the business was declared insolvent in the past 12 months



Base: 321

3.13 Of those declared insolvent 9% were put into bankruptcy, 8% were placed into receivership and another 8% into administration.

Figure 7: Whether businesses have experienced any of the following



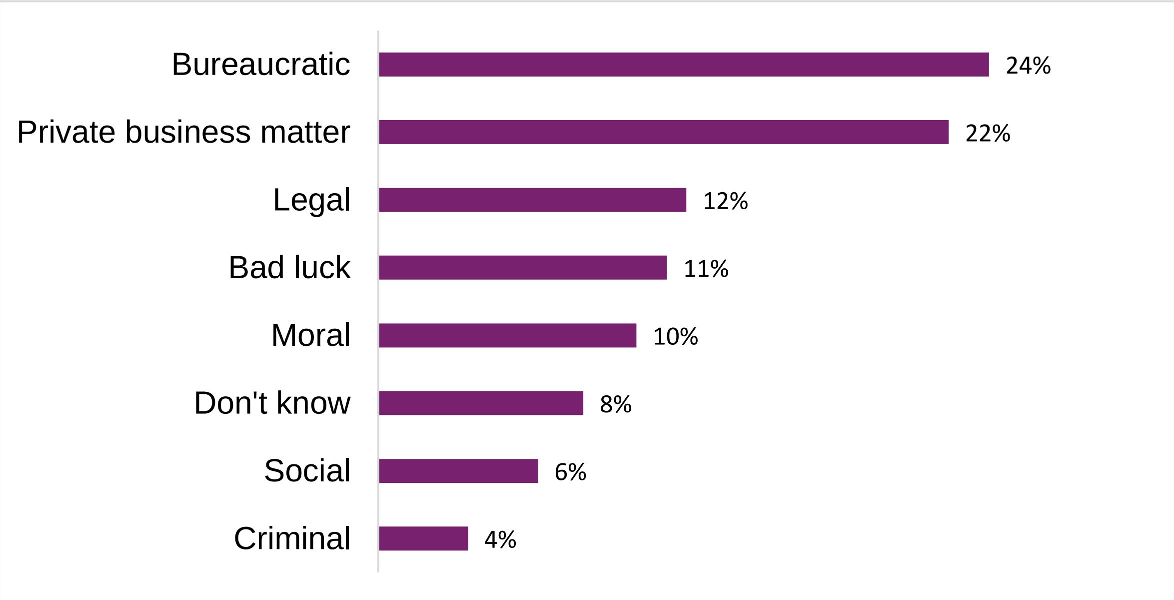
Base: 321

Origin and character of legal issues

3.14 After having established all the types of issues experienced by small businesses, a follow-up question asked which of those was the second most recent[m] experienced, to then focus on all actions taken to address that problem, including outcomes (e.g. service satisfaction and likelihood to recommend). This follows OECD guidance on legal needs surveys.

3.15 All small businesses who experienced a legal issue were asked to describe the character of the problem, choosing the most suitable adjective from a list. 24% described the problem as bureaucratic, followed by 22% describing it as a private business matter. Only 12% of businesses recognised the issue as legal. Consistent with previous waves of this survey, and surveys of individual consumers, those recognising the issue to be legal were more likely to use professional help (39% compared to 23% for the rest of the sample[5]).

Figure 8: Character of the problem



Base: 3,697

3.16 Bigger businesses with 10 to 49 employees were slightly more likely to describe the issue as legal (15%), compared to smaller businesses with 2 to 9 employees (12%) or just 1 employee (11%)[6]. Larger businesses with 10 to 49 employees were also significantly less likely to describe the issue as bureaucratic (18%), compared to smaller businesses with 2 to 9 employees (24%) or 1 employee (25%)[7].

3.17 Small businesses based in London were slightly more likely to describe the issue as legal (17%) than small businesses based elsewhere in England and Wales (11% on average)[8].

[m] In the previous waves the same question was asked focusing on the most recent issue experienced. After the 2021 questionnaire review commissioned to Professor Pascoe Pleasance, it was decided to select the second most recent issue instead, to reduce the proportion of legal issues that are still ongoing.

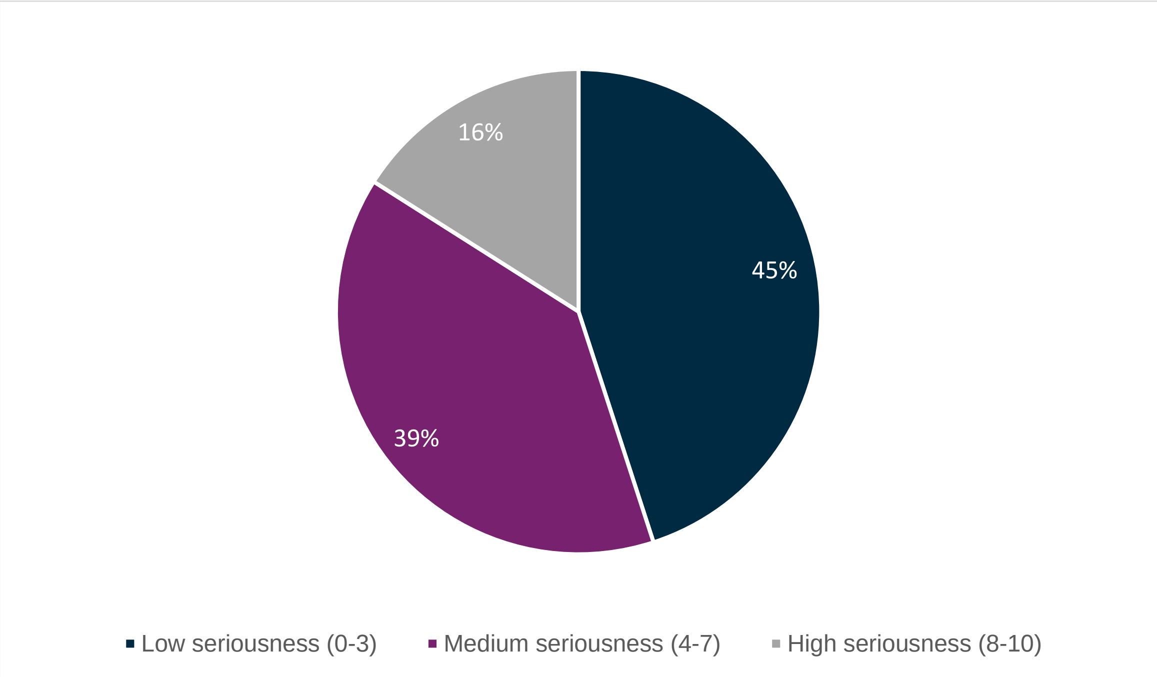
3.18 Small businesses with internal legal capacity were also more likely to describe the issue as legal (23% with internal legal capacity compared to 11% without) [9].

3.19 Regulation and tax were the two areas of law where larger differences were observed. 32% of small businesses with a tax issue and 41% with regulation issues described them as bureaucratic, versus 22% and 17% of the overall sample[10, 11].

Impact of issues (cross reference to Covid-19 pandemic and EU exit)

3.20 Businesses were asked to rate the seriousness of their problem using a 0-10 scale. Legal issues rated 0-3 were categorised with low seriousness, those rated 4-7 with medium seriousness and those rated 8-10 with high seriousness. It should be noted that these rates reflect the personal opinions of the people surveyed. Overall, 45% of businesses who experienced a legal issue rated it with low seriousness, 39% as medium and only 16% with high seriousness.

Figure 9: Impact rating of the legal issue experienced

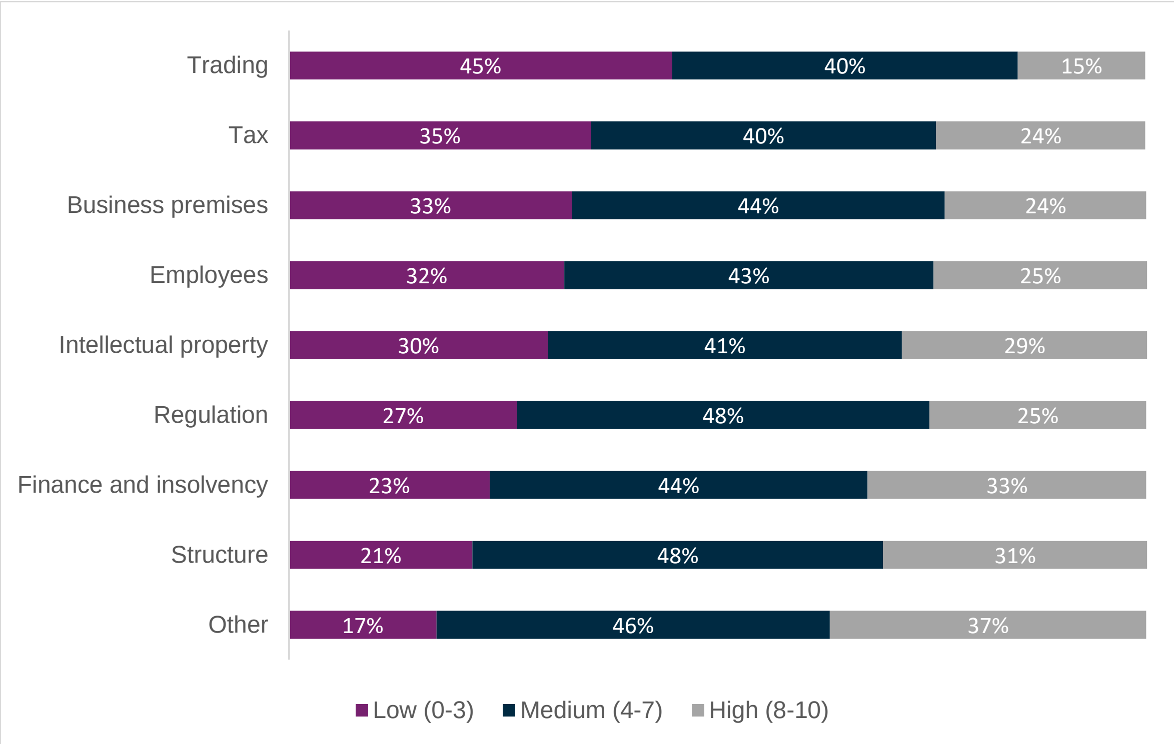


Base: 3,697

3.21 The seriousness of the legal issue did not seem to be related with characteristics of the firms in terms of size, age of the business and location. However, firms with 1 employee were slightly more likely to experience issues with low seriousness (47%), compared to those with 2-9 (43%) and 10-49 employees (40%).

3.22 Figure 10 shows the seriousness of legal issues by the type of problem experienced. Trading problems were most likely to be considered with low seriousness (45%). Other legal issues (e.g. defamation, breach of commercial confidentiality) had the highest proportion categorised with high seriousness (37%), followed by finance and insolvency (33%) and structure (31%).

Figure 10: Seriousness of the legal issue by areas of law



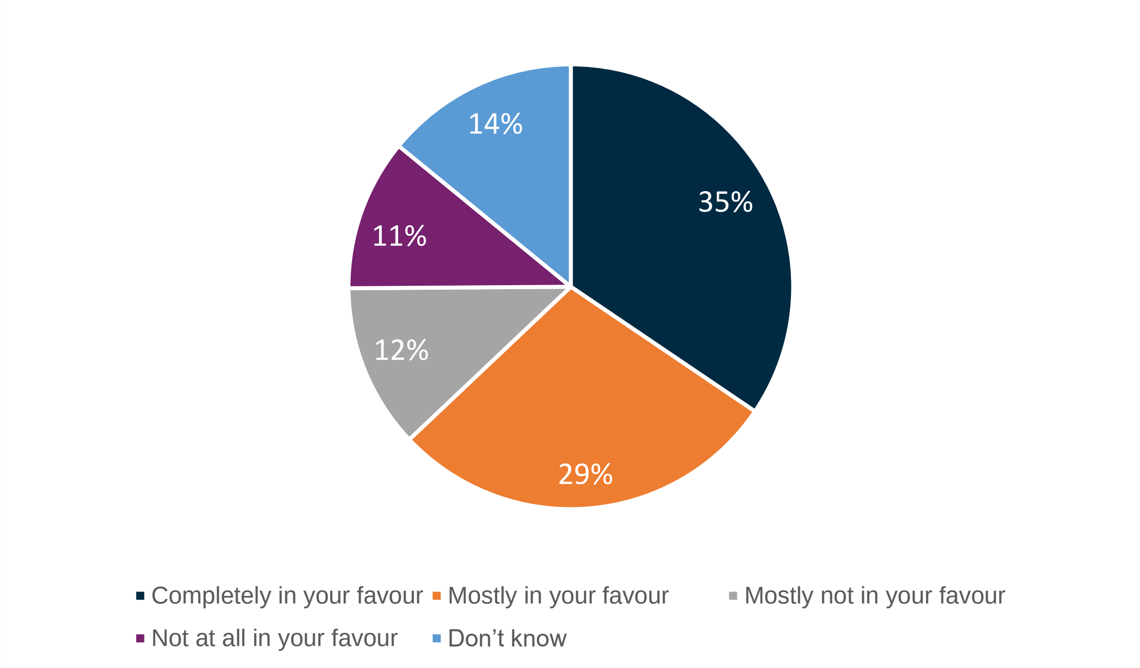
Base: 3,697

How the issue concluded

3.23 63% small businesses who experienced a legal issue, which was done with, said that the disagreement concluded mostly or completely in their favour. 23% said that it concluded mostly not or not at all in their favour.

3.24 Firms with 1 employee were slightly less likely to say that the disagreement concluded in their favour (61%) compared to larger businesses (66% on average)[12].

Figure 11: Whether the disagreement concluded in favour of the business



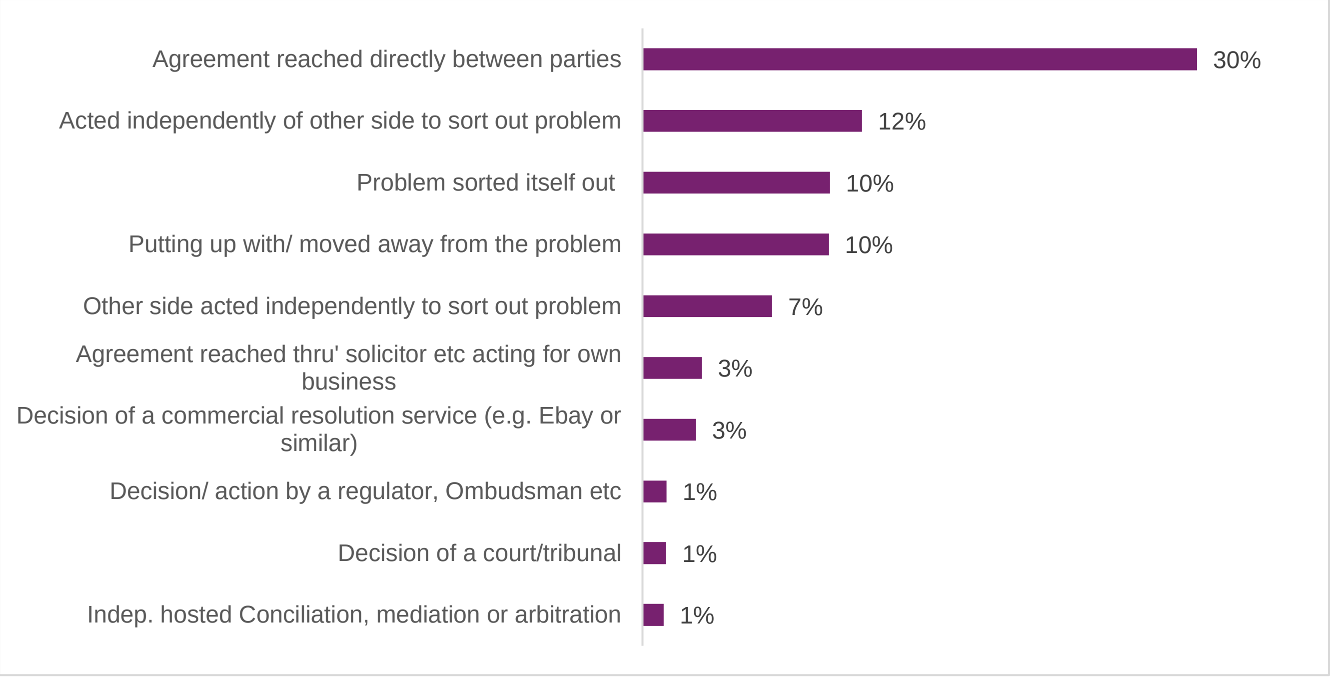
Base: 2,097

3.25 Figure 12 shows that for 30% of businesses the issue concluded with an agreement reached directly between the two parties, followed by the business acting independently to sort it out (12%), and the problem sorted itself out without intervention from the businesses (10%).

3.26 Figure 12 also shows that more small businesses put up with their legal issue than reach a resolution through professional help. 10% of small businesses put up with or tried to move away from their problem. Just 3% of legal issues ended up with agreement reached through solicitors and 1% concluded with the decision of a court/tribunal.

3.27 Businesses with 1 employee were significantly more likely to put up with and move away from the problem (12%), compared to businesses with 2 to 9 (8%) and 10 to 49 employees (6%)[13]. Further, firms with 10 to 49 employees were more likely say that agreement was reached through somebody acting for the business like a solicitor (8%); the proportion was 4% for businesses with 2 to 9 employees and 2% for those with 1 employee[14].

Figure 12: How the issue concluded



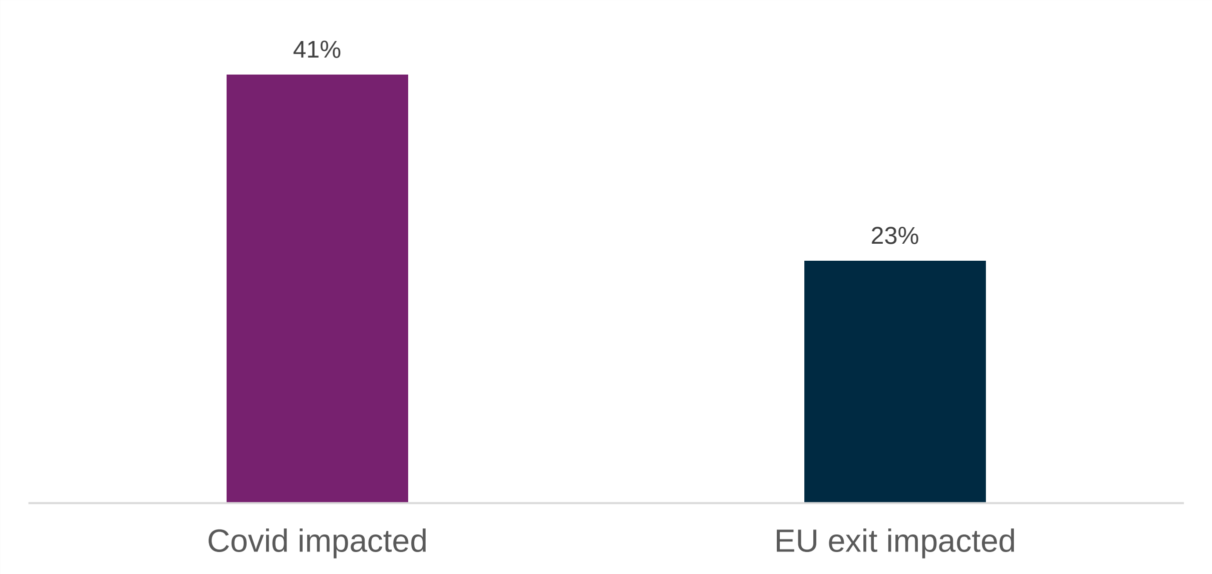
Base: 2,097

Impact of leaving EU and the Covid-19 pandemic

3.28 The impact of Covid-19 and EU exit were new topics in the 2021 survey. All businesses who experienced at least one legal issue in the last twelve months were asked whether those issues experienced were caused or affected by the Covid-19 pandemic and/or EU exit.

3.29 Looking at Figure 13, both Covid-19 and EU exit had significant impacts on the legal issues experienced but the pandemic was more frequently cited. Overall, 41% said that Covid-19 either started or made their legal issue worse compared to 23% who said the same about EU exit.

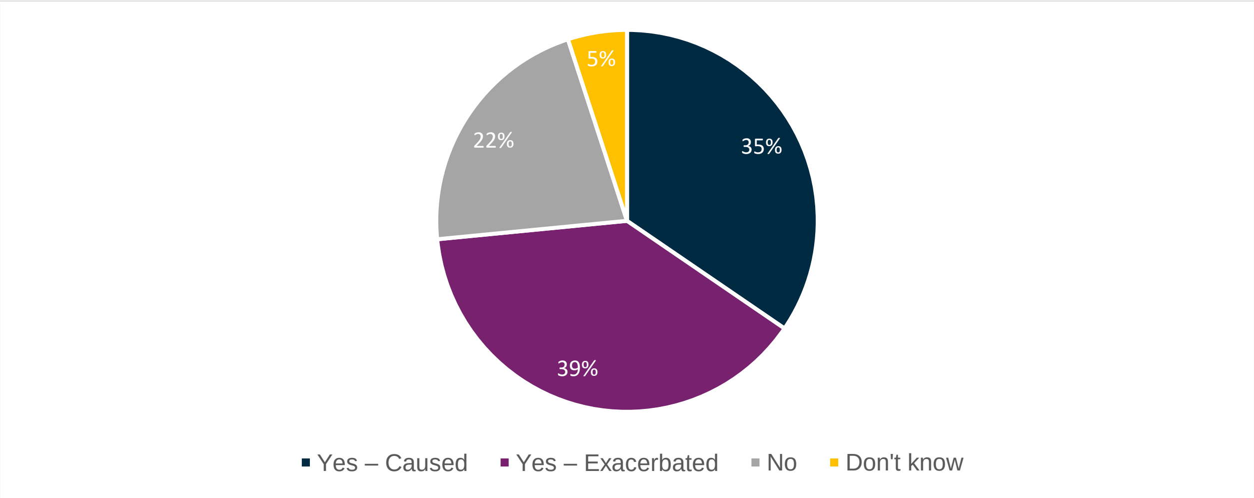
Figure 13: Whether Covid-19 or EU exit impacted on legal issue experienced



Base: 3,193

3.30 We then asked all firms who said that Covid-19 had an impact on their legal issues if it had caused or made them worse (see Figure 14 below). 71% small businesses said that Covid-19 either caused or exacerbated their legal issue. Although over a fifth (22%) said that it had neither caused nor exacerbated the legal issue they had.

Figure 14: Impact of Covid-19 to legal issues

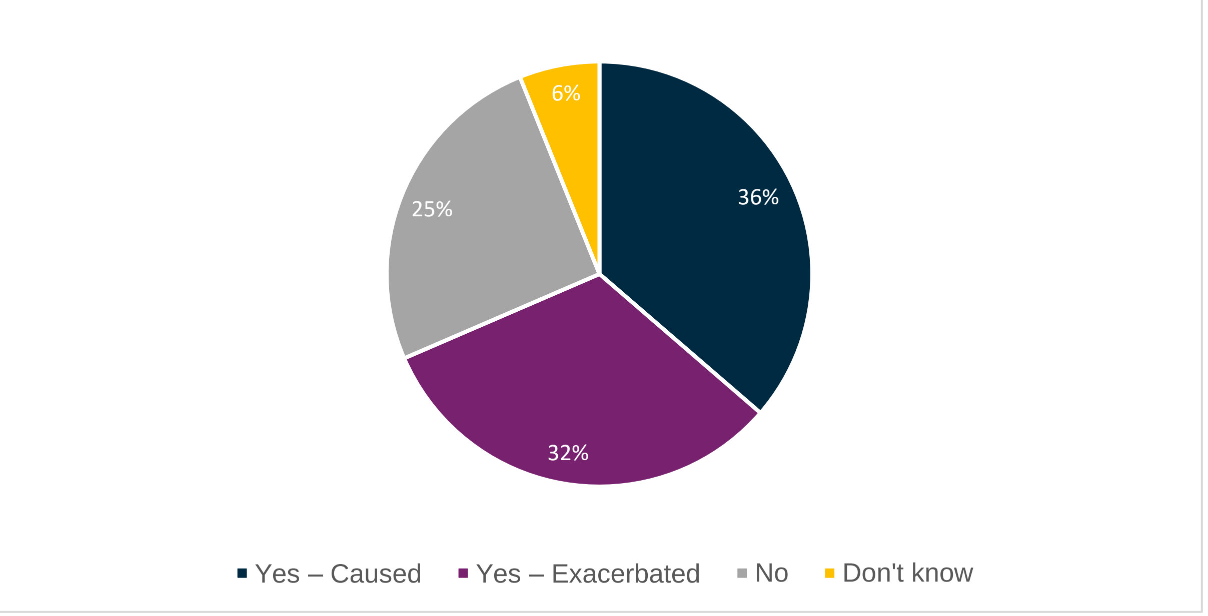


Base: 2,135

3.31 The impact of Covid-19 was inversely related to the size of the firm: the smallest firms were slightly more likely to be affected than the larger firms. 76% of small businesses with 1 employee said that Covid-19 either caused or exacerbated their legal issue compared to 72% for businesses with 2 to 9 employees and 69% for businesses with 10 to 49 employees[15].

3.32 EU exit also seemed to have a significant (but slightly lower) impact on the legal issues experienced by small businesses. Out of all the businesses who said that EU exit had an impact on their legal issue, over a third (36%) said that it had caused their legal issue, while around one in three (32%) said it exacerbated their legal issue. Although a quarter (25%) said that while their issue was related to EU exit, it had neither caused nor exacerbated their issue.

Figure 15: Impact of EU exit to legal issues



Base: 1,243

3.33 Analysing the impact of EU exit by characteristics of the firm size we found, here too, that impact was inversely related to the size of the firm. The larger the firm, the lower the probability that EU exit either caused or exacerbated the legal issue experienced. 71% of businesses with 1 employee said that it had an impact on their legal issue; the percentage decreased to 68% for businesses with 2 to 9 employees, and 62% for businesses with 10 to 49 employees[16].

Which small businesses are more likely to experience legal issues

3.34 Multivariate regression modelling makes it possible to study the effect of more than two characteristics (independent variables) at the same time, on small businesses experiencing a legal issue or not. This is something that it is not taken into account when running bivariate analysis (e.g. cross tabs).

3.35 We ran a multivariate logistic regression to better understand which characteristics (the independent variables) made small businesses more likely to experience legal issues (the dependent variable). All outputs from the regression models run can be found in the annexes.

3.36 Small businesses were significantly more likely to report legal issues if they:

- Were larger:
  - those with 10-49 employees were 4.9 times more likely to experience a legal issue, than those with 1-9 employees.
- Affected by the EU exit:
  - they were 2.4 times more likely to experience a legal issue, than those who said it did not impact their businesses.
- Employed at least one person with a disability:
  - they were 1.8 times more likely to experience a legal issue, than those without any employees with a disability.
- Had internal legal capacity:
  - they were 1.6 times more likely to experience a legal issue than those without internal legal capacity.
- Affected by the Covid-19 pandemic:
  - they were 1.6 times more likely to experience a legal issue, than those who said that it did not have an impact.
- Did not expect to make a profit in the current year:
  - they were 1.5 times more likely to experience a legal issue, than those who did expect to make profits.
- Did not see justice as accessible:
  - businesses with low accessibility of justice scores[n] were 1.4 times more likely to experience a legal issue, than those with medium or high accessibility of justice scores.

3.36 The results of this multivariate analysis complement rather than change the picture shown by the rest of the analysis. It is not surprising that bigger firms were almost five times more likely to experience legal issues, in fact the bivariate analysis shows that bigger firms were much more likely to have experienced legal issues in all the areas of law (see Figure 2). The findings on internal legal capacity, employing people with a disability and not expecting to make profits are consistent with the results of the same regression model run in 2017.

Legal capability and capacity

Key findings

- Only 6% of small businesses based in England and Wales had internal legal capacity. Of those with internal legal capacity, the top three areas of specialism were contract, employment and business ownership.
- 40% of small businesses used accountants in the previous 12 months, regardless of having a legal issue, followed by trade bodies (12%) and financial or tax advisers (11%).

[n] The concept of accessibility of justice is explained in the next section on legal capability.

- 20% of small businesses based in England and Wales have low legal confidence, meaning they do not feel confident when dealing with legal scenarios. 58% have medium confidence and 22% have high confidence.
- 19% of small businesses based in England and Wales have low accessibility of justice, meaning that they do not think justice is accessible. 65% have medium accessibility of justice and only 17% have high accessibility of justice. Larger firms were more likely to have high accessibility of justice compared to smaller firms
- Small businesses with high legal capability were more likely to be active consumers and to get better outcomes than those with low legal capability. Notably, small businesses with high legal confidence or accessibility of justice were more likely to shop around, use professional help in response to a legal issue, describe the process through which their outcome was achieved as fair and to get an outcome in their favour compared to small businesses with low confidence or accessibility of justice.
- Overall, 22% of small businesses based in England and Wales have low digital capability, meaning that they are less familiar with running internet activities (e.g. obtaining tailored advice about a legal issue, paying an invoice using online banking). 57% have medium digital capability, and 20% high digital capability. Larger firms were more likely to have high digital capability than smaller firms.

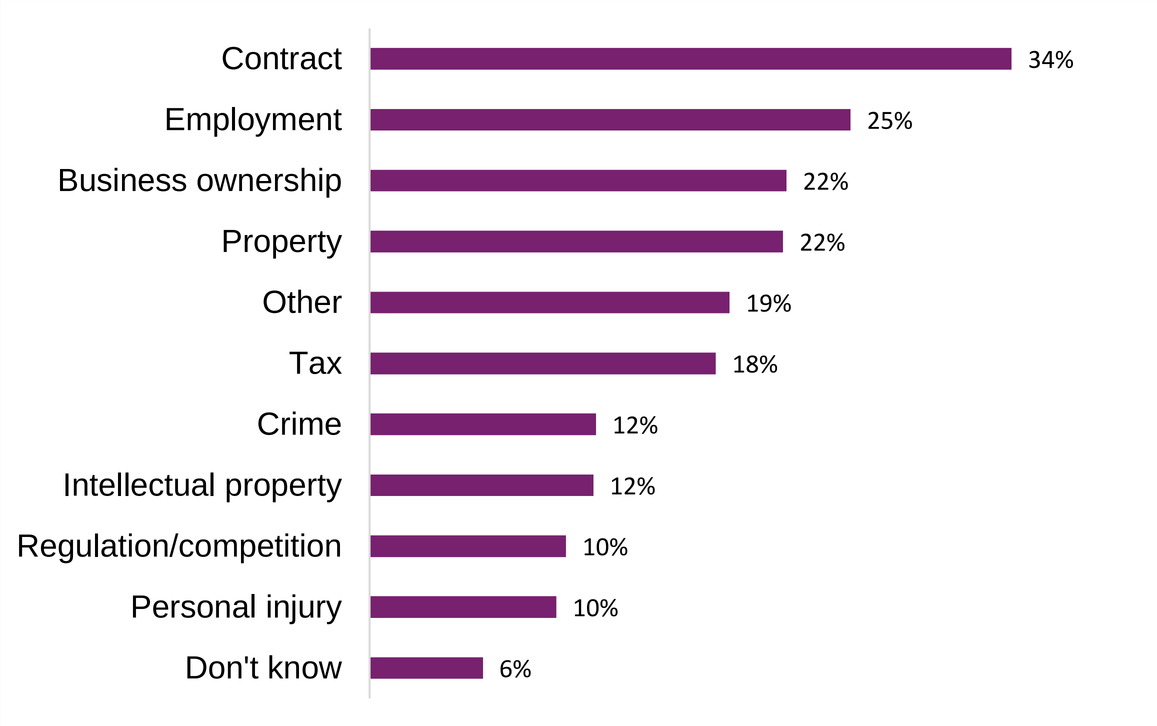
The sources of legal capacity

4.1 Overall, 6% of the businesses surveyed had internal legal capacity – defined as having someone in the business who has either qualified as a lawyer or has had some training in handling legal issues. This figure does not differ much when compared to 2017 where only 5% of businesses had internal legal capacity. Our analysis shows that bigger firms were more likely to have internal legal capacity. While only 5% of firms with one employee had internal legal capacity, the proportion increased to 8% for businesses with 2-9 employees and 17% for those with 10-49 employees[17].

4.2 Small businesses based in London were significantly more likely to have internal legal capacity (10%) compared to businesses based elsewhere in England and Wales (6% on average)[18]. In contrast, family-owned businesses were less likely to have internal legal capacity than businesses not family-owned (8% v 12%)[19].

4.3 All businesses with internal legal capacity were asked which areas of law they had specialisms in. Nearly two in five businesses reported having specialist internal capacity to deal with contract issues (39%), followed by just over a quarter (26%) having capacity to deal with employment issues. We found no pattern in area of legal specialism by different characteristics of the small businesses we surveyed.

Figure 16: Areas of legal specialism within the business



Base size: 778

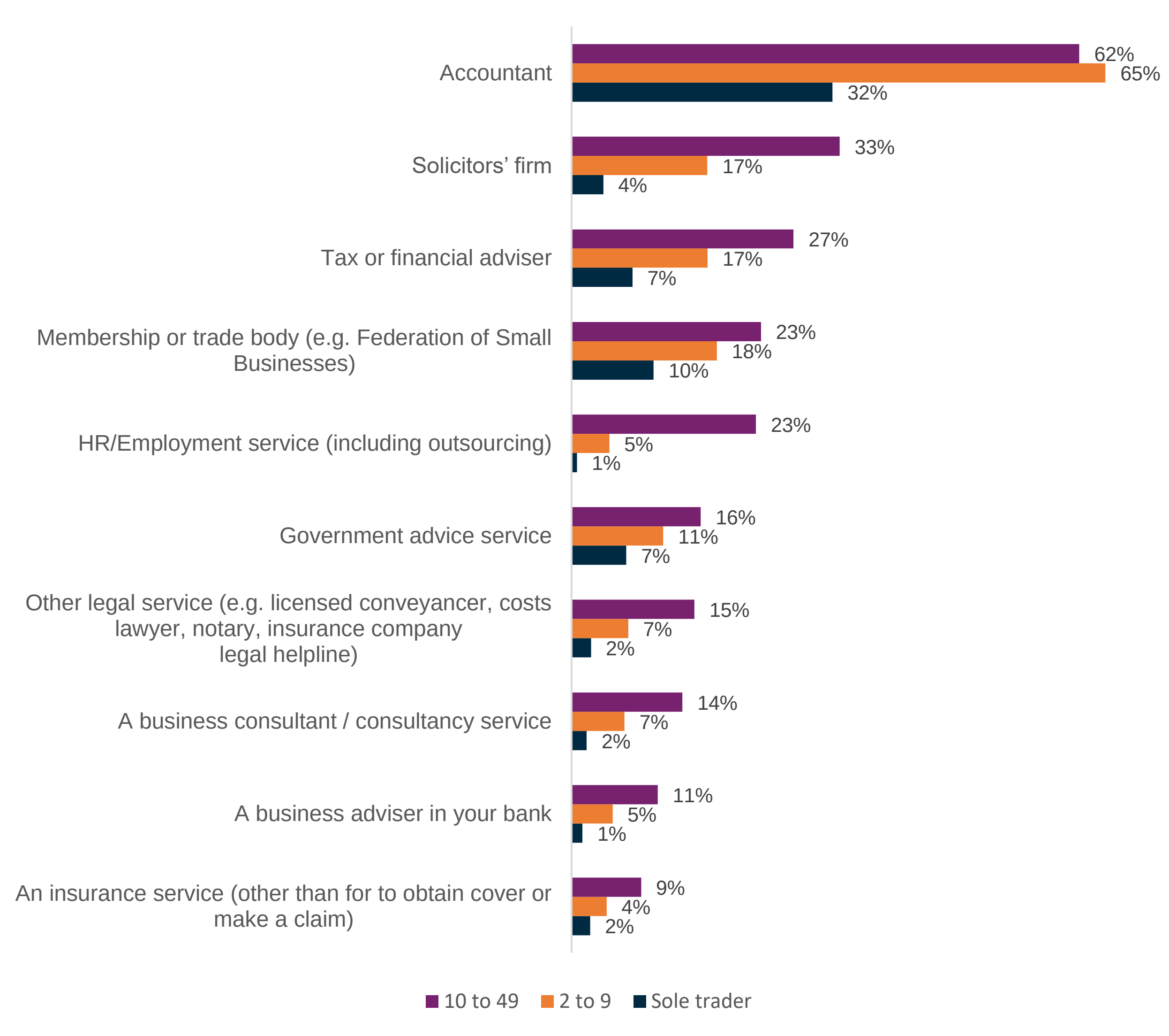
Independent professional services used in previous 12 months

4.5 We also asked small businesses which sources of professional services they used in the last 12 months regardless of whether a legal issue was experienced. Accountants were the most used (40%). This is not surprising, considering how widely used they are by small businesses and is consistent with what we found in previous waves. The second most common source of professional help was from membership of trade bodies (12%). This was followed by tax or financial advisers (11%). Solicitor's firms were used by 8% of businesses. In contrast, 51% of small businesses said they had not used any professional service in the last 12 months.

4.6 Figure 17 shows the top ten professional services used by size of the firm. Accountants remained the most used regardless of the size of the firm. Of the other nine sources of professional help, these were more likely to be used by larger firms[20].

4.7 When analysing figures by region, we found small businesses based in London were more likely to have used an accountant (44% v 39% for those based elsewhere in England and Wales)[21], a tax adviser (14% v 10%)[22], a solicitors' firm (13% v 8%)[23] or another legal service - e.g. licensed conveyancer, costs lawyer, insurance company – (7% v 4%)[24]. This may be related to there being, in the survey sample, more businesses with 10-49 employees based in London compared to elsewhere.

Figure 17: Independent professional services used in the last 12 months, by size of firm



Base: 10,228

Levels of legal confidence and perceived accessibility of justice

Legal confidence

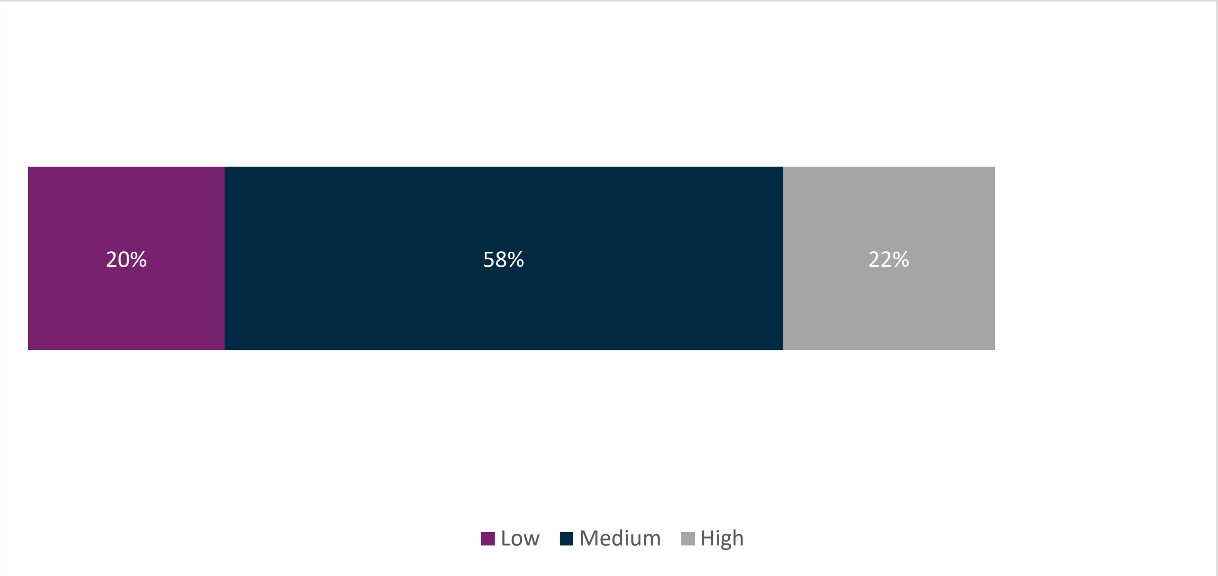
4.8 The emerging concept of legal capability considers what capabilities are required for an individual to have an effective opportunity to make a decision about whether and how to make use of the justice system to try to resolve a problem[o].

[o] Pleasence et al. 2014, p.123 available at: https://research.thelegaleducationfoundation.org/wp-content/uploads/2019/02/Legal-Confidence-and-Attitudes-to-Law-Developing-Standardised-Measures-of-Legal-Capability-web-version-1.pdf

4.9 A small business' level of legal confidence is based on the General Legal Confidence Scale (see Appendix B). Respondents were given six hypothetical scenarios involving a legal dispute and asked to rate their confidence dealing with each on a 4-point scale. The respondent's answers were then grouped together to form an overall score out of 100, where a higher score indicates greater legal confidence. For the purposes of analysis, respondents' scores were grouped into low (under 40), medium (40 to 69), and high (70 or higher) bands.

4.10 Overall, 20% of small businesses based in England and Wales had low legal confidence (see Figure 18), meaning they did not feel confident in reaching a fair and positive outcome when dealing with legal scenarios, 58% had medium confidence and 22% had high confidence.

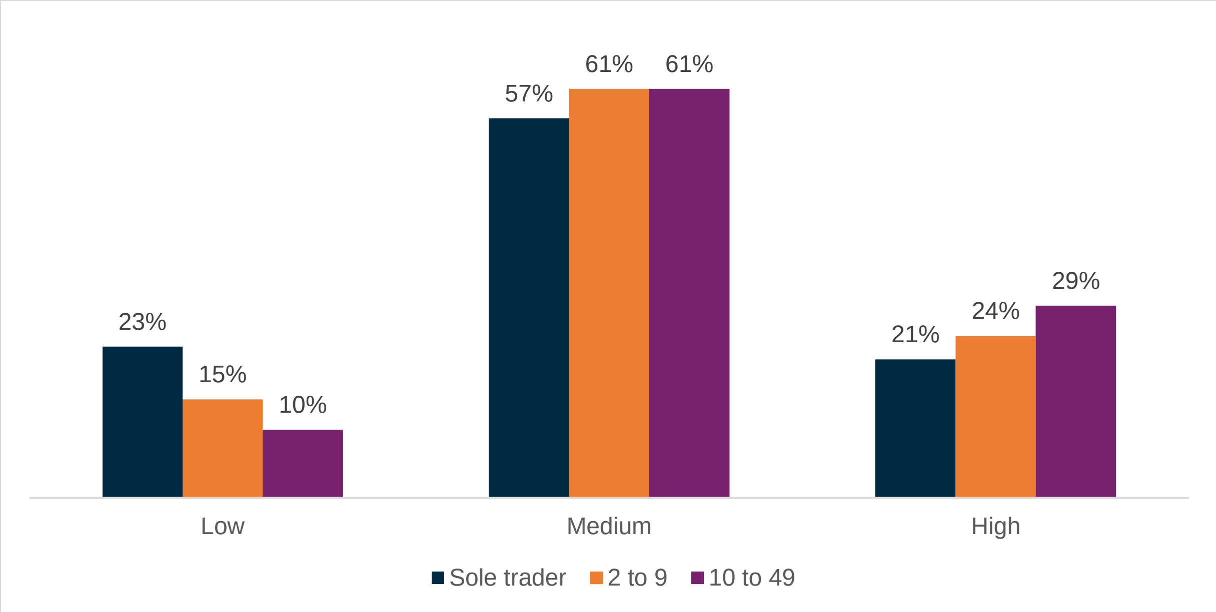
Figure 18: Levels of legal confidence



Base: 10,228

4.11 Larger firms were significantly more likely to have high legal confidence compared to smaller firms as shown in Figure 19 below. 29% of small businesses with 10-49 employees had high legal confidence, compared to 24% of businesses with 2-9 employees and 21% of those with one employee[25].

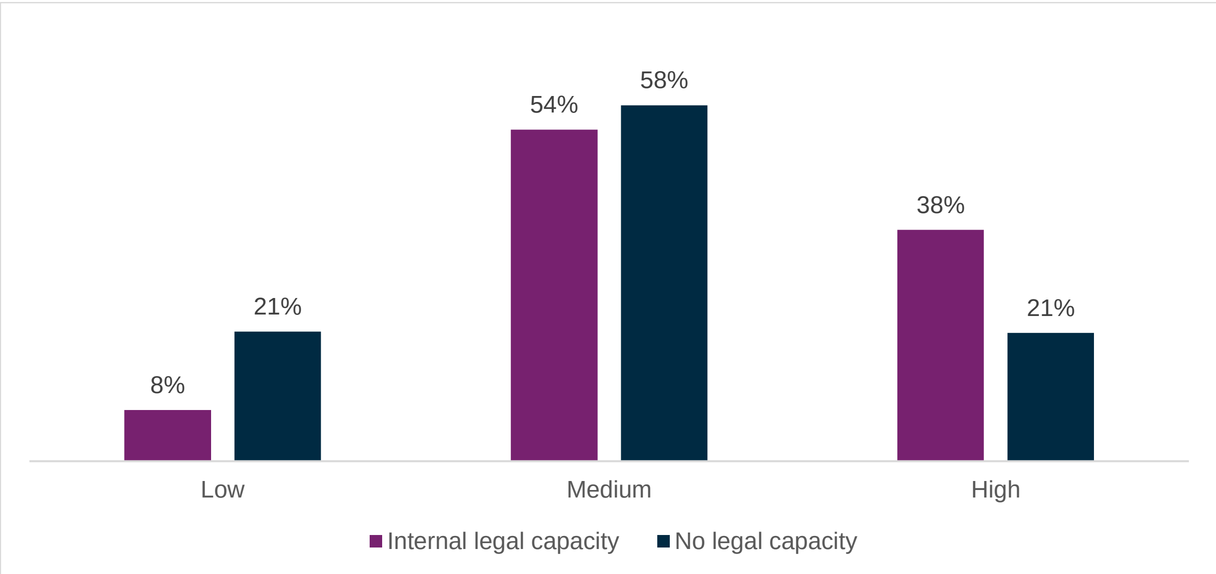
Figure 19: Levels of legal confidence by size of the business



Base: 10,228

4.12 Small businesses with internal legal capacity were also more likely to have high legal confidence (38%) compared to those without internal legal capacity (21%)[26].

Figure 20: Levels of legal confidence by internal legal capacity



Base: 10,228

Accessibility of justice

4.13 Levels of accessibility of justice are based on the Inaccessibility of Justice Scale (see Appendix B). Respondents were asked whether they agreed with nine statements around general impressions and experiences of the civil justice system. The respondents' answers were grouped and converted to a score out of 100, where a low score indicates that the respondent believes justice to be relatively difficult to access and a high score that it is relatively easy to access. These scores were then grouped into low (49 or less), medium (50 to 69) and high (70 or higher) categories.

4.14 The responses to the individual statements build an overall picture where the vast majority of small businesses view the civil justice system as unaffordable and tilted against those lacking financial resources. For example, 90% consider legal services are too expensive, while the same percentage view "law as a game in which the skilful and resourceful are more likely to get what they want".

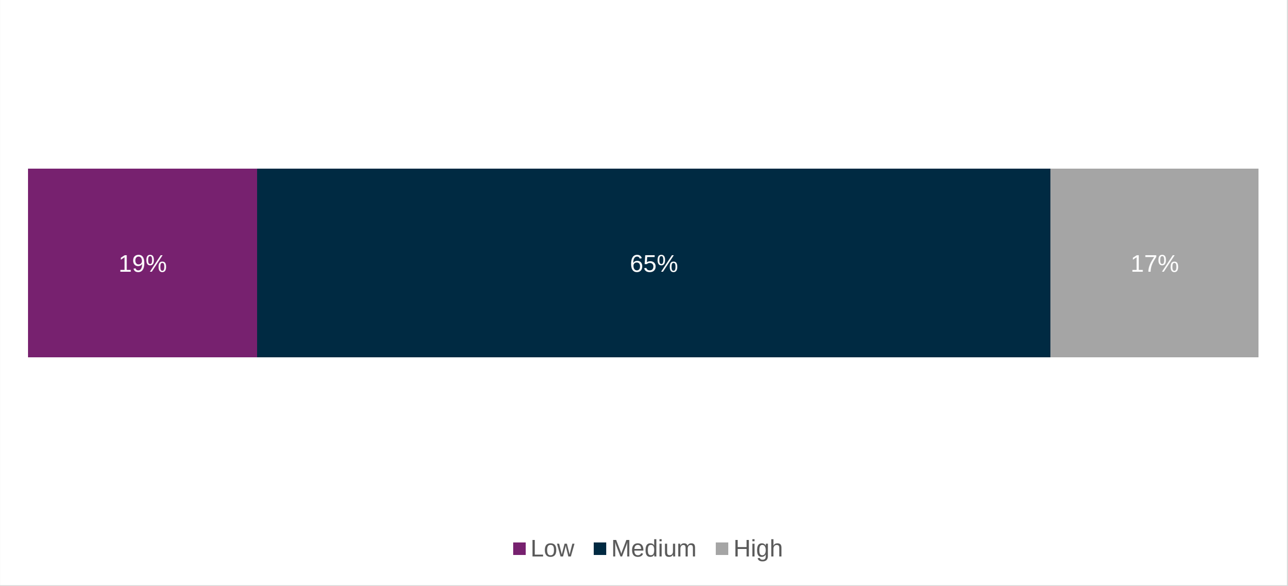
Figure 21: Individual statements on accessibility of justice

	Strongly/mainly agree	Strongly/mainly disagree
Issues like this are usually resolved promptly and efficiently.	50%	50%
It is easy to take issues like these to court if needed	39%	61%
The justice system provides good value for money.	23%	77%
For issues like these, businesses like mine can afford legal services.	29%	71%
Large business's lawyers are no better than small business's lawyers	45%	55%
Those with less money generally get a worse outcome.	87%	14%
For issues like these, law is like a game in which the skilful and resourceful are more likely to get what they want.	92%	8%
Taking a case to court is generally more trouble than it is worth.	85%	15%
For issues like these, legal services are too expensive for most small businesses to use.	90%	10%

Base: 10,228

4.15 Overall, 19% of small businesses based in England and Wales had low accessibility of justice, meaning that they do not think justice is accessible. Only 17% thought justice was highly accessible and 65% thought that justice was at a medium level of accessibility.

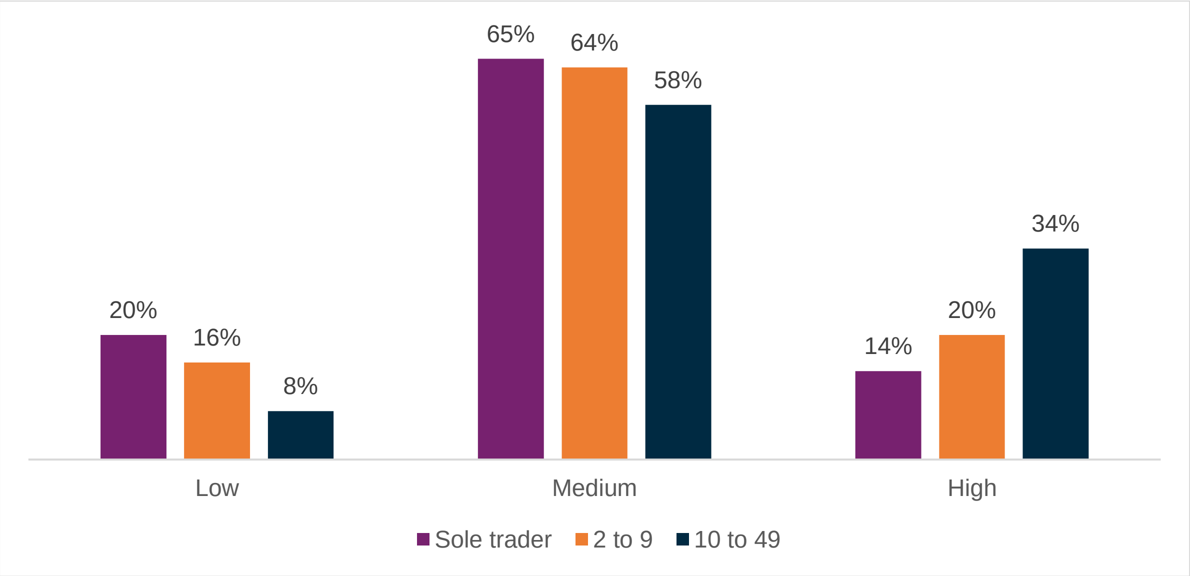
Figure 22: Levels of accessibility of justice



Base: 10,228

4.16 Similar to what we found on legal confidence, we found links between accessibility of justice with size of the firm and internal legal capacity. Larger firms with 10-49 employees were more than twice as likely to have high accessibility of justice (34%) compared to businesses with one employee only (14%). They were also more likely to have high accessibility of justice compared to businesses with 2-9 employees (20%)[27].

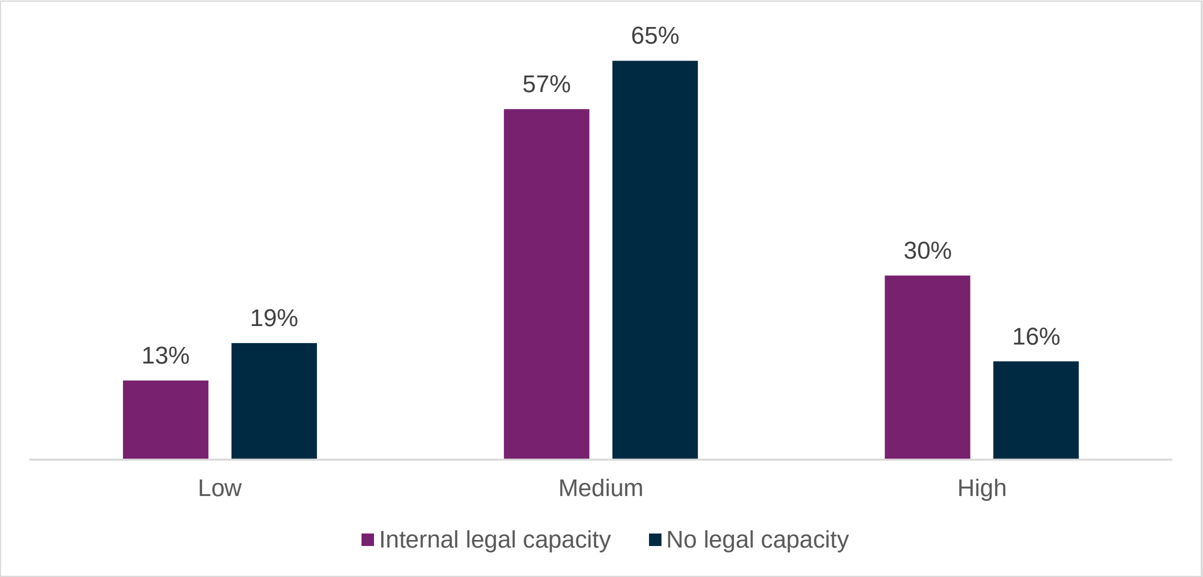
Figure 23: Accessibility of justice by size of the firm



Base: 10,228

4.17 Further, small businesses with internal legal capacity were nearly twice as likely to have high accessibility of justice (30%), compared to businesses without internal legal capacity (16%)[28].

Figure 24: Accessibility of justice by internal legal capacity



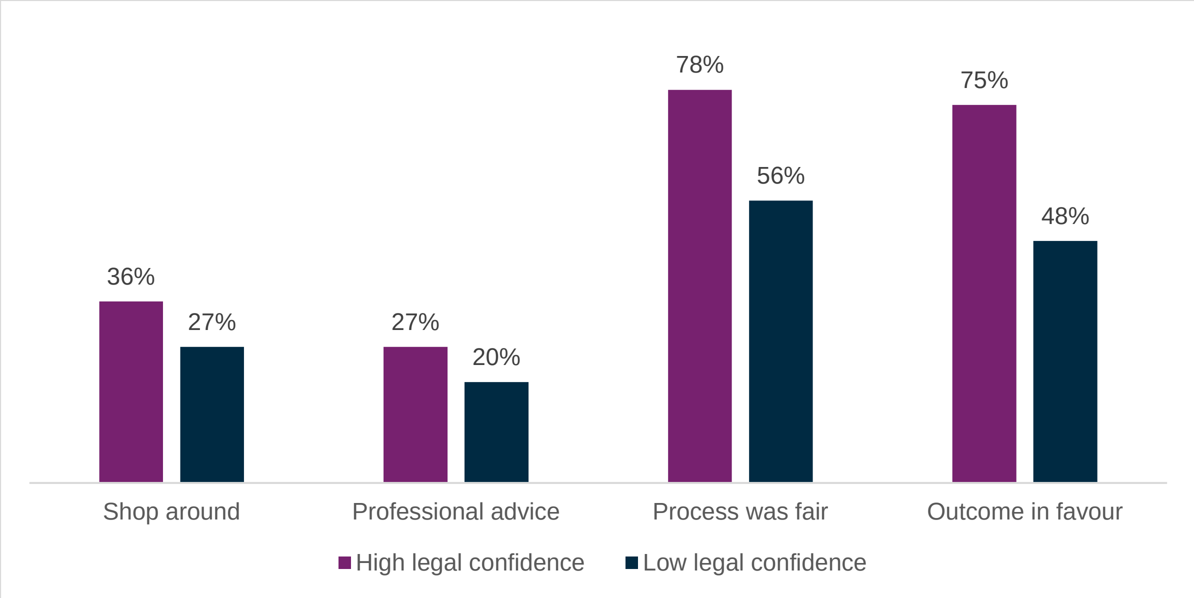
Base: 10,228

4.18 Analysing figures by region, we found that small businesses based in London were slightly more likely to have high legal accessibility compared to businesses based elsewhere in England and Wales (19% in London against 16% on average in the other regions)[29].

The importance of having high legal capabilities

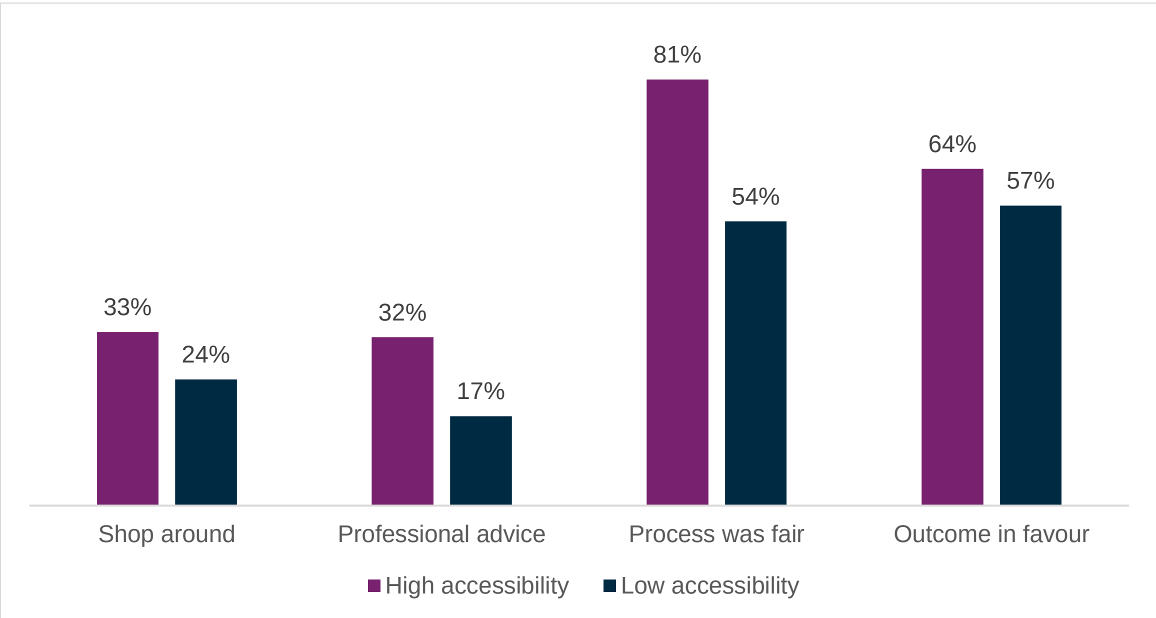
4.19 Figure 25 shows how the experience and outcomes of small businesses improve when they have high legal confidence. There was a non-significant trend showing that businesses with high legal confidence were more likely to shop around compared to those with low legal confidence (36% v 27%)[30]. Businesses with high legal confidence were also significantly more likely to use professional advice (27% v 20%)[31]. Further, small businesses with high legal confidence were more likely to say that the process was fair for everyone involved (78% v 56%)[32] and that they got an outcome in their favour (75% v 48%)[33].

Figure 25: The importance of having high legal confidence



4.20 The same pattern can be seen for accessibility of justice. As Figure 26 shows, small businesses with high accessibility of justice were more likely to shop around, get professional advice, and get better outcomes when compared to businesses with low accessibility of justice.

Figure 26: The importance of having high accessibility of justice



4.21 These findings on legal capability for small businesses match the finding for individuals from the LSB's most recent individual legal needs survey. People with high legal capability were also more active consumers and they tended to get better outcomes, than those with lower levels of legal capability.

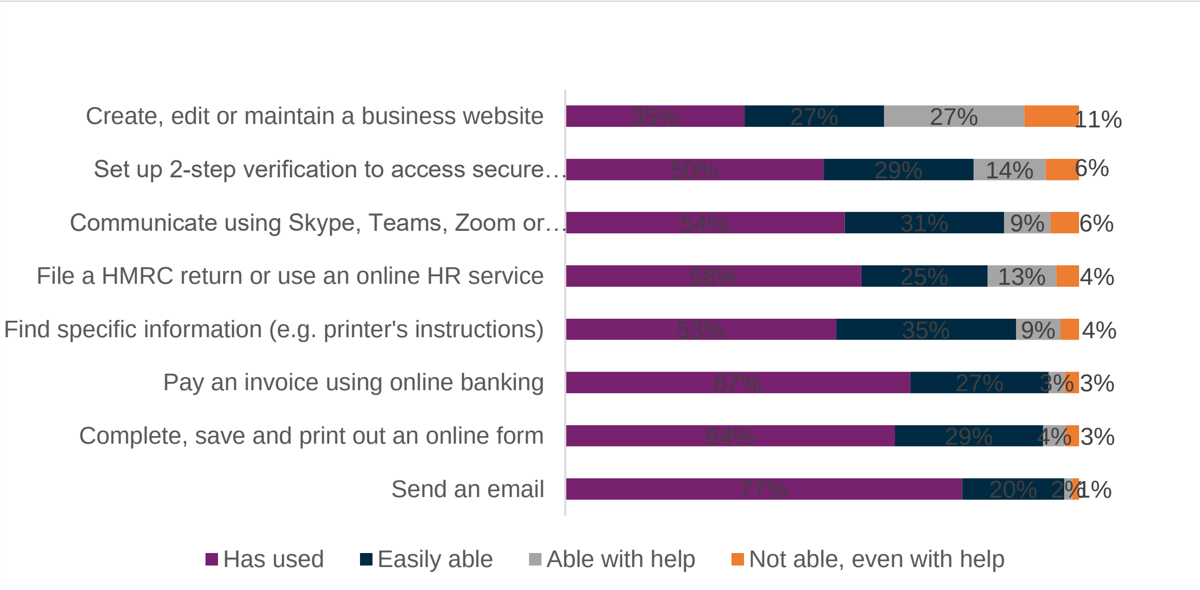
Digital and internet capabilities

4.22 Digital and internet capabilities were another new section introduced in the 2021 survey. Technology, including online support and commerce has become even more important since the beginning of the Covid-19 pandemic in March 2020.

4.23 We asked small businesses if they used the internet to carry out tasks useful to their business (these are listed in Figure 27). For all but one of these tasks at least half (50%) had used the internet to complete them. The top three tasks included sending an email (97%), paying an invoice using online banking (94%), and complete, save and print out an online form (93%).

4.24 The three tasks where small businesses showed least digital capability were creating, editing or maintaining a business website, setting up a two-step verification to access information, and communicating via Skype, Teams or Zoom. For these between 6% and 11% said that they wouldn't be able to do these tasks, even with help.

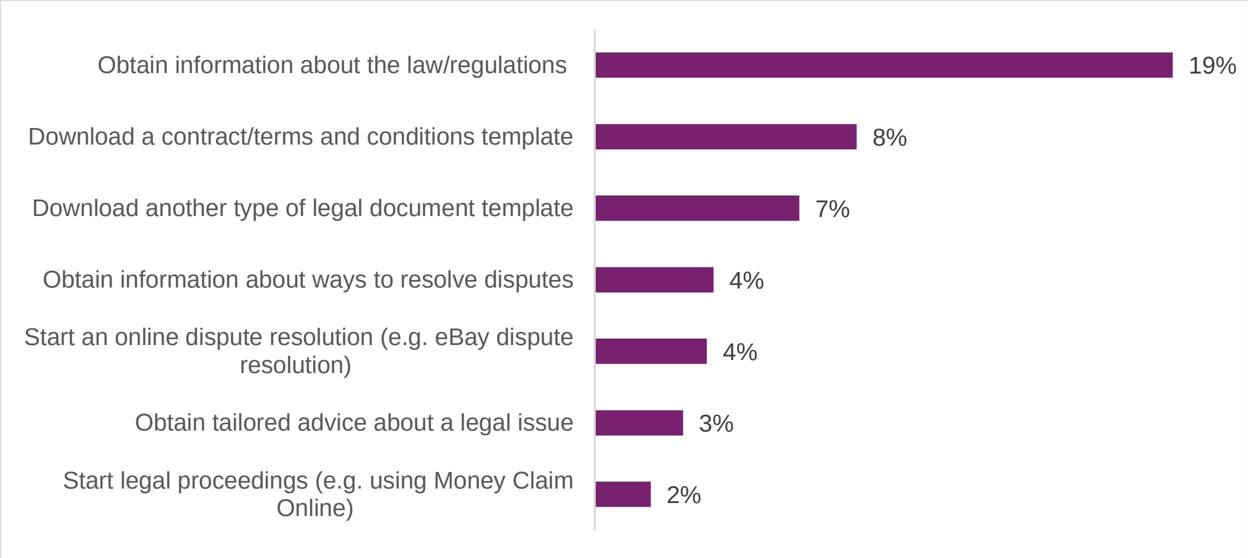
Figure 27: Digital capabilities



Base: 10,228

4.25 The survey also asked whether small businesses used the internet to run some specific legal tasks shown in Figure 28. 71% businesses did not use the internet to run those specific legal tasks, although it was possible that these activities were run offline. Overall, the top three activities were obtaining information about the law/regulations (19%), downloading a contract (8%) and downloading another type of legal document (7%).

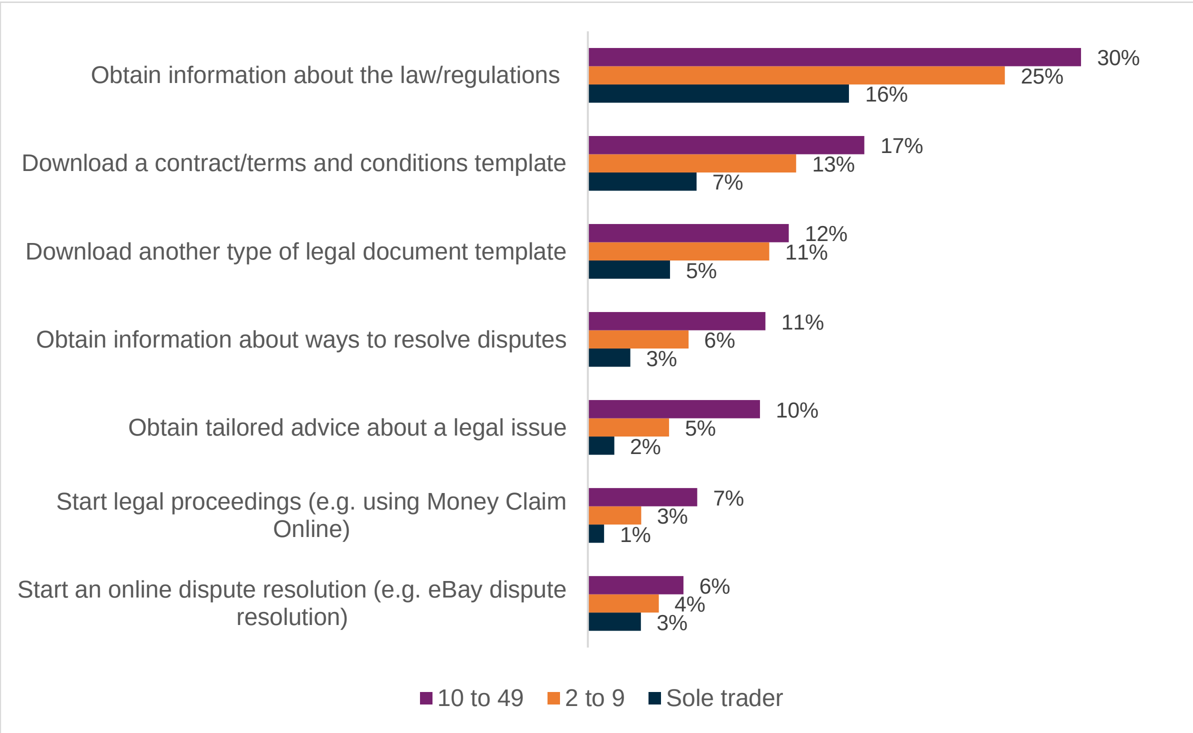
Figure 28: Whether businesses used internet to run legal tasks



Base: 10,228

4.26 Figure 29 shows internet activities flagged by the size of the businesses. Not surprisingly, larger firms with 10 to 49 employees were more likely to undertake all the listed activities. Conversely firms with only 1 employee were much less likely to use the internet to do any of these tasks. This indicates that many of the smallest businesses may be missing out on potentially cost-effective support available online.

Figure 29: Use of internet to run legal tasks by size of business



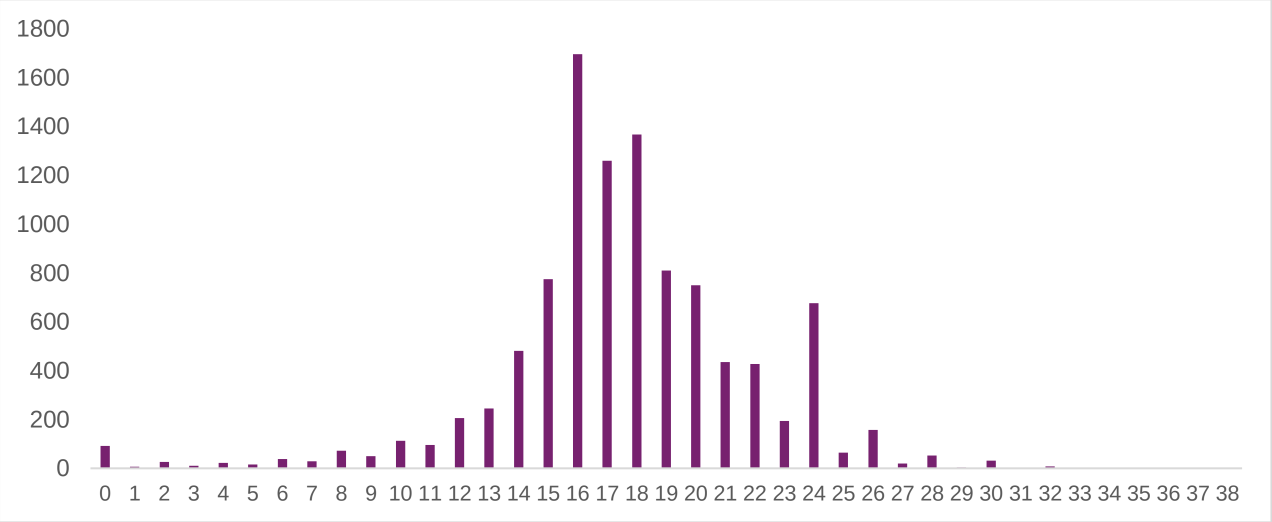
Base: 10,228

Digital and internet capabilities index

4.27 Through further analysis we created a digital and internet capability index using all the questions presented above. The questions on digital capability (e.g. being able to create, edit or maintain company website) were transformed into a four point scale. Small businesses rating ‘not able even with help’ were assigned a score of 0, a score of 1 was assigned to those answering ‘able with help’, 2 to those rating ‘has used’ and 3 to those answering ‘easily with help’. In relation to internet capabilities (e.g. using internet to obtain information about the law/regulation), a score of 2 was assigned to those rating that they did a specific activity (matching the score for those who used the internet for a legal task), while a score of 0 was assigned to those who did not run the activity.

4.28 The digital and internet capability index ranged from 0-38. For analysis purposes, and similar to the legal capability scales, the index was flagged into low, medium and high capability. All small businesses with a digital capability score between 0-15 were grouped into low digital capability, those with 16-20 into medium, and those scoring 21-38 into high digital capability. We made these groupings to take into account the distribution of scores (see Figure 30) which are concentrated between 14 and 24. Splitting into equal ranges of scores would have otherwise left the large majority in the medium group and limited comparisons.

Figure 30: Frequency of digital capability index scores



Base: 10,228

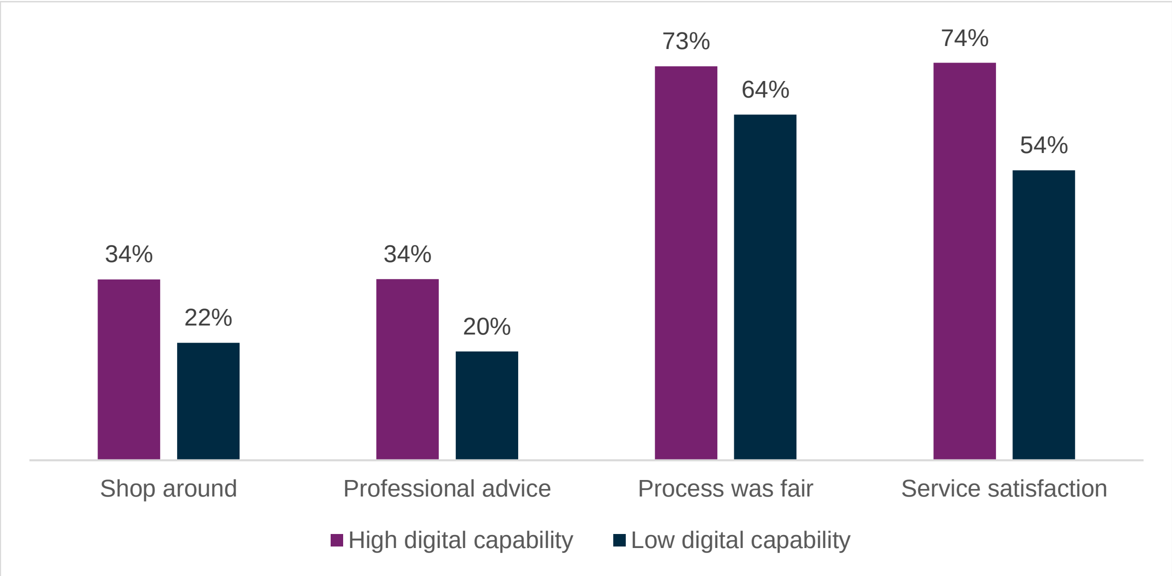
4.29 Overall, 22% of small businesses based in England and Wales had low digital capability, 57% had medium digital capability, and 20% had high digital capability.

4.30 We found links between level of digital capability and characteristics of the firms.

4.31 Larger firms with 10-49 employees were more likely to have high digital capability (36%) than smaller firms with 2-9 employees (25%) or 1 employee (18%)[34]. Small businesses with internal legal capacity were also more likely to have high digital capability (35%) than those without (19%)[35].

4.32 Figure 31 shows how small businesses with high digital capability were more likely to shop around, get professional help and to think the process was fair and be satisfied with the service. No significant differences were found on whether businesses got an outcome in favour, hence it was not included in Figure 33.

Figure 31: Advantages of having high digital capability



Base: 10,228

4.33 Notably, 24% of businesses with high digital capability had high legal confidence, compared to 20% among those with low digital capability[36]. Further, 27% of businesses with high digital capability had high accessibility of justice, whereas this was 15% for those with low digital capability[37]. Those with high digital capability were nearly one and a half times more likely to use professional help in response to their legal issues (34%) than those with low digital capability (20%)[38].

4.34 In relation to outcomes, small businesses with high digital capability were more likely to say that the process was fair (73%) than those with low digital capability (64%)[39]. Small businesses with high digital capability were also more likely to be satisfied with the service received by a professional adviser (74%) compared to those with low capability (54%)[40].

What do small businesses do in response to experiencing a legal issue?

Key findings

- When responding to a legal issue, 8% of small businesses took no action, while 44% sought to resolve it entirely on their own. Small businesses with one employee were more likely to seek to resolve their issue entirely on their own when compared to businesses with 2-9 employees and 10-49 employees. Small businesses experiencing trading issues were most likely to deal with the issue entirely on their own.
- Only 19% of businesses responded to their legal issue by asking for help from an independent adviser, representative or support service, while 6% asked family and friends and 13% business friends and colleagues. Businesses with high legal confidence were more likely to get help from an independent adviser, representative or support service compared to those with low legal confidence.
- Overall, 25% of small businesses used professional help as main adviser in response to a legal issue (either by approaching them directly or via family, friends or business friends or colleagues). Small businesses describing the issue as legal in nature were more likely to use professional help, while those with high accessibility of justice were also more likely to use professional help than those with low accessibility of justice.
- Across all sources of help, accountants were the most used (22%) followed by solicitor's firms (16%) and independent not-for-profit advice organisations, e.g. Chamber of Commerce, Citizens Advice Bureau (10%).
- Emails were the most common way of delivering legal services (54%). Telephone conversations were second in the rank (43%) followed by in-person meetings (16%) and video calls via platforms such as Skype, Teams or Zoom (15%).
- Overall, 48% of small businesses had to pay for the service received. 46% did not have to pay or they had already paid as part of another service (such as an insurance premium or a legal services subscription).
- For those who paid for the service, a range of pricing methods was used, with fixed price being the most common (44%), followed by price range quotation (28%) and an hourly rate including an estimate of the hours (16%).
- The mean cost associated to small businesses needing to get professional help because of Covid-19 was £3,019 per business. Whereas the mean cost associated with getting professional help because of the EU exit was £4,404 per business.

5.1 This section focuses on how small businesses responded to the legal issues they experienced. We saw a range of responses: some took no action, others sought to resolve it on their own, and others used external help, including from legal services providers.

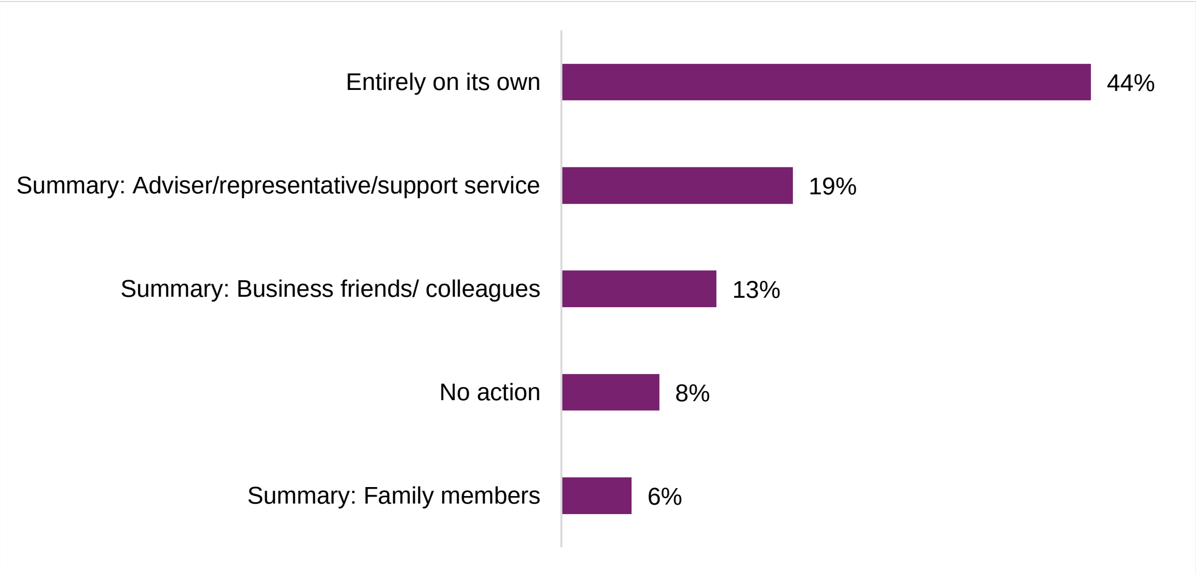
5.2 We asked those who had used a legal services provider, how they chose and paid for their provider, as well as levels of satisfaction and likelihood to recommend.

Actions taken to sort out legal problems

5.3 Figure 32 shows the actions taken by small businesses to address legal issues. 8% of small businesses took no action, while almost half (44%) sought to resolve issues entirely on their own.

5.4 19% of businesses acted with the support of an independent advisor, representative or support service, while 13% got help from business friends and colleagues, and 6% from family and friends. It is possible that some of those family members or business contacts may have been legal services professionals.

Figure 32: Actions taken to address legal issues



Base: 3,697

5.5 We found that small businesses with 10-49 employees were significantly less likely to seek to resolve their issue entirely on their own (34%), compared to businesses with 2-9 employees (43%) and one employee (47%). The difference between one employee and 2-9 employee businesses was also marginally significant[41]. We did not find any differences by type or age or location of firm.

5.6 However, we did find differences by the type of issue experienced. Small businesses experiencing trading issues were more likely to seek to resolve the issue entirely on their own (46%)[42]. Further, businesses with structure, other and intellectual property issues were more likely to get advice from an independent adviser, representative or support service when compared to the overall sample.

5.7 Small businesses who described their issue as bad luck or a private business matter were more likely to handle it alone (52% to 54% v up to 41% for all others)[43, 44]. Levels of accessibility of justice scores also appear to be relevant: 50% of businesses with low accessibility of justice said they sought to resolve their issue entirely on their own, significantly more than both small businesses with medium (45%) and high (33%) accessibility of justice scores[45].

5.8 We found an interesting link between handling the issue alone and outcome: notably small businesses handling the issue alone were more likely to get an outcome in their favour than those using different handling strategies (69% v 57%)[46]. This may reflect that the issues involved were more straightforward to resolve rather than the relative effectiveness of different alternative handling strategies.

Main sources of help or advice

5.9 Overall, 25% of small businesses based in England and Wales used professional help as their main adviser to resolve a legal issue.

5.10 Larger firms with 10-49 employees were more likely to use professional help (36%) compared to smaller firms with 2-9 (29%) or one employee (19%)[47]. Small businesses with high legal confidence were more likely to use professional help (27%) compared to those with low legal confidence (20%)[48]. In addition, small businesses with high accessibility of justice scores were also more likely to use professional help (32%) compared to those with low accessibility of justice scores (17%)[49].

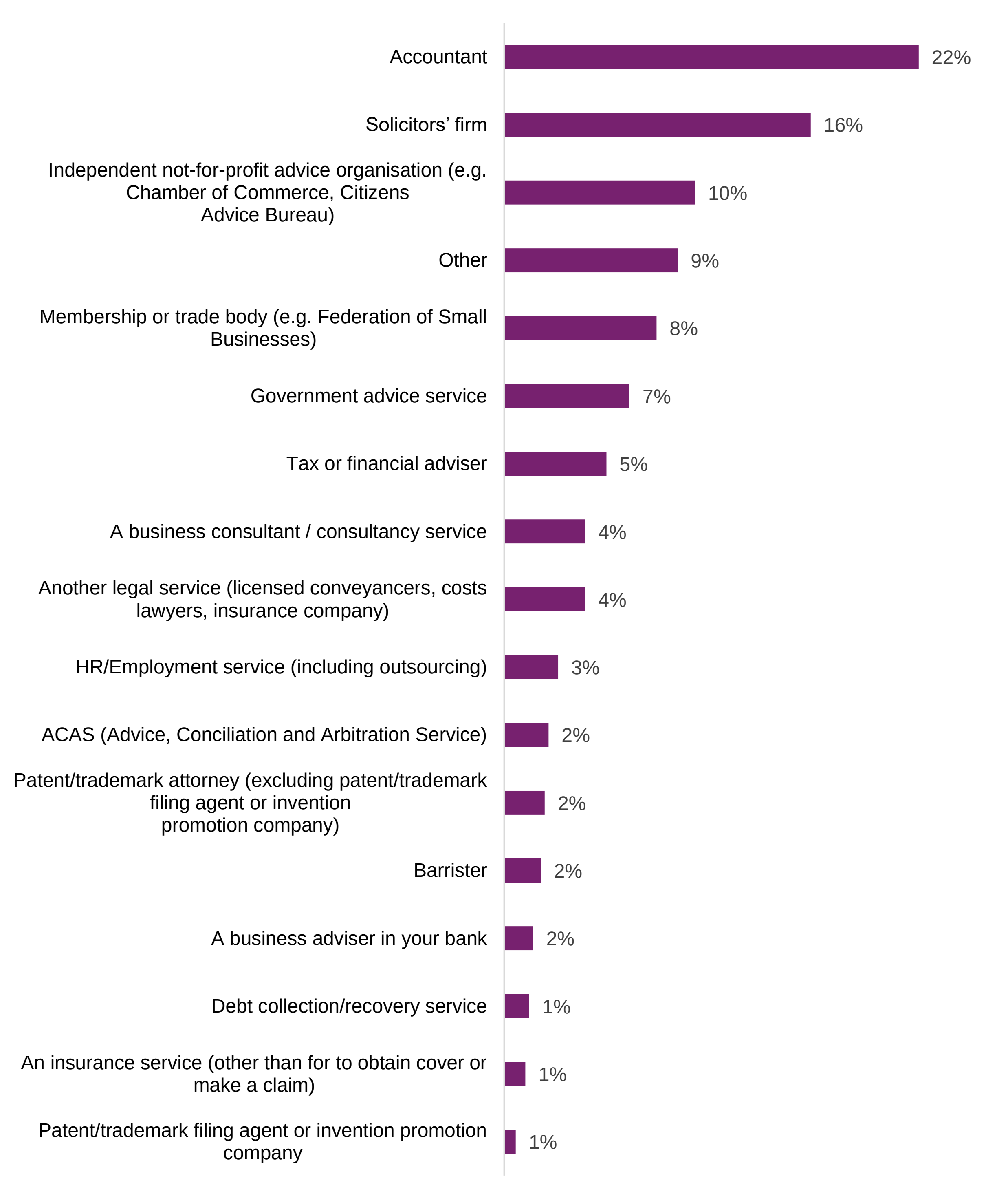
5.11 Further, small businesses were most likely to use professional help for criminal (48%), social (41%), legal (39%), moral (36%), and bureaucratic issues (30%). They were significantly less likely to use professional help for issues described as being related to bad luck (19%) or a private business matter (22%)[50].

5.12 Accountants (22%) were the most common source of main advice[p] followed by solicitor's firms (16%) and independent not-for-profit advice organisations – e.g. Chamber of Commerce, Citizens Advice Bureau – (10%). Figure 33 below shows all the sources of main advice.

5.13 Sources of professional help included regulated legal providers and others. Considering all businesses using professional help, only a small proportion of those used regulated legal providers (24% used regulated legal services providers v 76% used all others such as accountants and tax advisers).

[p] Professional adviser mainly used to resolve the legal issue.

Figure 33 : Main provider used to solve legal issues



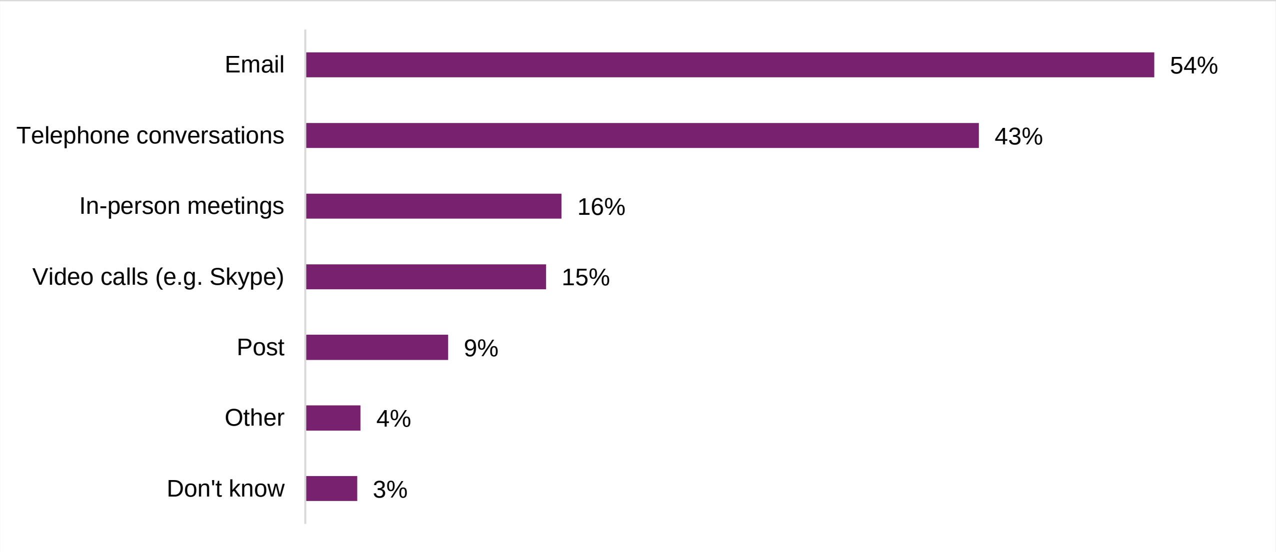
Base: 1,027

How were services mainly delivered

5.14 Emails were the most common way of delivering legal services with more than one in two (54%) main providers using them as the primary way of delivering the service. Telephone conversations ranked second (43%) followed by in-person meetings (16%) and video calls via platforms such as Skype, Teams or Zoom (15%).

5.15 The comparison of delivery methods by wave is included in the longitudinal analysis. In 2021 there was more use of emails and video calls instead of in-person meetings. This is not surprising, considering the Covid-19 pandemic and associated lockdowns and restrictions. Like many other service providers[q], legal services providers had to increase their use of technology to deliver services.

Figure 34: How were services mainly delivered

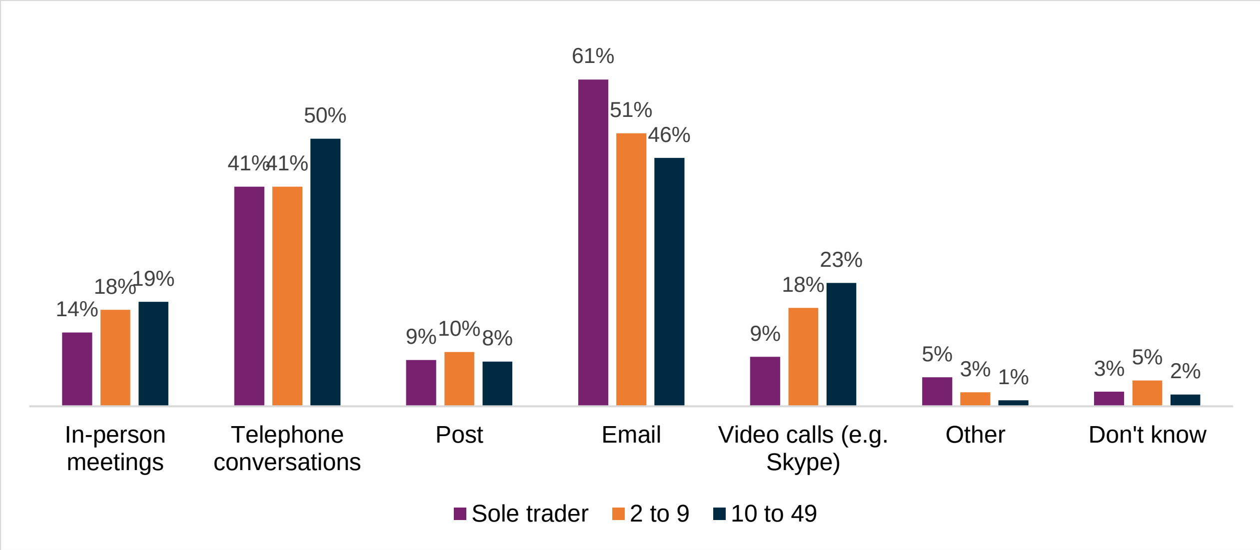


Base: 982

5.16 Figure 35 examines delivery methods by business size. Sole traders were significantly less likely to deliver services using video calls compared to both businesses with 2-9 and 10-49 employees[51]. Larger firms were also numerically more likely to deliver services by telephone compared to firms with 2-9 employees and sole traders, though this trend was not statistically reliable[52]. Conversely, sole traders were more likely to use emails when compared to larger firms[53].

[q] Mckinsey October 2020: https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever

Figure 35 : Delivery methods by size



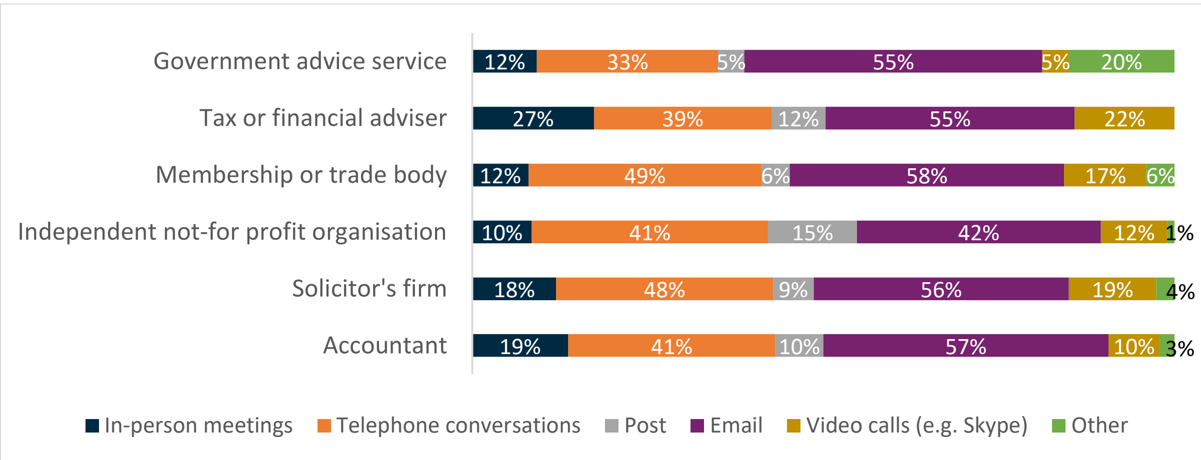
Base: 982

5.17 We found no other significant differences between the way services were delivered and characteristics of the firms such as location, age or the broad type of issue experienced (e.g. trading, tax).

5.18 Figure 36 shows that tax or financial advisers were more likely to deliver in-person services (27% v 16% for all other providers).

5.19 It also shows that independent not-for profit charities providing legal services were more likely to deliver services by post (15% v 8% for all other providers).

Figure 36 : Main way legal services were delivered by provider used



Base: 982

Paying for help or advice

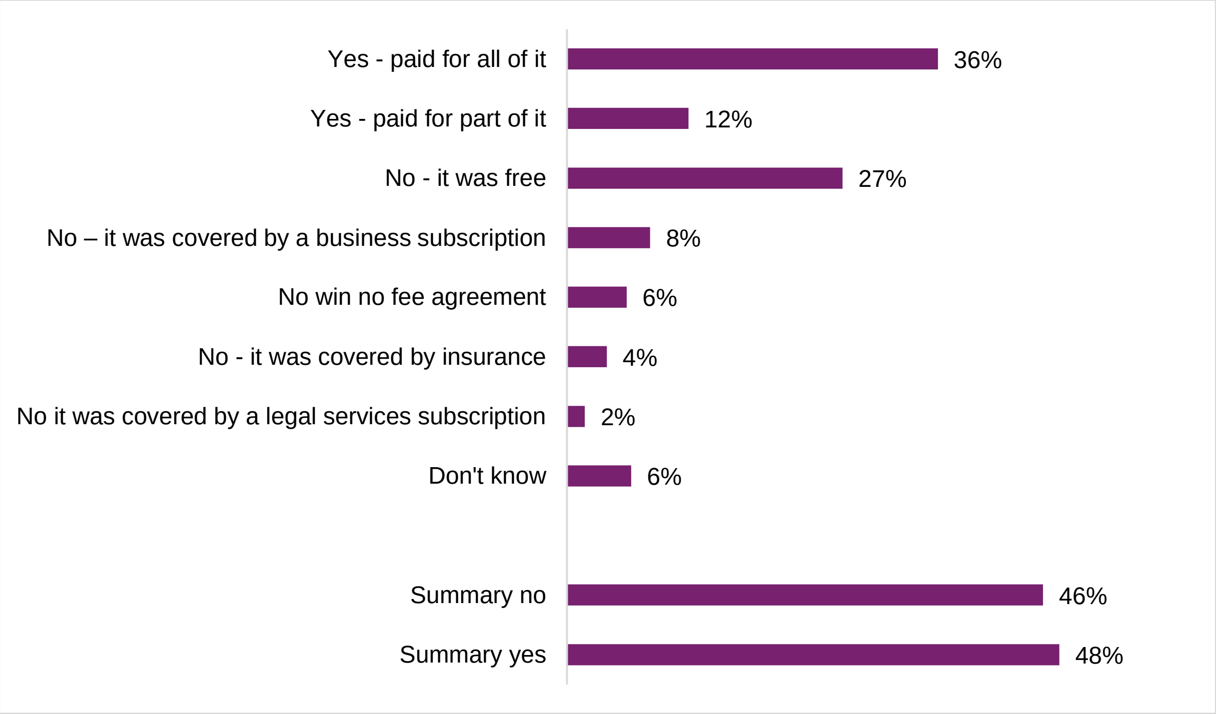
5.20 Overall, 48% of small businesses had to pay for the service received and 46% did not have to pay or they already paid as part of another service (such as an insurance premium or a legal services subscription).

5.21 Smaller firms with one employee were more likely to say that they did not pay for the service they received (55%) than those with 2-9 employees (35%) or 10-49 employees (36%)[54].

5.22 We also found a link between whether the business paid for the service and their level of legal capability. Small businesses with high legal confidence were significantly more likely to have paid for the service received compared to businesses with lower legal confidence (56% v 45% average of businesses with low and medium legal confidence)[55]. Further, businesses with low accessibility of justice were significantly less likely to have paid for the service received (32%), compared to businesses with medium (49%) and high (54%) accessibility scores[56].

5.23 Small businesses based in London were significantly more likely to say that they paid for the legal service they received compared to those based elsewhere in England and Wales (59% v 45% on average for other regions)[57]. Small businesses based in the Midlands were more likely to say that they did not have to pay for the service than those based elsewhere in England and Wales (61% v 43%)[58].

Figure 37: Paying for the service received

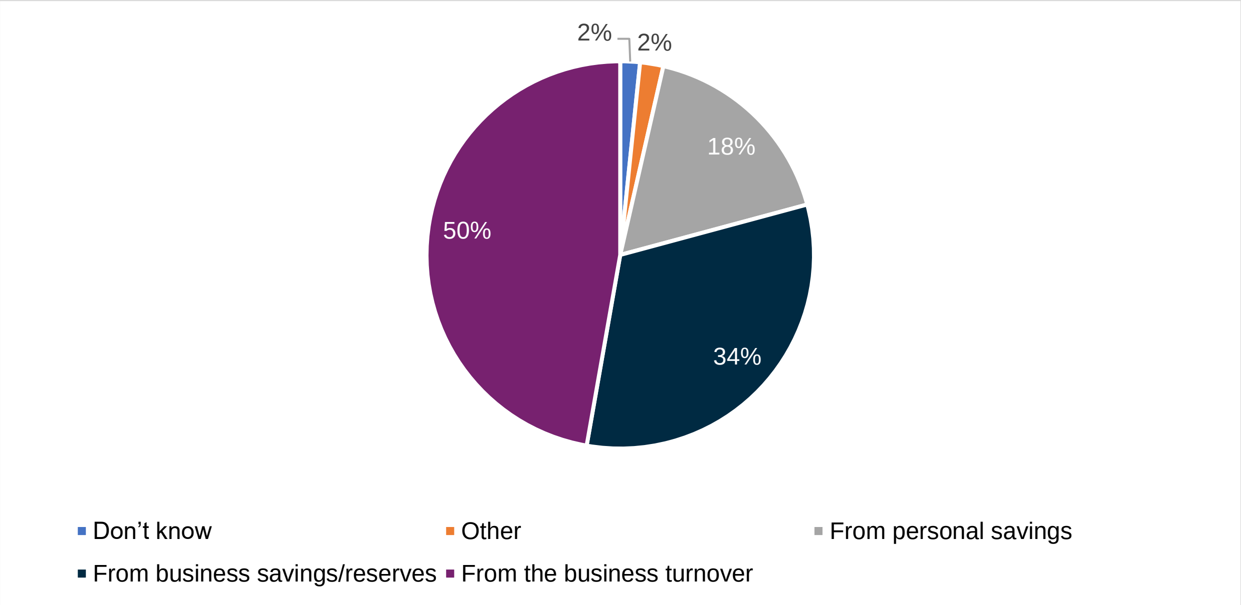


Base: 982

5.24 Considering those who had to pay, a good range of pricing methods was used, with fixed price being the most common (44%), followed by price range quotation (28%) and an hourly rate including an estimate of the hours required (16%).

5.25 For those small businesses who paid for the legal service they received, 50% paid from business turnover and 34% from business savings or reserves. It is notable that 18% of businesses paid from personal savings, suggesting that the issue was not expected. This may be linked to the importance of having high legal capability. Notably, 30% of small businesses with low accessibility of justice paid from personal savings, compared to 17% on average for larger businesses[59].

Figure 38 : How businesses paid for the service



Base: 501

Impact of Covid-19 and the EU exit on professional services used

5.26 We asked small businesses if they made use of any professional services because of the Covid-19 pandemic or EU exit. Out of all small businesses with a legal issue, 10% said they used professional services because of the Covid-19 pandemic, whereas 5% said they used professional services because of EU exit.

5.27 Those businesses who made use of professional services in the past twelve months regardless of experiencing a legal issue, were asked if they used more of those services because of Covid-19. Figure 39 below shows that among small businesses who used professional services, 76% used independent not-for-profit organisations because of Covid-19 related issues, 66% used accountants and 58% other legal services (e.g. licensed conveyancers, costs lawyers).

Figure 39: Professional services used more because of the Covid-19 pandemic

Bases: Independent not-for profit advice organisation= 128; Accountant= 432; Other legal service = 151; Patent/trademark attorney = 61; Tax or financial adviser = 290; Solicitors' firm = 222; Barrister = 43 Δ.

Figure 40 : Professional services used more because EU exit

Bases: Independent not-for profit advice organisation= 50; Accountant= 432; Other legal service = 65; Patent/trademark attorney = 39 Δ; Tax or financial adviser = 142; Solicitors' firm = 104; Barrister = 26 Δ.

5.28 We then asked those firms to estimate the total cost for services associated with the Covid-19 pandemic or EU exit. Analysing the responses, we found that a few firms gave implausibly high estimates (above £5M), possibly because they misunderstood the question.

5.29 Therefore, we decided to deal with these as outliers. We calculated the 97th percentile and removed any values above this. After removing outliers, the mean cost to each small business for professional services associated with Covid-19 dropped from £40,240 to £3,019. The mean cost to each small business of professional services associated with the EU exit dropped from £379,701 to £4,404 for each small business.

Figure 41: Estimate of the cost for the legal service received because of Covid-19 or the EU referendum

	Average cost cost	Min	Max
Covid-19	£3,019	£0	£52,000
EU exit	£4,404	£0	£56,000

Bases: Covid-19 = 471; EU exit = 207

Which small businesses were more likely to use professional advice

5.30 We ran a second multivariate logistic regression model to understand which small businesses were more likely to use professional help in response to their legal issues. In this model the dependent variable (the variable that needs to be predicted and explained by the model) is whether the business used professional help (value 1) or not (value 0). All outputs from this regression analysis can be found in the annexes.

5.31 Small businesses were significantly more likely to use professional help in response to their legal issues if they:

- Described the character of their issue to be legal in nature:
  - they were 2.1 times more likely to use professional help than those who didn't.
- Experienced business structure issues (e.g. break-up of partnership):
  - they were 1.9 times more likely to use professional help compared to businesses experiencing any other type of legal issue.
- Experienced tax issues:
  - they were 1.8 times more likely to use professional help compared to businesses experiencing any other type of legal issue.
- Experienced regulation issues (e.g. import/export regulation):
  - they were 1.8 times more likely to use professional help compared to businesses experiencing any other type of legal issue.

- Agreed that ‘When I need one, I find it easy to find a suitable legal services provider that I can afford’:
    - they were 1.7 more likely to use professional help than those disagreeing with the statement.
- Had medium or high accessibility of justice scores:
    - they were 1.5 times more likely to use professional help than those with low accessibility of justice scores.
- Experienced employment issues:
    - they were 1.5 times more likely to use professional help compared to businesses experiencing any other type of legal issue.
- Experienced business premises issues (e.g. Eviction/threat of eviction):
    - they were 1.5 times more likely to use professional help compared to businesses experiencing any other type of legal issue.
- Had 10-49 employees:
    - they were 1.3 times more likely to use professional help than those with 1-9 employees.

5.32 This regression model confirms that recognising an issue as legal in nature is an important driver of access to justice. This was consistent with what we found in the previous wave of the research.

5.33 The model also suggests that the type of legal issue experienced is an important factor in predicting when a small business seeks professional help. According to the model, small businesses experiencing, structure, business premises, tax and employee issues were more likely to use professional help compared to other legal issues.

5.34 Also, having a medium or high accessibility of justice score is associated with higher likelihood of using professional help. Although the bivariate analysis found a relationship between having high legal confidence and use of professional help, the model did not find the relationship to be significant.

The process of choosing a provider

Key findings

- 28% of small businesses who used professional help shopped around when looking for their main provider (up from 22% in 2017), namely searched for or obtained information about more than one service. 54% did not shop around at all, and 8% said that they wanted but didn’t know how to.
- Small businesses with high legal capability were more likely to shop around than those with low capability.
- The main reasons for not shopping around were ‘it was unnecessary because I knew which provider wanted’ (61%), time consuming (21%) and ‘difficult, as relevant information is hard to find’ (14%).

- 30% of small businesses who shopped around used a customer review website or app while 27% used a price comparison website or app. Firms with high legal capability were more likely to have used a price comparison website or app compared to those with low capability.
- 54% of small businesses who got help from a professional adviser checked if that provider was regulated while 34% did not check it.
- Top reasons for not checking if the provider was regulated were 'they just assumed it was regulated' (48%), 'they did not think about regulation at all' (28%) and 'they did not think regulation was important' (19%).
- Main reasons for choosing a provider included specialism/expertise (26%), prior use (23%) and reputation (23%). When comparing small businesses who shopped around to those who did not, small businesses who shopped around were more likely to consider reputation (34% v 19%), specialism/expertise (34% v 23%), cost (30% v 15%), recommendation by an accountant (15% v 8%), recommendation by a trade body (13% v 8%) as well as quality marks (13% v 8%).
- In relation to the ease of finding different types of information about the main provider, overall, businesses found it easiest to find information on the expertise or experience of the provider (54%) and how quickly the service could be accessed (53%). The types of information rated to be more difficult to find were on how long the issue would take (17%) and cost of service (13%).

Shopping around for a provider

6.1 Only 28% of small businesses who used professional help shopped around when looking for a provider. Also, 54% who used professional help did not shop around at all, and 8% said that they wanted but they didn't know how to.

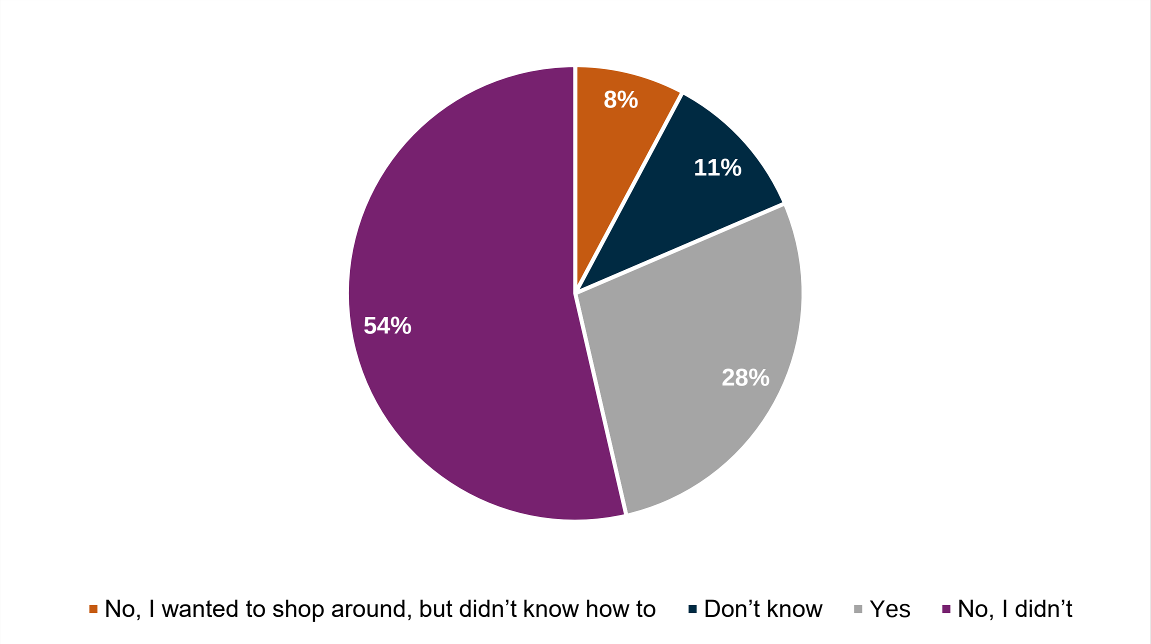
6.2 Small businesses with high legal capability were significantly more likely to shop around when looking for a provider compared to those with lower legal capability (36% v 25% average of low and medium capability)[60]. Further, small businesses with high accessibility of justice scores were marginally more likely to have shopped around compared to businesses with lower accessibility of justice scores (33% v 26% average of low and medium accessibility scores)[61].

6.3 Also, businesses with internal legal capacity were significantly more likely to say that they shopped around when looking for a provider compared to those without (43% v 24%)[62]. This might indicate that businesses with internal legal capacity are more familiar with the sector, and this means they tend to run more comparisons before choosing a provider.

6.4 The situation is similar to what other surveys indicate for individuals; in 2021, 30% of individuals shopped around when looking for a provider[r].

[r] Legal Services Consumer Panel Tracker Survey 2021: https://www.legalservicesconsumerpanel.org.uk/wp-content/uploads/2021/07/lscp-choosing-2_47794890-1.png

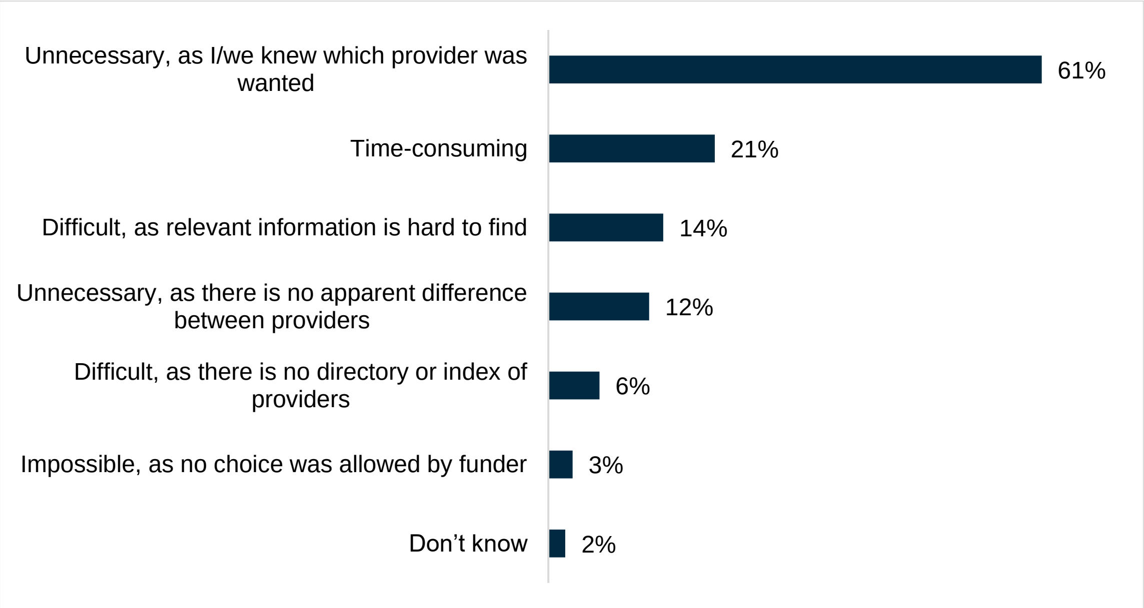
Figure 42: Shopping around when looking for a provider



Base: 982

6.5 Figure 43 shows the reasons small businesses gave for not shopping around. 61% said that it was unnecessary because they knew which provider they wanted. Other reasons related to perceived lack of difference between providers, lack of choice or difficulty in finding and comparing them.

Figure 43: Reasons for not shopping around



Base: 540

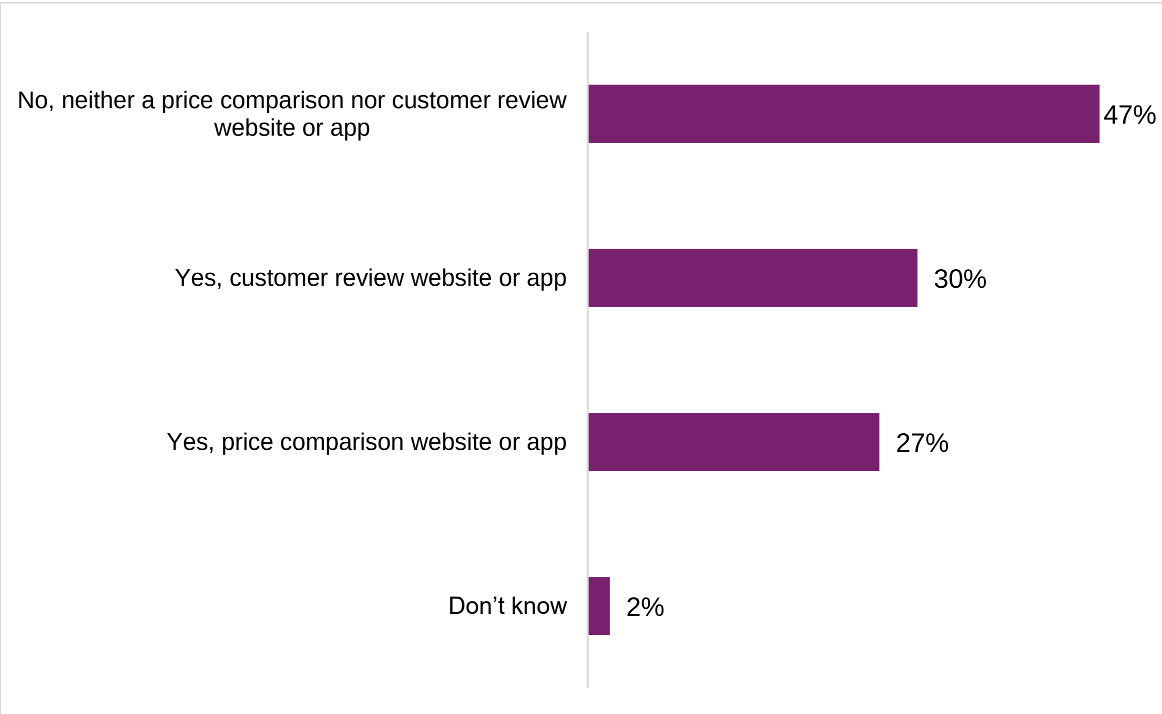
Use of cost comparison and customer review tools

6.6 Small businesses who shopped around were asked whether they used cost comparison or customer review tools. Nearly half (47%) said that they had not but just under a third had used a customer review website or app (30%) and just over a quarter (27%) had used a price comparison website or app.

6.7 We found no statistically significant differences in the likelihood of using price comparison or customer review tools based on business size. That said, businesses with one employee were numerically less likely to have used a price comparison website or app (22%) compared to businesses with 2-9 employees (31%) or 10-49 employees (30%). Small businesses with one employee were also more likely to say that they had not used either of the two (52%) compared to businesses with 2-9 employees and 10-49 employees (43% for both).

6.8 Firms with high legal capability were significantly more likely to have used a price comparison website or app compared to those with low capability. Notably, 45% of businesses with high legal confidence used a price comparison website against only 10% among those with low legal confidence[63]. Similarly, 48% of small businesses with high accessibility of justice scores used price comparison websites compared to 19% for those with medium accessibility of justice scores, and 16% for those with low accessibility of justice scores[64].

Figure 44: Use of comparison tools



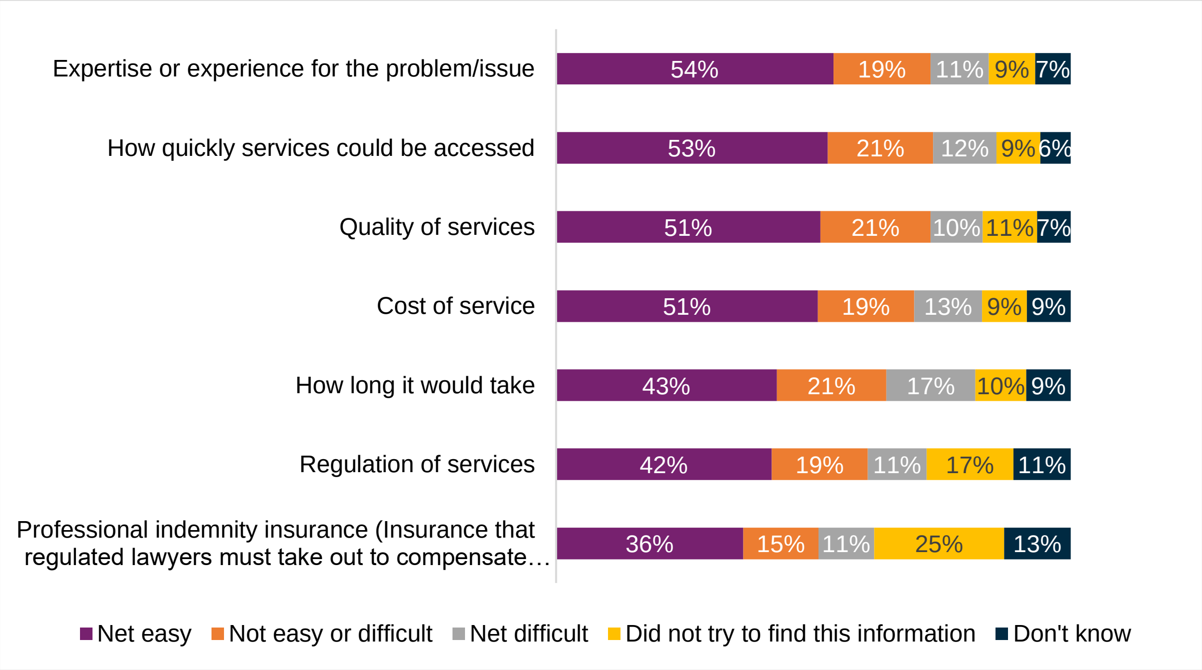
Base: 265

6.9 We asked all small businesses who shopped around how easy they found making comparisons between providers. Just below half (46%) said that it was either easy or very easy, 36% said that it was neither easy or difficult and 16% said it was either difficult or very difficult.

Ease of finding information on providers

6.10 We also asked all businesses who used professional help how easy it was to find different types of information about providers. Overall, they found it easiest to find information on the expertise or experience of the provider (54%) and how quickly the service could be accessed (53%). The types of information rated to be more difficult to find were on how long the issue would take (17%) and cost of service (13%).

Figure 45: Ease of finding information about the provider



Base: 982

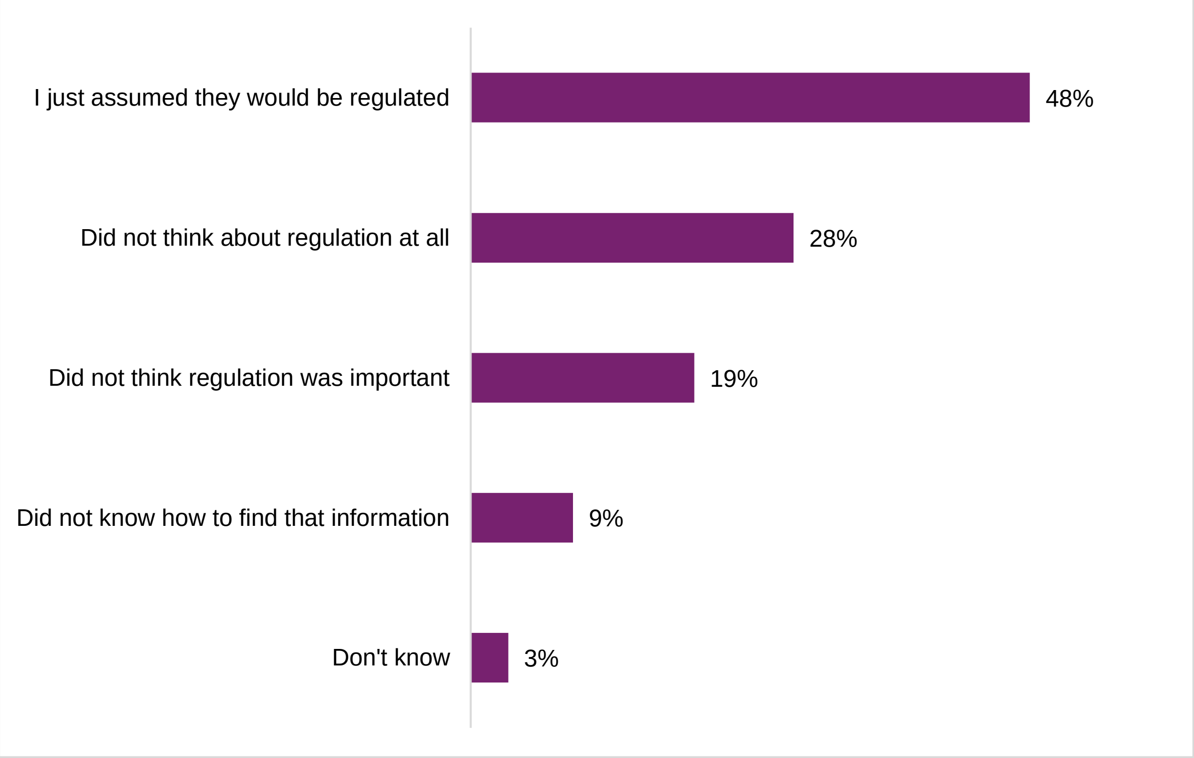
Checking whether the provider is regulated

6.11 We asked small businesses who used professional help whether they checked if the provider was regulated. Overall, 54% small businesses did check, 34% did not check, while 12% did not remember if they had checked or not.

6.12 The finding that small businesses with high legal capability tend to be more active consumers is supported here too. Businesses with high legal confidence were marginally more likely to have checked whether the provider was regulated (63%), compared to those with low confidence (46%)[65]. Further, businesses with high accessibility of justice scores were significantly more likely to have checked (65%), versus businesses with medium (53%) and low (43%) accessibility scores[66].

6.13 We asked those who did not check whether the provider was regulated why they had not checked. Nearly half (48%) said that they just assumed that their provider would be regulated. 28% said they did not think about regulation at all. Further, nearly a fifth (19%) did not think that regulation was important and 9% did not know how to find that information.

Figure 46: Reasons for not checking whether the provider is regulated

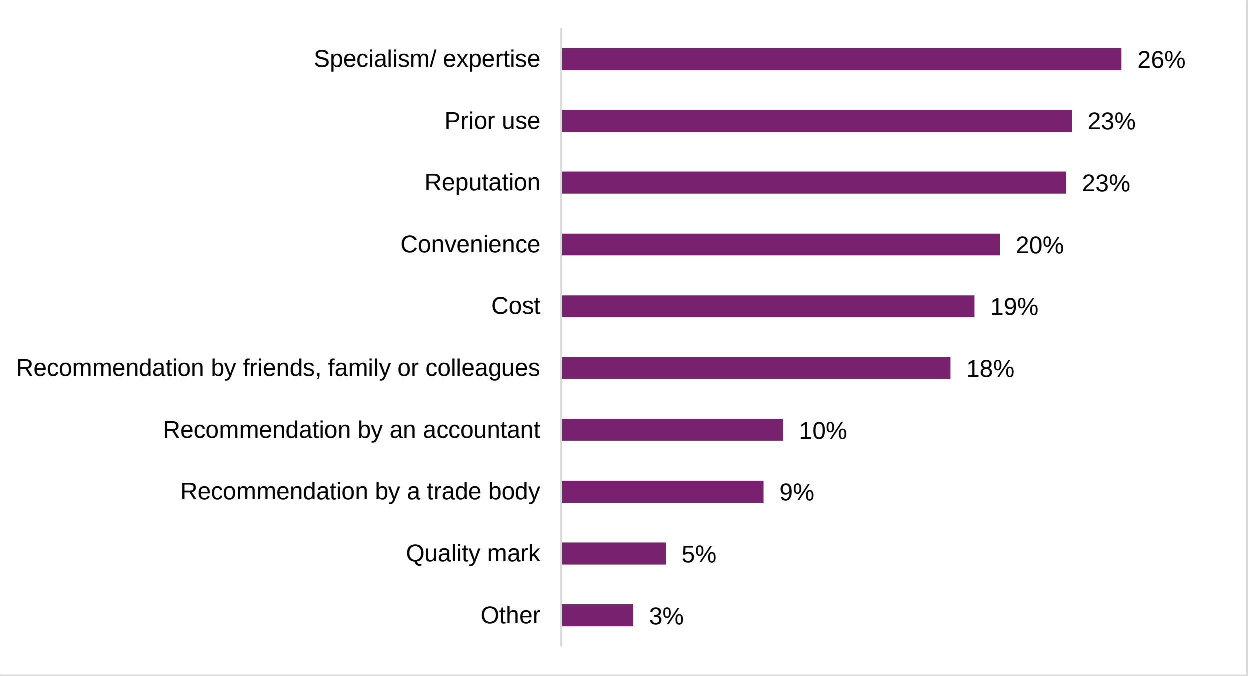


Base: 318

Reasons for choosing a provider

6.14 All small businesses who used professional help in response to their legal issues were asked which factors they considered when choosing their main provider. The top three reasons were specialism/expertise (26%), prior use (23%) and reputation (23%). Cost ranked only fifth (19%), which is in line with the 2017 wave results.

Figure 47: Factors considered when choosing a provider

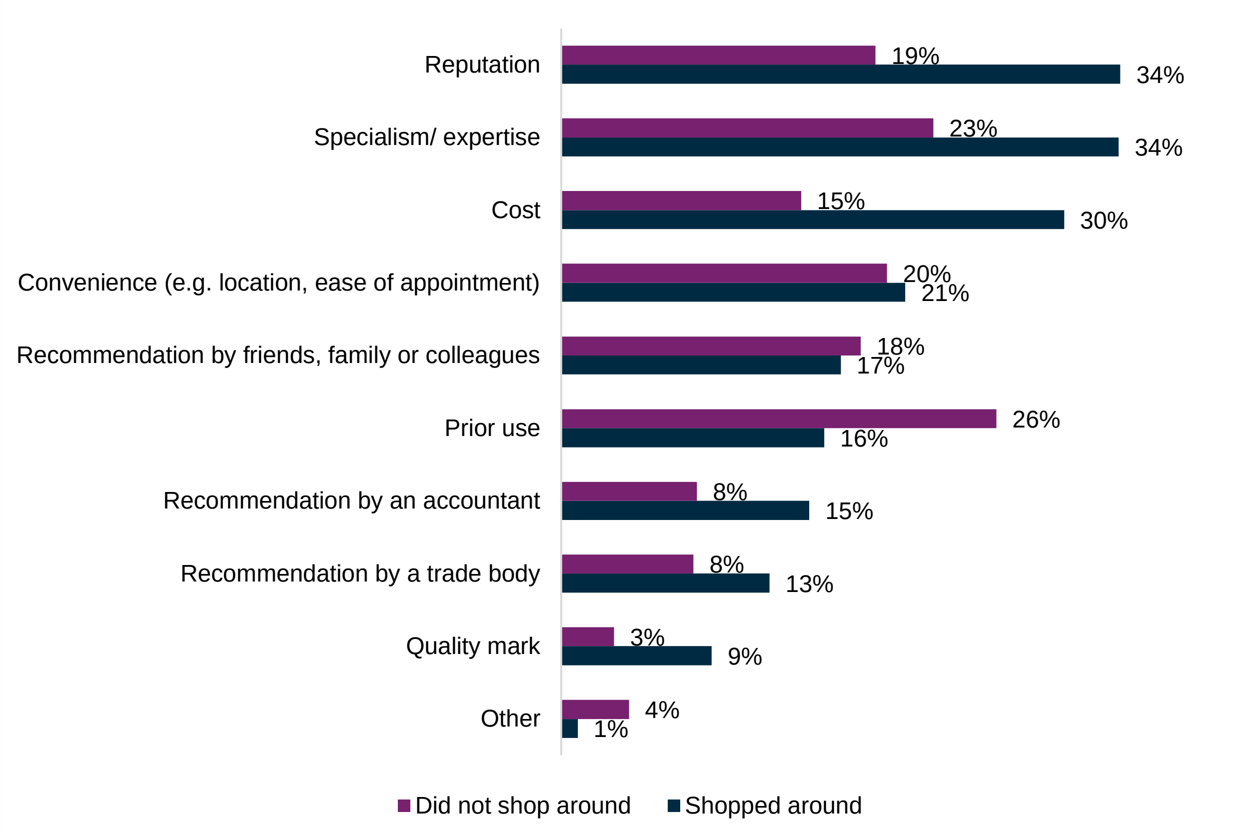


Base: 982

6.15 When looking at how considerations for choosing a provider vary by characteristics of the firm, we found few significant differences. There was marginal evidence that smaller firms with one employee were more likely to check the cost (22%), than those with 10-49 employees (16%)[67].

6.16 Figure 48 below shows that small businesses who shopped around often considered more factors than those who did not shop around before confirming their choice of main provider. In fact, small businesses who shopped around were significantly more likely to consider reputation (34% v 19%)[68], specialism/expertise (34% v 23%)[69], cost (30% v 15%)[70], recommendation by an accountant (15% v 8%)[71], as well as quality marks (13% v 8%)[72].

Figure 48: Criteria considered by whether the business shopped around



Base: 982

Outcomes

Key findings

- Overall, 70% of small businesses who experienced a legal issue said that the process through which their outcomes were achieved was fair to everybody concerned, in contrast to 30% saying that the process was not fair.
- Finance and insolvency was the area where the highest proportion of small businesses reported a fair process, while regulation was the area with the highest proportion saying that the process was not fair.
- Small businesses with low legal confidence were more likely to say the outcome was not fair.
- Although only a proportion of small businesses used professional help in response to their legal issues, most of them (70%) were satisfied with the service received. The same proportion were likely to recommend them to another business.
- Looking at the reasons for dissatisfaction, the top three included ‘delay/took too long’ (25%), ‘not kept up to date on progress’ (22%) and ‘general quality of service provided was poor (20%). Notably, most of the reasons for dissatisfaction were linked to expectation management.

- 68% of dissatisfied small businesses were silent sufferers, meaning that they did not take any action in response to being dissatisfied.
- Most of the small businesses who used legal providers as their main source of legal advice said they were likely to recommend them to another business facing a similar problem.

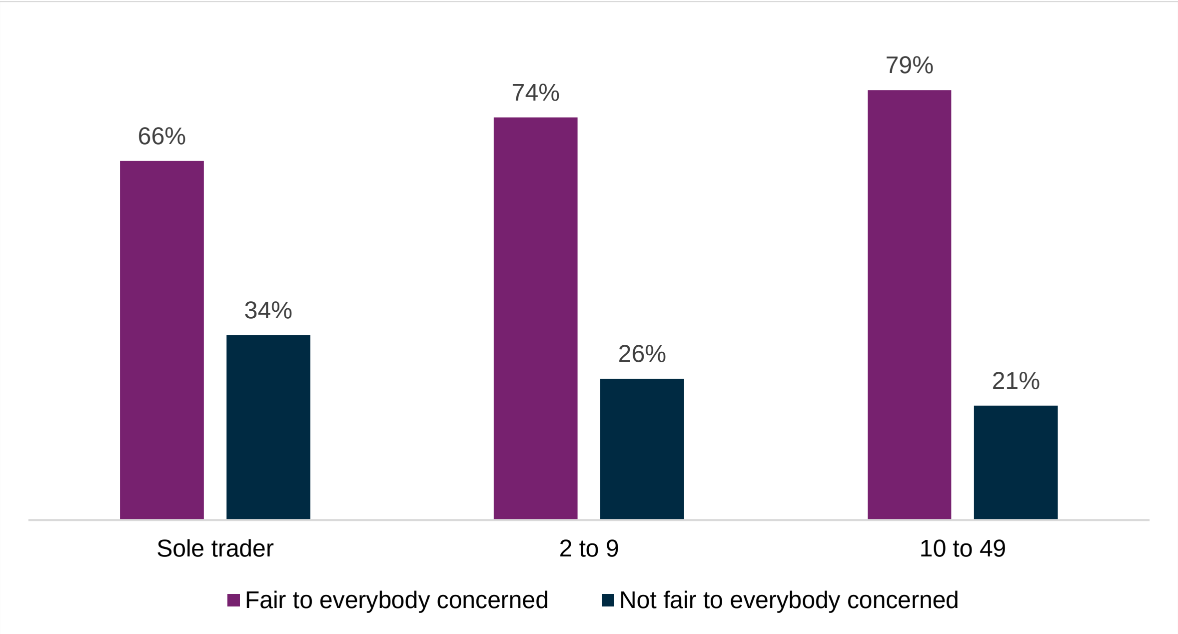
Fairness of process

7.1 A new question included in the 2021 survey was if, for those who had a legal issue which had concluded, they thought the process was fair to everybody concerned or not. This question is part of the OECD model to measure levels of unmet legal need and was only asked to those whose issue was done with.

7.2 Overall, 70% of small businesses who experienced a legal issue said that the process through which their outcomes were achieved was fair to everybody concerned, in contrast to 30% saying that the process was not fair to everyone concerned.

7.3 As Figure 49 shows, larger firms were more likely to rate that the process was fair compared to smaller firms. 79% of firms with 10 to 49 employees rated that the process was fair to everyone concerned. The proportion significantly fell to 74% for businesses with 2 to 9 employees, and 66% for businesses with one employee[73].

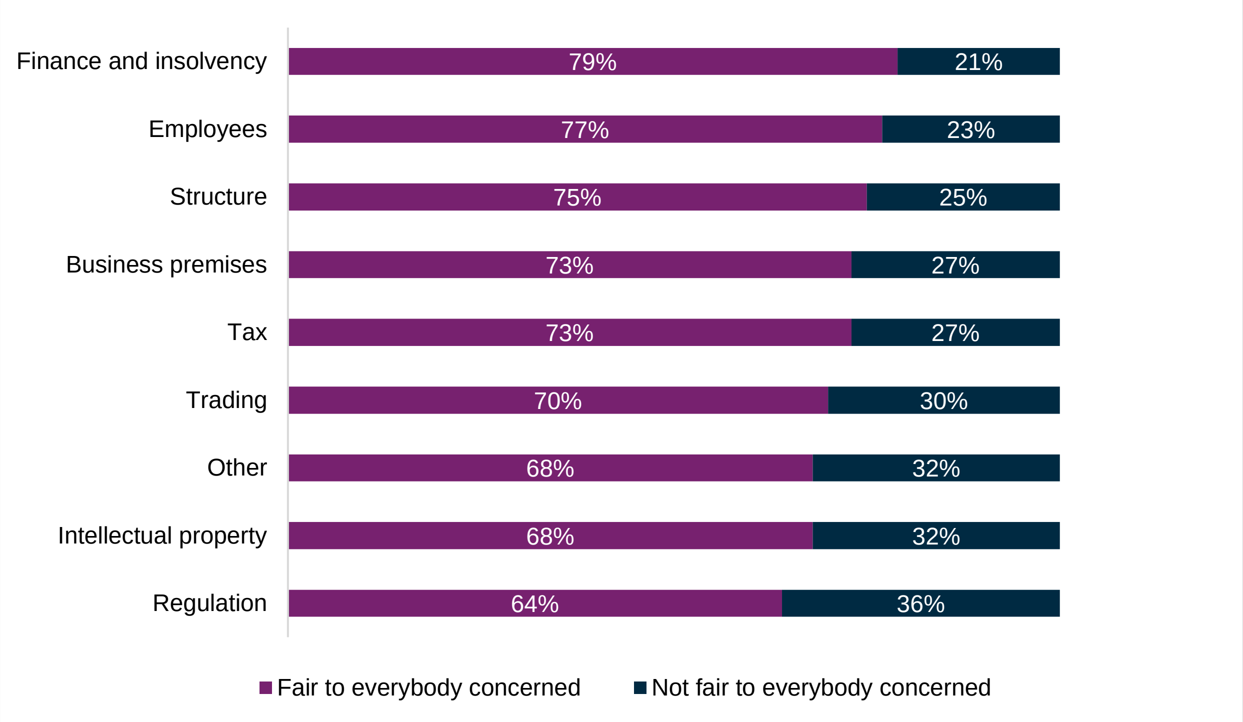
Figure 49: Fairness of the process through which outcomes were achieved by size



Bases: sole trader = 1,240; 2 to 9 = 1,545; 10 to 49 = 912

7.4 When looking by issue type, finance and insolvency had the highest proportion of small businesses (79%) who said that the process was fair. Conversely, regulation was the area with the highest proportion saying that the process was not fair to everybody concerned (36%).

Figure 50: Fairness of the process through which outcomes were achieved by type of issue



Base: 3,697

7.5 Small businesses with low legal capability were significantly more likely to say that the process was not fair to everyone involved, versus those with high legal capability. Double the percentage of those with low legal confidence said that the process was not fair (44%), compared to those with high legal confidence (22%)[74]. Further, more than double the percentage of small businesses with low accessibility of justice scores said that the process was not fair (46%), compared to those with high accessibility scores (19%)[75].

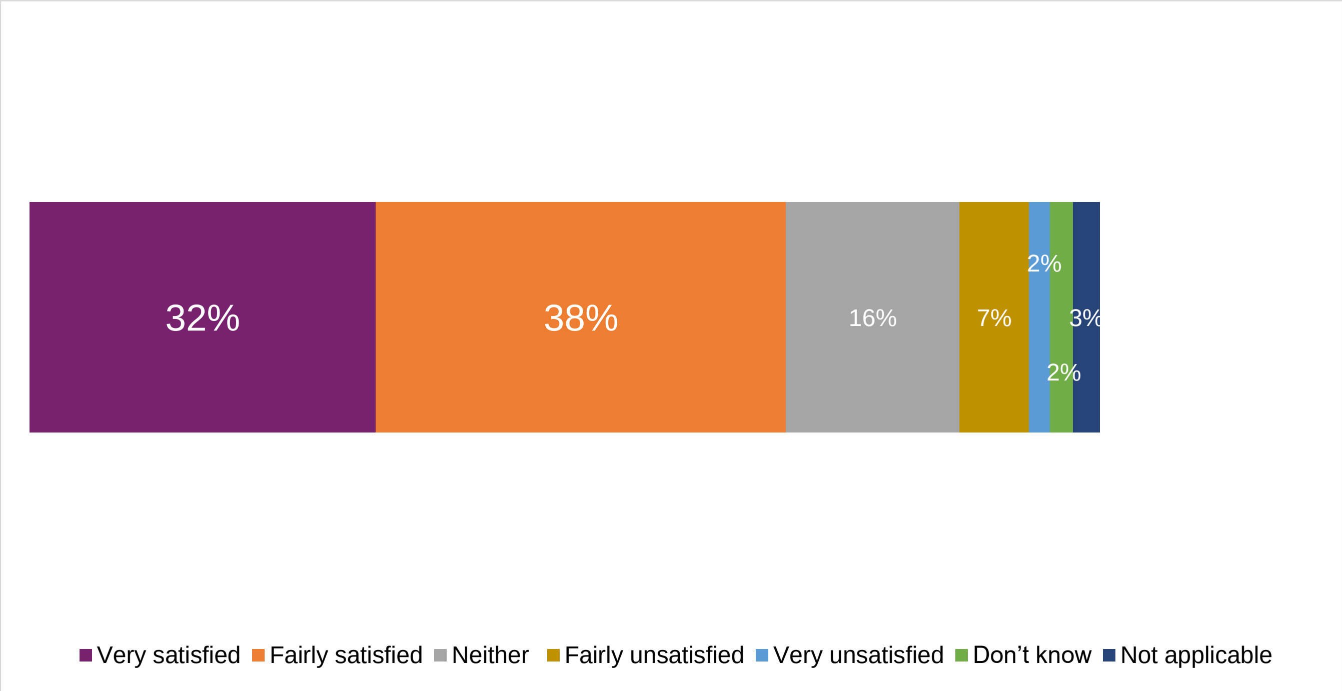
Satisfaction with legal providers

7.6 Although just a small proportion of small businesses used professional help in response to their legal issues, the majority of those were satisfied with the service received. Figure 51 shows that overall, nearly a third (32%) of small businesses were very satisfied and nearly four in ten were fairly satisfied with the service they received; a total of 70%. 16% were neither satisfied or dissatisfied, while only 7% were fairly dissatisfied and just 2% were very dissatisfied.

7.7 There is a difference in service satisfaction by level of legal confidence. 79% of small businesses with high legal confidence were satisfied with the service compared to 65% with low legal confidence[76].

7.8 When comparing the levels of satisfaction of small businesses with those of individuals (from the 2019 ILNS survey), individuals tended to be more satisfied with the service they received compared to small businesses (85% v 70%).

Figure 51: Service satisfaction with main provider used

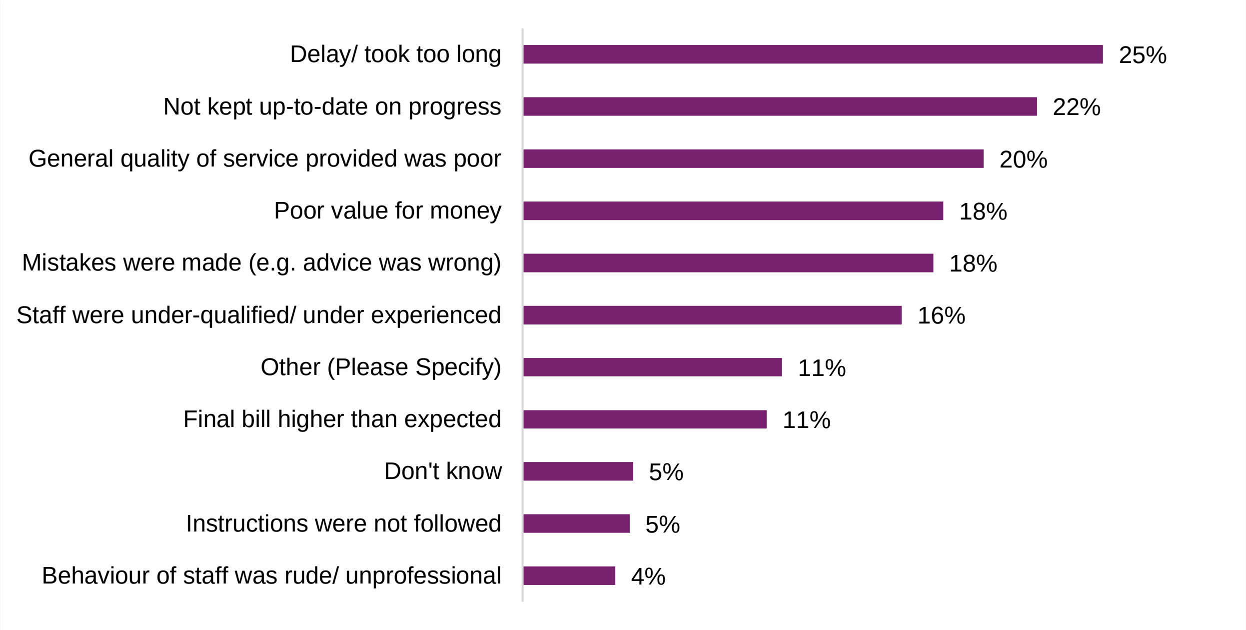


Base: 982

Reasons for dissatisfaction

7.9 We asked small businesses who were dissatisfied with the service they received why this was. Although the base size is small (65), the top three reasons were 'delay/took too long' (25%), 'not kept up to date on progress' (22%) and 'general quality of service provided was poor' (20%). Two thirds (68%) of these dissatisfied small businesses were silent sufferers, meaning that they did not take any action in response to being dissatisfied.

Figure 52: Reasons for being dissatisfied

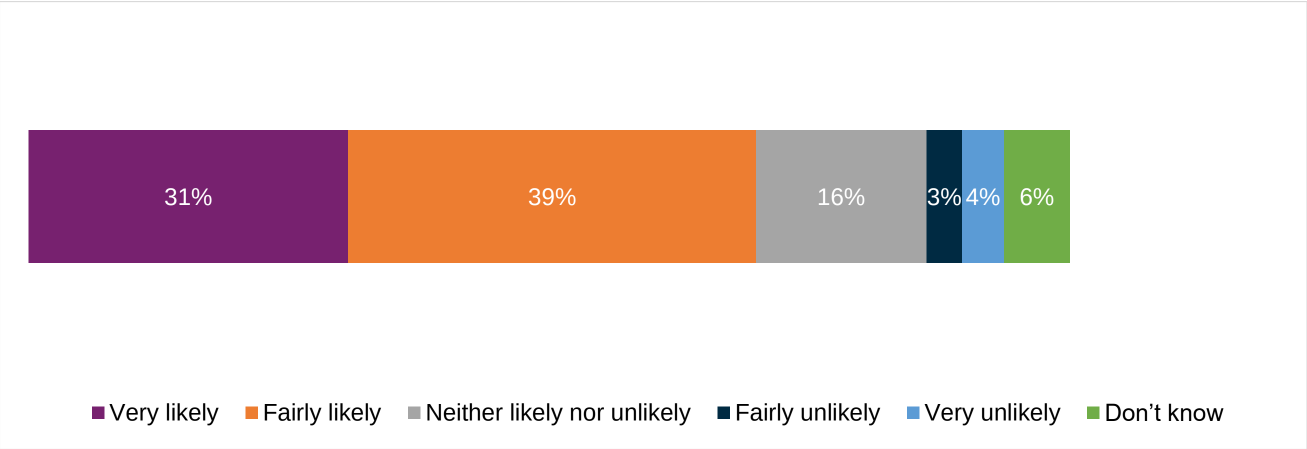


Base: 65

Likelihood to recommend professional advisers

7.10 Most of the small businesses who used legal providers as their main source of legal advice (main advisers) said they were likely to recommend them to another business facing a similar problem. The overall picture is similar to the service satisfaction findings. Just under a third (31%) said they were very likely to recommend and another 39% say they were fairly likely to recommend the main provider they used – 70% in total. 16% were neither likely nor unlikely to recommend, while 3% said they were fairly unlikely and another 4% said they were very unlikely to recommend – a total of 7%.

Figure 53: Likelihood to recommend main provider



Base: 982

7.11 We found that those with high legal confidence were more likely to recommend their provider compared to those with medium or low legal confidence. 80% of small businesses with high legal confidence recommended the main provider they used, compared to 69% among those with medium legal confidence and 57% for those with low legal confidence[77].

Consequences and levels of unmet legal needs

Key findings

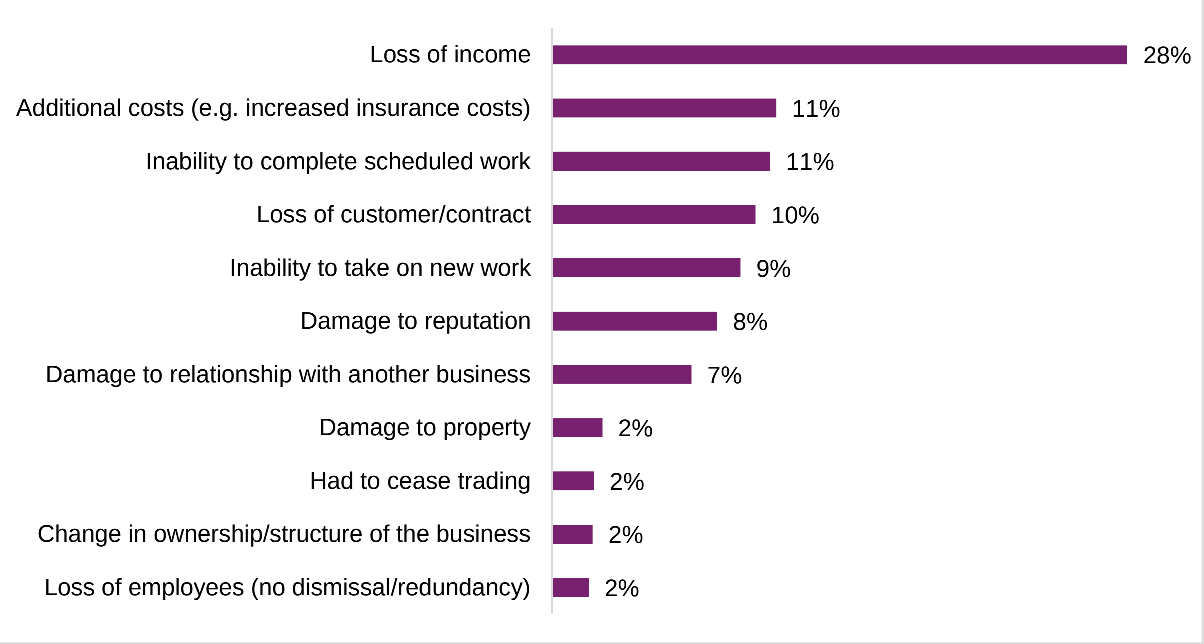
- An experimental model from OECD to measure legal needs[s] and unmet legal needs[t] was applied in the 2021 survey. Only 15% of small businesses who experienced a legal issue had a legal need. In the vast majority of these cases, the legal need was unmet.
- Around half of small businesses experienced negative consequence from the legal issue experienced. The most common were loss of income (28%), additional costs (11%) and inability to conclude scheduled work (11%).
- Small businesses with high capability were less likely to experience negative consequences compared to those with low and medium capability.

Consequences of legal issues

8.1 We asked all small businesses who experienced a legal issue about the negative consequences associated with that issue (Figure 54). Nearly half (48%) had not experienced any of the negative consequences listed in Figure 56, meaning that just over half (52%) experienced at least one, if not more. The most common negative consequences were loss of income (28%), additional costs (11%) and inability to conclude scheduled work (11%). Figure 54 shows that most of the consequences were related to either direct costs or opportunity costs (e.g. additional costs, inability to complete scheduled work). Further, we can see that most of the legal issues end up impacting small businesses financially.

[s] A legal need is defined as when a small business needs support to deal with a legal issue, this broadly means that the business has an issue that they cannot solve themselves, but would be helped by seeking professional assistance.
[t] An unmet legal need occurs when the legal need is not resolved adequately because there was no support or the support was not helpful.

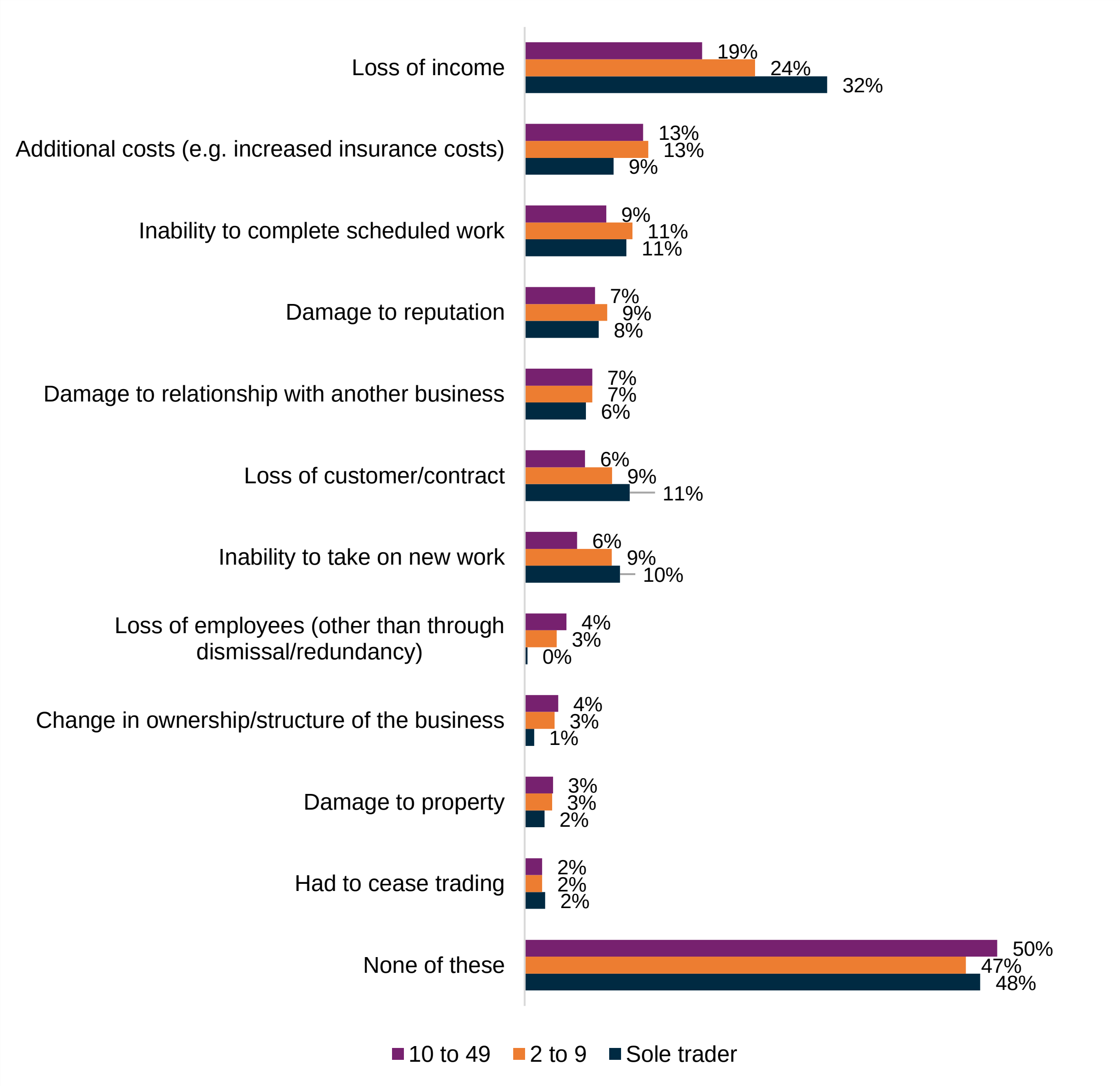
Figure 54: Consequences of legal issues



Base: 3,697

8.2 Small businesses with 1 employee were more likely to experience loss of income (32%), compared to those with 2 to 9 (24%) or 10 to 49 employees (19%)[78]. Micro businesses were also more likely to experience loss of customers/contracts (11%) when compared to larger firms with 10 to 49 employees (6%)[79].

Figure 55: Consequences of legal issues by size



Base: 3,697

8.3 We found a relationship between level of legal capability and the consequences of legal issues experienced. Those with low capability were significantly more likely to say that they experienced negative consequences compared to those with medium or high legal capability. Half (50%) of small businesses with high legal confidence and 49% with medium level legal confidence said that they had not experienced any negative consequences, in contrast to only 42% of those with low legal confidence[80]. Similarly, 48% of small businesses with high accessibility of justice scores and 50% with medium accessibility scores said they had not experienced any negative consequences, compared to 43% with low accessibility scores[81].

8.4 In addition, businesses with low legal confidence were significantly more likely to have experienced loss of income (39%) compared to both businesses with medium confidence (25%) and high confidence (24%)[82].

8.5 Further, in relation to accessibility of justice, 38% of businesses with low accessibility of justice scores experienced loss of income, significantly more compared to 27% with medium accessibility, and itself also significantly more than 17% with high accessibility of justice scores[83]. Moreover, significantly more small businesses with low accessibility of justice scores lost a customer or contract (14% v 9% on average for medium and high accessibility scores)[84].

8.6 Small businesses with low accessibility of justice scores were also significantly more likely to be unable to take on new work or be unable to complete scheduled work (14% on average), compared to businesses with medium (9%) and high accessibility of justice scores (8%)[85].

8.7 We also found that small businesses who did not expect to make a profit in the current year were more likely to say that they had experienced a negative consequence, than those that did expect to make a profit.

Legal needs and Unmet legal needs

8.8 The 2021 survey wave included, for the first time, an experimental model from the OECD which aimed to measure if small businesses with a legal issue had a legal need and if this need was met or unmet.

8.9 A legal need is defined as support that a small business needs to deal with a legal issue. This broadly means that the business has a legal issue they cannot solve themselves but would be helped by professional assistance. If the business could resolve the issue themselves there is no legal need.

8.10 A legal need is deemed to be met if the business satisfactorily resolved the issue with professional help within a reasonable timeframe (set by the model as within two years). A legal need is deemed to be unmet if it is not resolved adequately because there was no support or the business found their support was inadequate or did not help them to resolve it within two years.

8.11 The first OECD model was designed to measure legal needs among individuals. Prior to the launch of the 2021 fieldwork, the LSB commissioned Professor Pascoe Pleasance and Associate Professor Catrina Denvir to review the small business legal needs questionnaire. This included assessing and revising the OECD model to apply to small businesses.

8.12 Figure 56 below shows how we have operationalised the OECD approach for estimating levels of legal needs and unmet needs through the survey questionnaire responses. This is a logic tree which includes different routes through which a small business may be considered to have a legal need which is met or unmet.

8.13 The model has seven key variables: duration, seriousness, legal awareness, legal confidence, process fairness, expert help and adequacy of the support. Values for each variable are provided by responses to specific survey questions.

Figure 56: OECD model to estimate levels of legal needs and unmet legal needs

Duration	Seriousness	Legal awareness	Legal Confidence	Process Fairness	Expert Help	Adequacy of support
Long	High/Med/Low	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
Short/ Moderate	High	Yes/No	Yes/No	Yes	Yes	Y
						N
					No	n/a
				No	Yes	Y
						N
					No	n/a
	Moderate	Yes	Yes	Yes	Yes/no	n/a
				No	Yes	Y
						N
					No	n/a
						n/a
			No	Yes	Yes	Y
						N
					No	n/a
						n/a
				No	Yes	Y
						N
					No	n/a
						n/a
		No	Yes/No	Yes	Yes	Y
						N
					No	n/a
						n/a
				No	Yes	Y
						N
					No	n/a
						n/a
	Low	Yes/No	Yes/No	Yes/No	Yes/No	n/a

No legal need

Legal needs

Met legal need

Unmet legal need

Model judgements and assumptions

8.14 This is an experimental approach, therefore results should be interpreted carefully. In its development a number of judgements and assumptions were made, of which a few key ones are discussed below. Full details of the variables and assumptions made as part of the legal need calculations are outlined in Appendix B.

8.15 Only resolved issues that started in 2020 are included in the model. This is because if an issue was ongoing it was impossible to measure the duration of the problem, or to know if the small business used professional help to resolve it. The model requires both of these pieces of information.

8.16 Issues are treated as being of low seriousness, if small businesses rated them at 0 to 3 on a ten-point scale (where ten is most serious). The model considers businesses with issues they rated as having low seriousness to have no legal need. This is the main reason for small businesses not having a legal need (69% of the total). The model also considers businesses with issues of medium level of seriousness and with legal confidence to have no legal need.

8.17 The model deems legal needs to be unmet if they are not resolved after a long duration. In the model applied to individuals' legal needs a long duration was set at more than two years, because the survey asked about legal issues experienced in the past four years. In the model designed for small businesses, we decided to define long duration as when the issue took more than one year, because the survey asked about legal issues experienced in the past year and 92% of issues were resolved in a year.

Levels of estimated small business legal needs in England and Wales

8.18 Using the model, we estimate that only 479 (15%) of the 3,193 small businesses who experienced a legal issue (which had concluded) had a legal need. Small businesses with internal legal capacity were more likely to have a legal need compared to those without (45% v 25%)[86]. As reported earlier, small businesses with internal legal capacity were more likely to experience a legal issue in general, which may explain this finding.

8.19 We did not find any other relationships between having legal needs and small business characteristics.

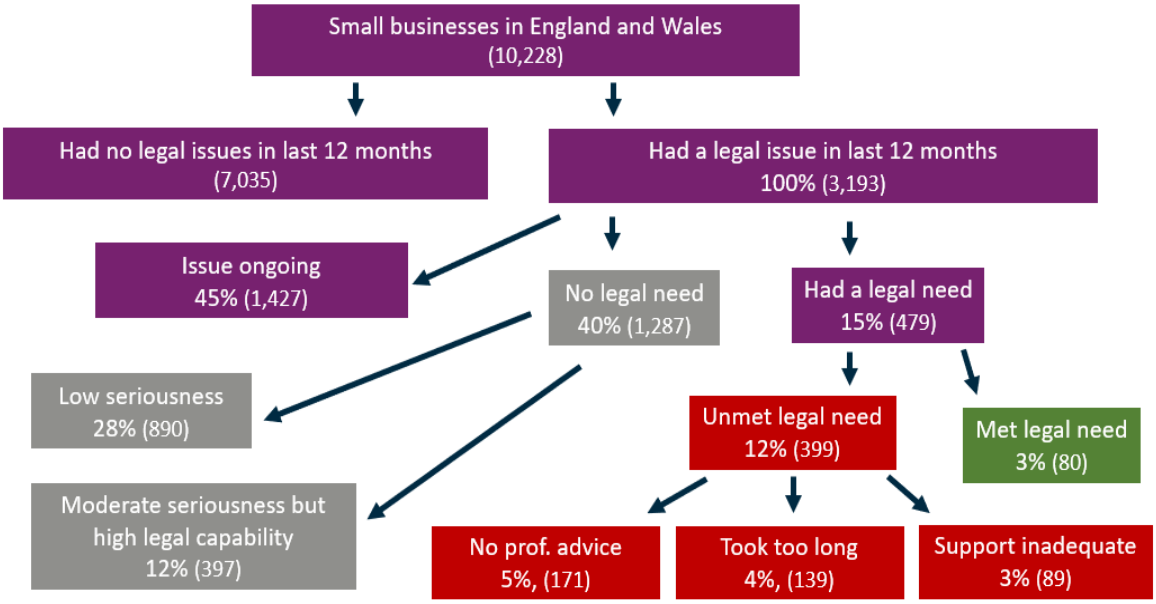
Levels of unmet legal needs in England and Wales

8.20 Using the same model, we estimate that 399 of the 479 small businesses with a legal need, had an unmet legal need (83%). This means that the large majority of small businesses who had a legal need had an unmet need – 12% of all those with a legal issue (Figure 57 below).

8.21 According to the OECD model, it looks like overall small businesses experiencing a legal issue are not likely to have a legal need. However, those who have a legal need are likely to end up with an unmet need. There were three possible reasons for a legal need being unmet: the business did not get professional help at all (5% of those with a legal issue); the business got professional help but it ended up being inadequate (4% of those with a legal issue), or the legal need took too long to resolve (3% of those with a legal issue).

8.22 Only 80 of the 479 small businesses with a legal need had that need met. This equates to just 3% of those with a legal issue having a met need, in contrast to 40% with no legal need and 12% with an unmet legal need.

Figure 57: Levels of legal needs and unmet needs in England and Wales



Longitudinal analysis: 2013, 2015, 2017 and 2021

Key findings

- 31% of small businesses experienced a legal issue in 2021, the same as in 2017 and down from 36% in 2013.
- Trading issues were the most experienced types of issues in all waves of the research. A minor change can be observed in the top three types of issues experienced. In 2013, 2015 and 2017 these were trading, tax and employees. The 2021 top three were trading, regulation and employees.
- When comparing the last two waves of analysis, regulation was the area of law where the largest increase was observed (although a small one – 6% in 2017 to 8% in 2021). Regulation issues included import/export regulation so this may be impacted by EU exit.
- In 2021 there were fewer small businesses addressing their legal issue using professional help than in 2017 (25% v 28%).
- 29% of small businesses shopped around for a legal provider in 2021 compared to 22% in 2017.
- In 2021 small businesses who used professional help to address their legal issue were less satisfied with the service received than in 2017 (71% and 83%).

Introduction

9.1 The small business legal needs survey is unique in providing comparisons over time on the legal issues small businesses experience and how they resolve them. 2021 is the fourth wave of the research, after it was run in 2013, 2015 and 2017. Although designed for longitudinal analysis we have made some changes to the survey, particularly in the 2021 wave when we commissioned an external review of the questionnaire by legal experts and Professor Pascoe Pleasance and Associate Professor Catrina Denvir[u]. As a result, the new sections on legal capabilities and levels of unmet legal needs introduced in the 2021 survey will not have a benchmark for comparison.

9.2 Of course, the Covid-19 pandemic and the UK's exit from the EU represent two major events that will uniquely impact on the 2021 results, as set out in previous sections.

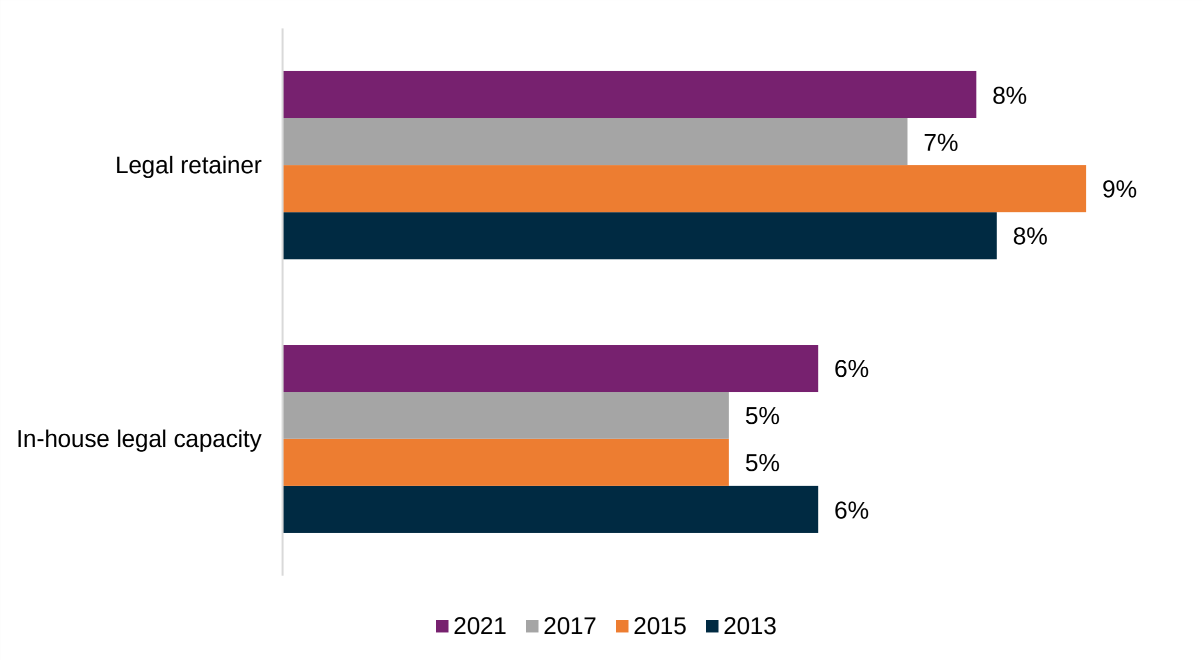
9.3 In order to run a robust longitudinal analysis, it is important that the samples used in different waves of analysis are comparable, therefore they need to be representative of the population of small businesses during the year in which the survey was run. Otherwise, differences spotted by wave may be due to disparities between sample bases. As in the other sections of the research, we will only focus on differences that are statistically significant, rather than reporting also where no significant changes are spotted.

Legal capacity over time

9.4 All waves of the research measured the level of internal legal capacity of small businesses. Figure 58 shows that the percentage of small businesses with internal legal capacity has changed little over time, between 5% and 6%. The proportion of small businesses with an ongoing contract for legal services (legal retainers) also has not changed much across the four waves. After decreasing from 9% to 7% between 2015 and 2017, it increased from 7% to 8% between 2017 and 2021.

[u] https://legalservicesboard.org.uk/wp-content/uploads/2021/02/SMEs-2020-review-Further-Exploring-Capability-Need-and-the-Impact-of-Covid-19-and-EU-Exit-1.pdf

Figure 58: Internal legal capacity over time



Bases: 2021 = 10,228; 2017 = 10,579; 2015 = 10,688; 2013 = 10,535

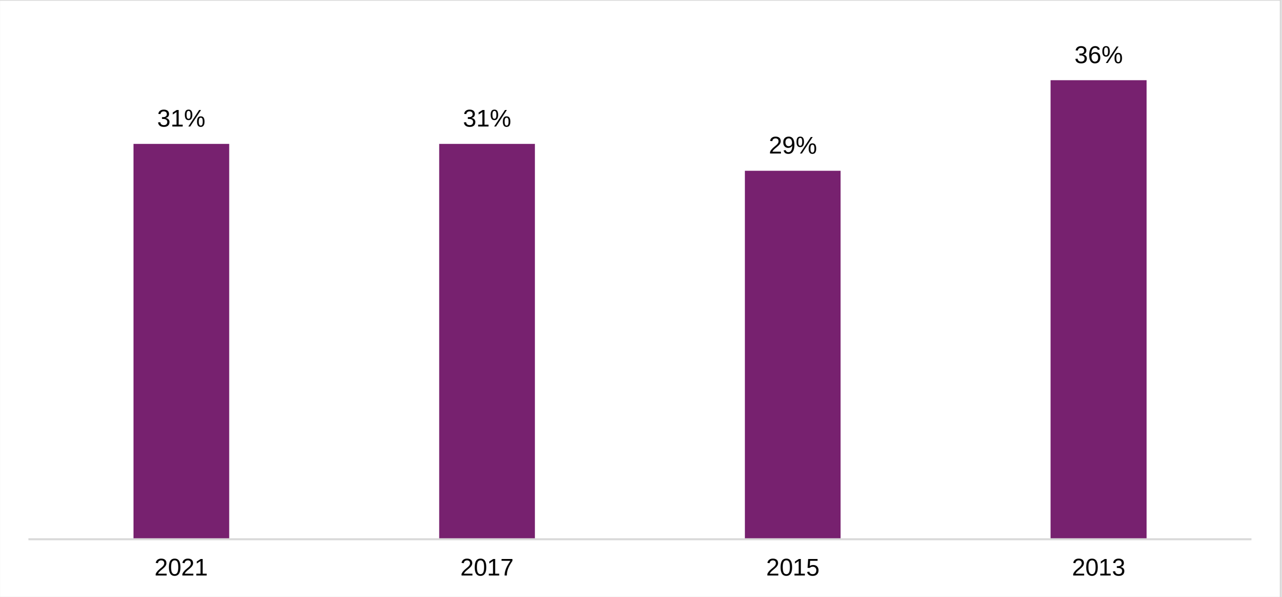
9.5 We also asked all small businesses whether they used any professional services in the last twelve months, whether they experienced a legal issue or not. In 2021, 50% of small businesses used professional services in the last twelve months, down from 63% in 2017. This may indicate that the Covid-19 pandemic along with EU exit affected the need for or ease of accessing professional services.

9.6 Due to changes to the 2021 survey questionnaire, it was not possible to directly compare all the professional services used by wave in detail. However, it seems the overall picture has not changed much between 2017 and 2021.

Legal issues over time

9.7 31% of small businesses experienced a legal issue in 2021, the same as in 2017. Figure 59 shows the proportion of small businesses who experienced legal issues over time. After decreasing from 36% to 28% between 2013 and 2015, the proportion increased to 31% in 2017, and remained stable at 31% in 2021.

Figure 59: Percentage of small businesses experiencing a legal issue within 12 months prior to the survey over time



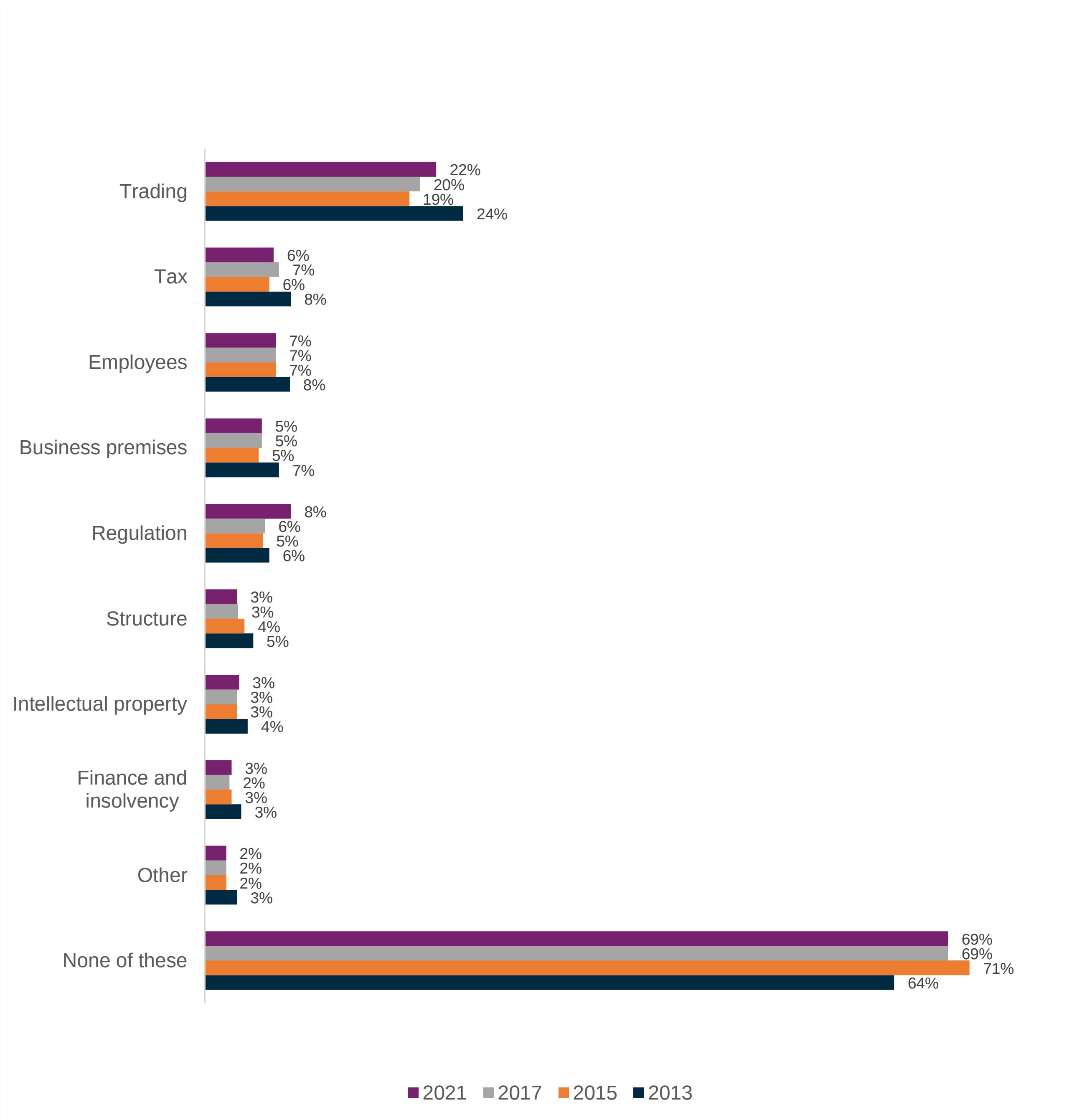
Bases: 2021 = 10,228; 2017 = 10,579; 2015 = 10,688; 2013 = 10,535

9.8 Figure 60 shows the incidence of legal issues over time by areas of law. Again, it has not changed much across the four waves. Trading issues remained the most common, with 22% of small businesses experiencing them in 2021. This is significantly lower than in 2013 (24%), but higher than in 2015 and 2017 (19% and 20%)[87]. Across the first three waves, the top three issues were related to trading, tax and employees. In 2021 tax issues were replaced by regulation issues, so the top three issues related to trading (21%), regulation (9%) and employees (8%).

9.9 Figure 59 shows relatively small drops in the proportion of small businesses experiencing legal issues between 2013 and 2015 in most areas, then remaining steady or increasing by just one percentage point between 2015 and 2017, then increasing further between 2017 and 2021. This trend was observed in all areas of law except in structure, finance and insolvency, and other.

9.10 When comparing incidences of legal issues by areas of law in 2021 and 2017, the picture is similar. Regulation was the area with the largest increase, from 6% in 2017 to 8% in 2021[88]. It is possible that EU exit played a role in increasing the proportion of these, which include mandatory import export regulation and data protection issues.

Figure 60: Types of legal issues experienced over time



Bases: 2021 = 10,228; 2017 = 10,579; 2015 = 10,688; 2013 = 10,535

Origin and character of the issue over time

9.11 One methodological difference made in the 2021 survey structure was to ask respondents who experienced more than one legal issue about the second most recent experience. In the previous waves respondents were asked about their most recent issue. This change may have played a role in driving some differences in Figure 61, though we would not expect the pattern of second most recent issues to differ significantly from the pattern of most recent issues. In fact, analysing the top ten most reported individual issues from Figure 61, we can see that the overall picture remained similar by wave, with trading problems being the most reported (covering five positions in the top ten rank).

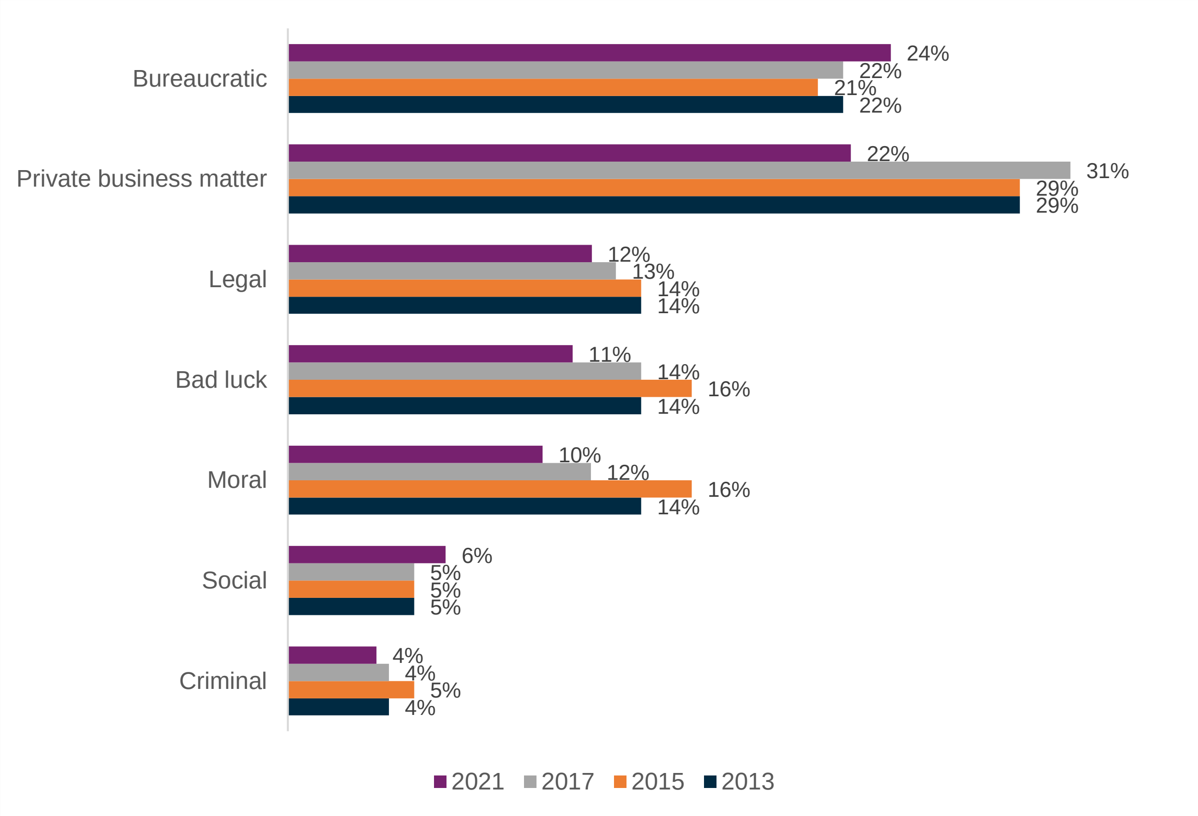
Figure 61: Second most recent/most recent legal issue experienced over time

	2021	2017	2015	2013
Trading – Goods or services purchased by your business- – Unacceptably late or non-/partial-payment	11%	5%	6%	6%
Trading – Goods or services purchased by your business – Not as described	10%	12%	11%	13%
Trading – Goods or services provided to your customer – Unacceptably late delivery	6%	3%	3%	3%
Trading – Goods or services provided to your customer – Unacceptably late or non-/partial-payment	6%	12%	12%	11%
Tax – Liability for tax / amount of tax owed	6%	9%	7%	9%
Regulation – Import/export regulation	3%	1%	1%	1%
Regulation – Other government regulation	3%	2%	2%	2%
Trading – international trading	3%	1%	1%	2%
Employees – Making staff redundant	2%	1%	1%	2%
Regulation – Other health and safety	2%	1%	1%	1%

Bases: 2021 = 10,228; 2017 = 10,579; 2015 = 10,688; 2013 = 10,535

9.12 In relation to the character of the problem, in 2021 only around one in nine (12%) small businesses experiencing a legal issue described it as legal in nature, while around one in four (24%) described it as bureaucratic. When comparing by wave, not many differences were observed. The proportion of small businesses describing the character of the issue as legal remained low in all waves (between 12% and 14%). In previous waves, around one in three businesses described the issue as a 'private business matter'. In 2021 this proportion decreased to around one in five businesses (22%)[89]. Further, in 2021 there was a lower proportion of businesses describing the issue to be due to bad luck (11% compared to 14% in 2017, 16% in 2015 and 14% in 2013) or moral in nature (10% compared to 12% in 2017, 16% in 2015 and 14% in 2013)[90].

Figure 62: Character of the problem over time



Bases: 2021 = 3,697; 2017 = 4,258; 2015 = 3,873; 2013 = 4,932

Addressing legal problems over time

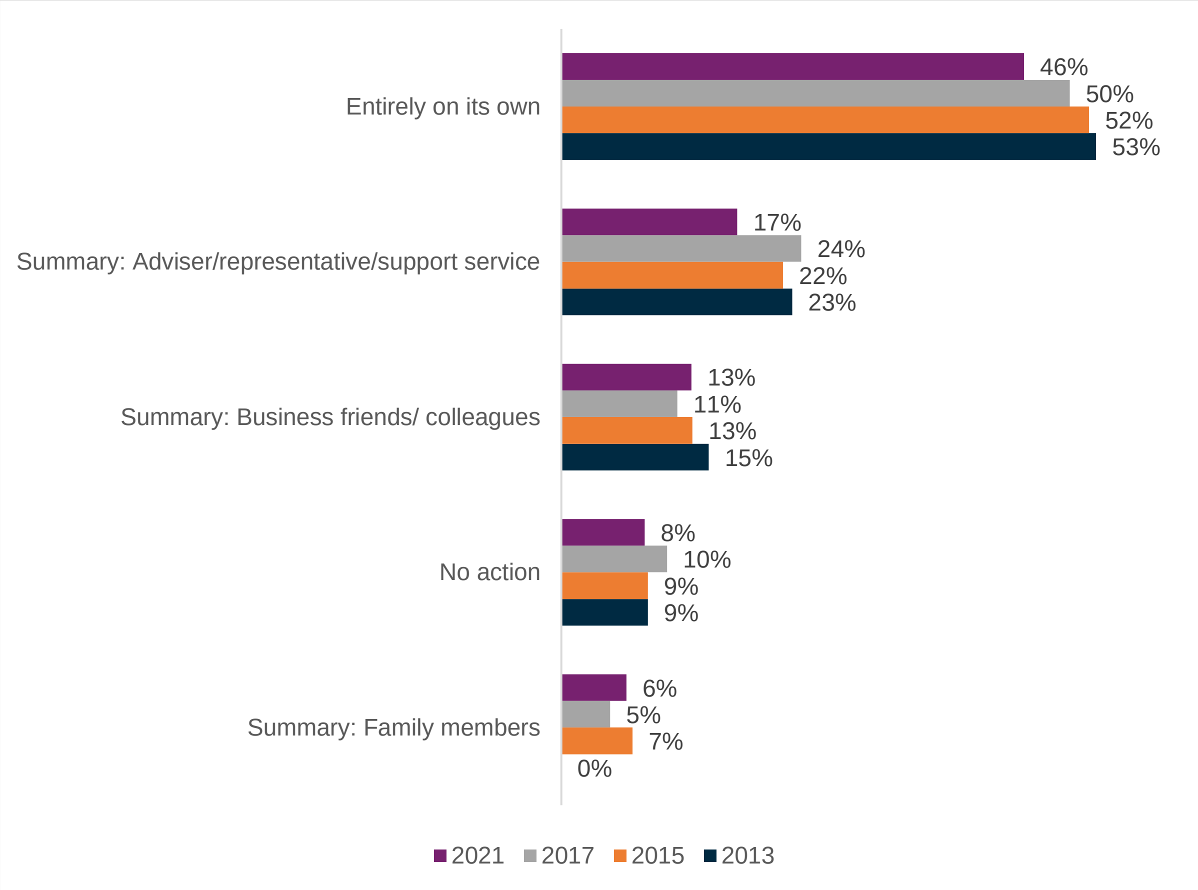
9.13 We found differences when comparing actions taken to resolve legal issues over time. As Figure 63 shows, in 2021 there was a lower proportion of small businesses saying that they sought to resolve the issue entirely on their own compared to the previous waves. 46% of small businesses with a legal issue said they sought to resolve their issue entirely on their own in 2021, down from 53% in 2013[91].

9.14 In 2021 a slightly lower proportion of businesses took no action in response to the legal issues compared to 2017 (8% v 10%)[92].

9.15 The overall proportion of small businesses who used professional help dropped slightly to 25% in 2021 from 28% in 2017[93]. It is possible that the Covid-19 pandemic played a role in making accessing legal services more difficult.

9.16 The percentage of small businesses who used an independent professional adviser declined from 24% in 2017 to 17% in 2021[94]. Although it is also possible that those who used support from family or friends may have used family or friends who are independent professional advisors. In fact, 19% of businesses asked family or friends for help in 2021 (including business friends), compared to 16% in 2017 and 20% in 2015[v].

Figure 63 : Actions taken to address legal issues over time



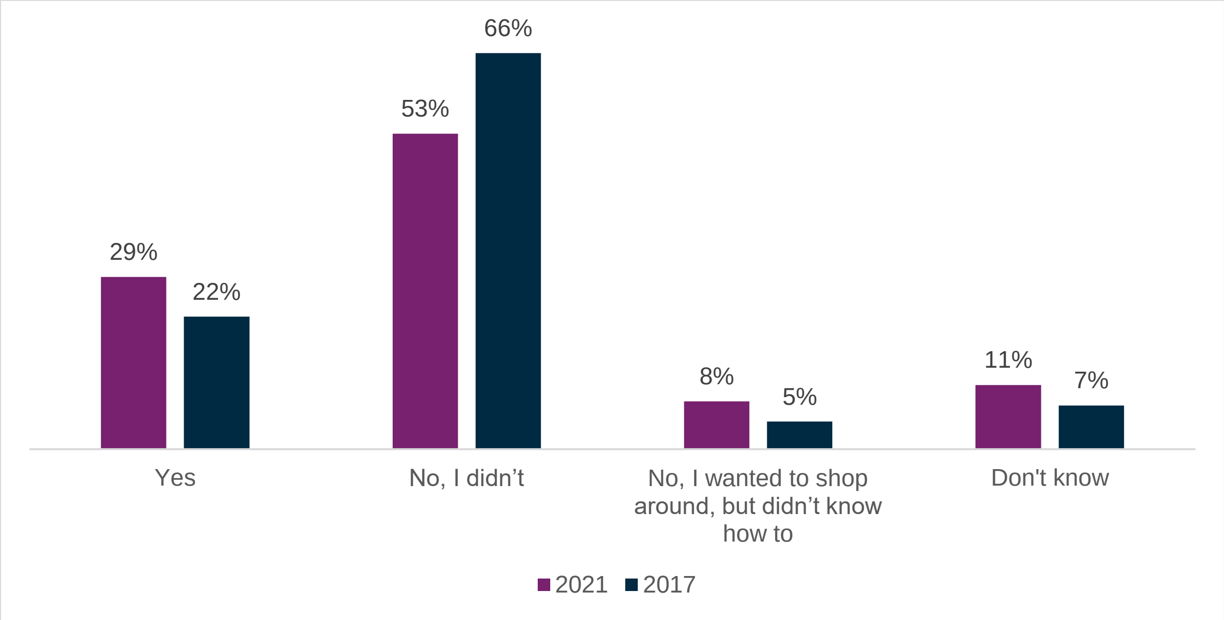
Bases: 2021 = 3,697; 2017 = 4,258; 2015 = 3,873; 2013 = 4,932

Shopping around and factors considered when choosing a provider

9.17 We added the survey question on whether small businesses shopped around when looking for a provider in the 2017 wave. 29% of small businesses shopped around for a legal provider in 2021 compared to 22% in 2017[95]. Among those who did not shop around, the proportion who said they wanted to but didn't know how to increased to 8% from 5%[96]. These figures indicate that small businesses are becoming more active consumers when needing legal services, but they remain a minority (less than one in three).

[v] This was not comparable to 2013 because the question was asked differently.

Figure 64 : Shopping around for a legal provider

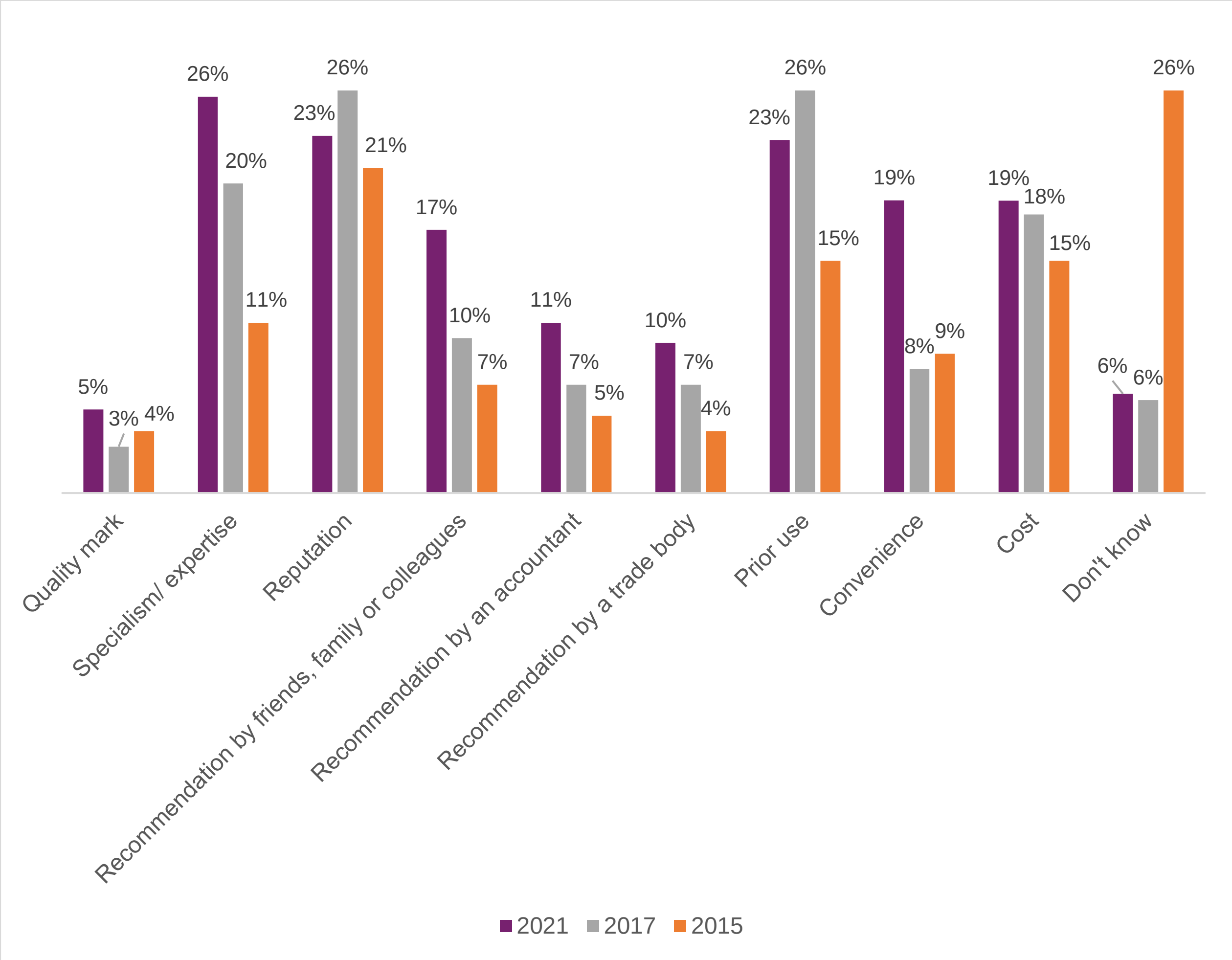


Bases: 2021 = 982; 2017 = 1,407

9.18 Another trend suggesting that small businesses were more active consumers in 2021 is the slight shift away from considering reputation and prior use, towards quality marks and specialism/expertise.

9.19 There is a notable increase, from 8% in 2017 to 19% in 2021, in the percentage of small businesses selecting convenience as a consideration[97]. This was amended in the survey review from ‘convenience of where they were located’ (asked in 2013, 2015 and 2017) to ‘convenience’ in 2021. This may explain the large increase, although the general impact associated with the pandemic on access to services might also have been a factor.

Figure 65 : Factors considered when choosing a provider over

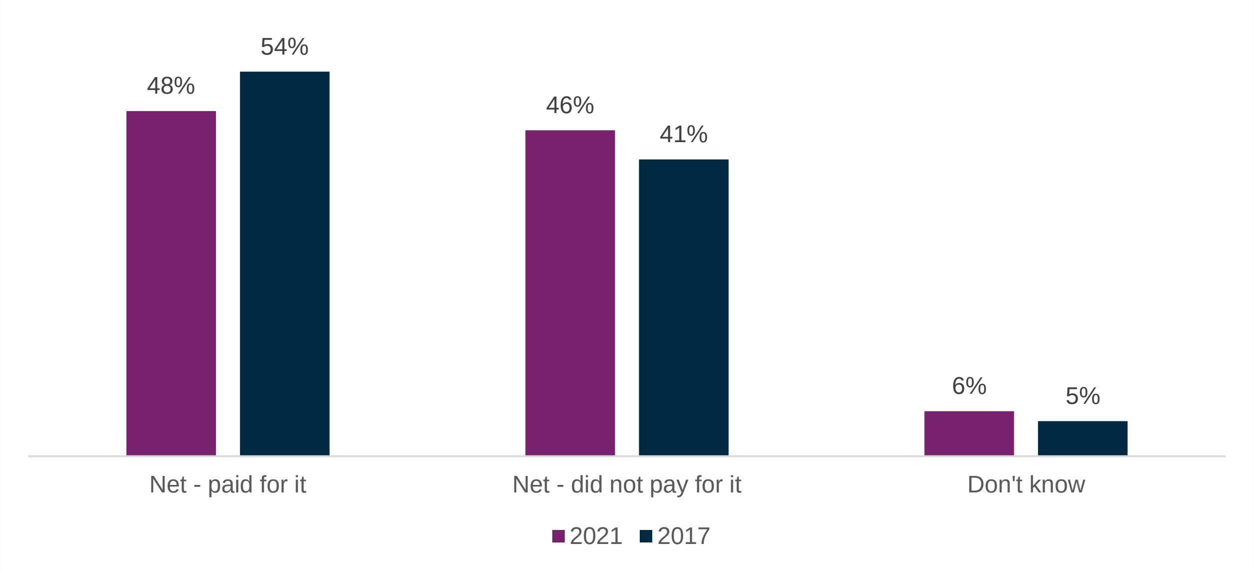


Bases: 2021 = 982; 2017 = 1,407; 2015 = 3,873

Paying for help or advice over time

9.20 Whether businesses had to pay or not for the legal services they received was also a question added in the 2017 wave. In 2021, although not statistically significant, there was an indication of a higher proportion of businesses who did not have to pay for legal services they received (46%) than in 2017 (41%). This means that in 2021 the proportion who had to pay is broadly equal to the proportion who did not.

Figure 66 : Whether businesses had to pay for legal services received



Bases: 2021 = 501; 2017 = 774

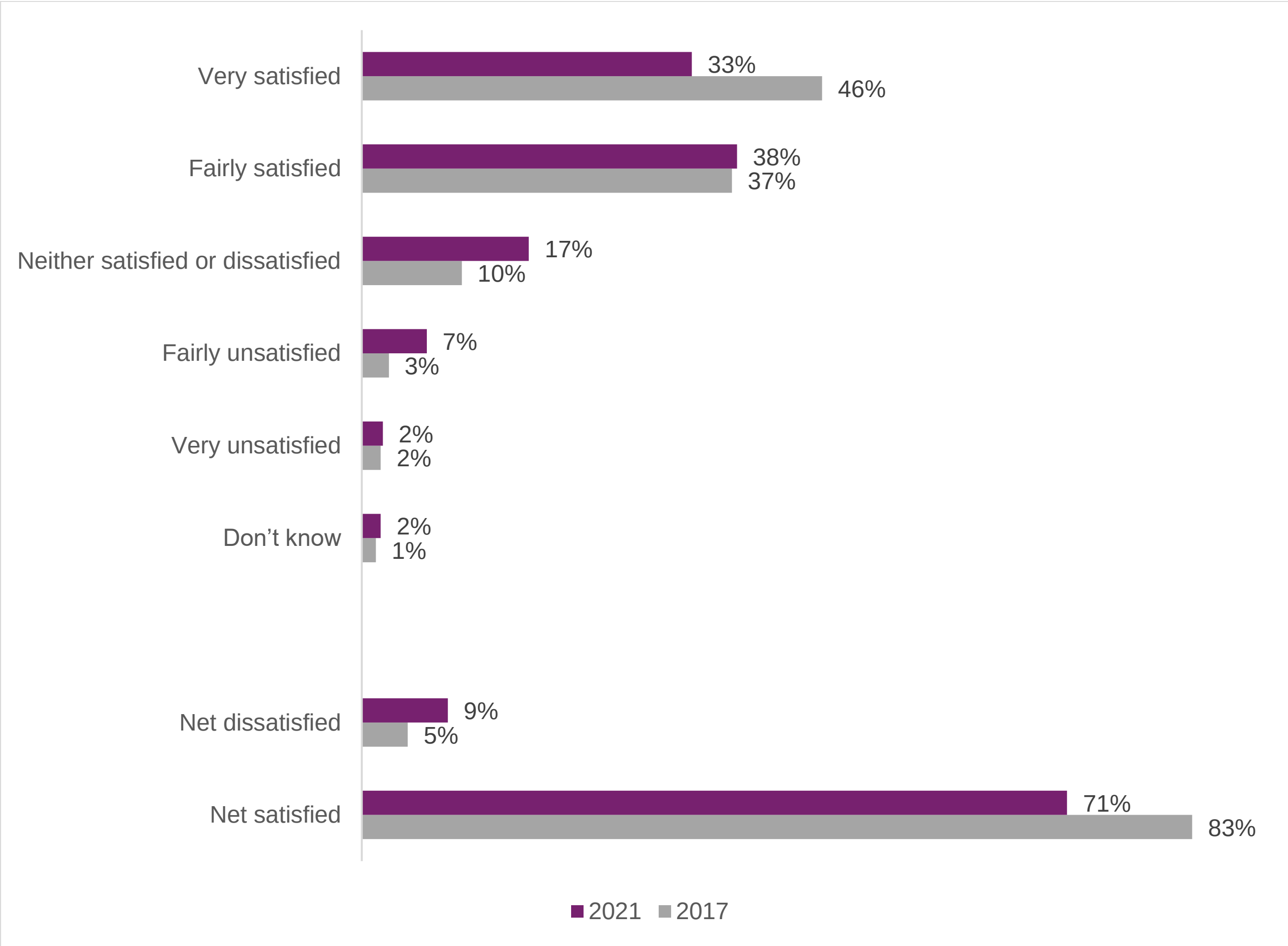
9.21 It was not possible to compare how businesses funded the services received because of structural changes applied to the 2021 survey.

Levels of satisfaction with provider

9.22 We asked all the small businesses in the survey who used a legal provider to resolve their legal issue, how satisfied they were with that provider. We have comparable data from the 2021 and 2017 survey waves.

9.23 Figure 67 shows that in 2021 small businesses were less satisfied with legal services received compared to 2017. In 2021, 71% of small businesses were satisfied with the service received from the main provider used to solve legal issues, whereas 83% of small businesses were satisfied with the service received in 2017. Further, in 2021, 9% of businesses were dissatisfied with the service compared to 5% in 2017[98]. Much of this change appears to have been driven by the drop of 13 percentage points in those who said they were very satisfied accompanied by an increase of 7 percentage points in those who said they were neither satisfied nor dissatisfied.

Figure 67 : Levels of satisfaction with main provider used over time

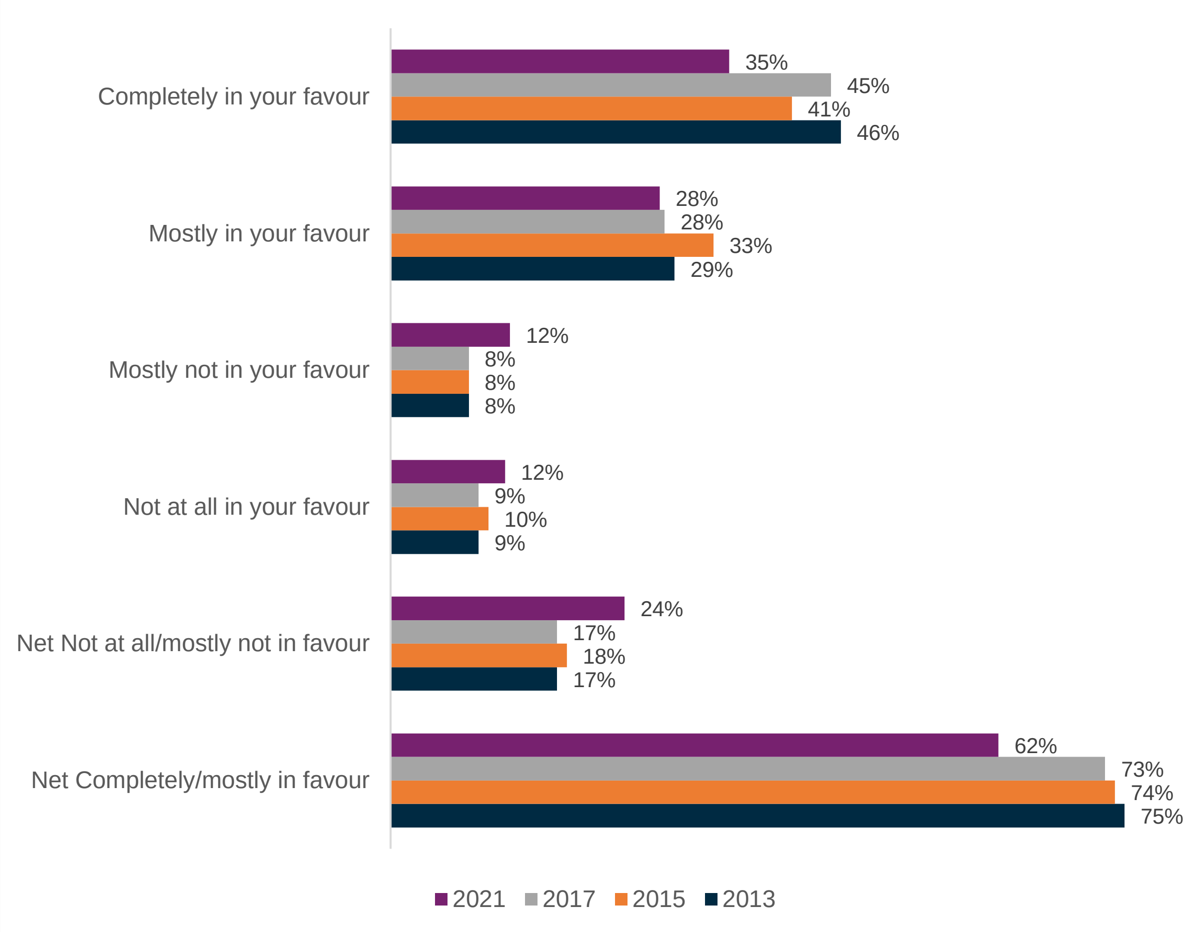


Bases: 2021 = 982; 2017 = 1,407

How the problem concluded over time

9.24 In 2021, 62% of small businesses who experienced a legal issue said that the problem concluded completely or mostly in their favour. This was significantly lower compared to previous waves, in fact the proportion was 73% in 2017, 74% in 2015 and 75% in 2013[99].

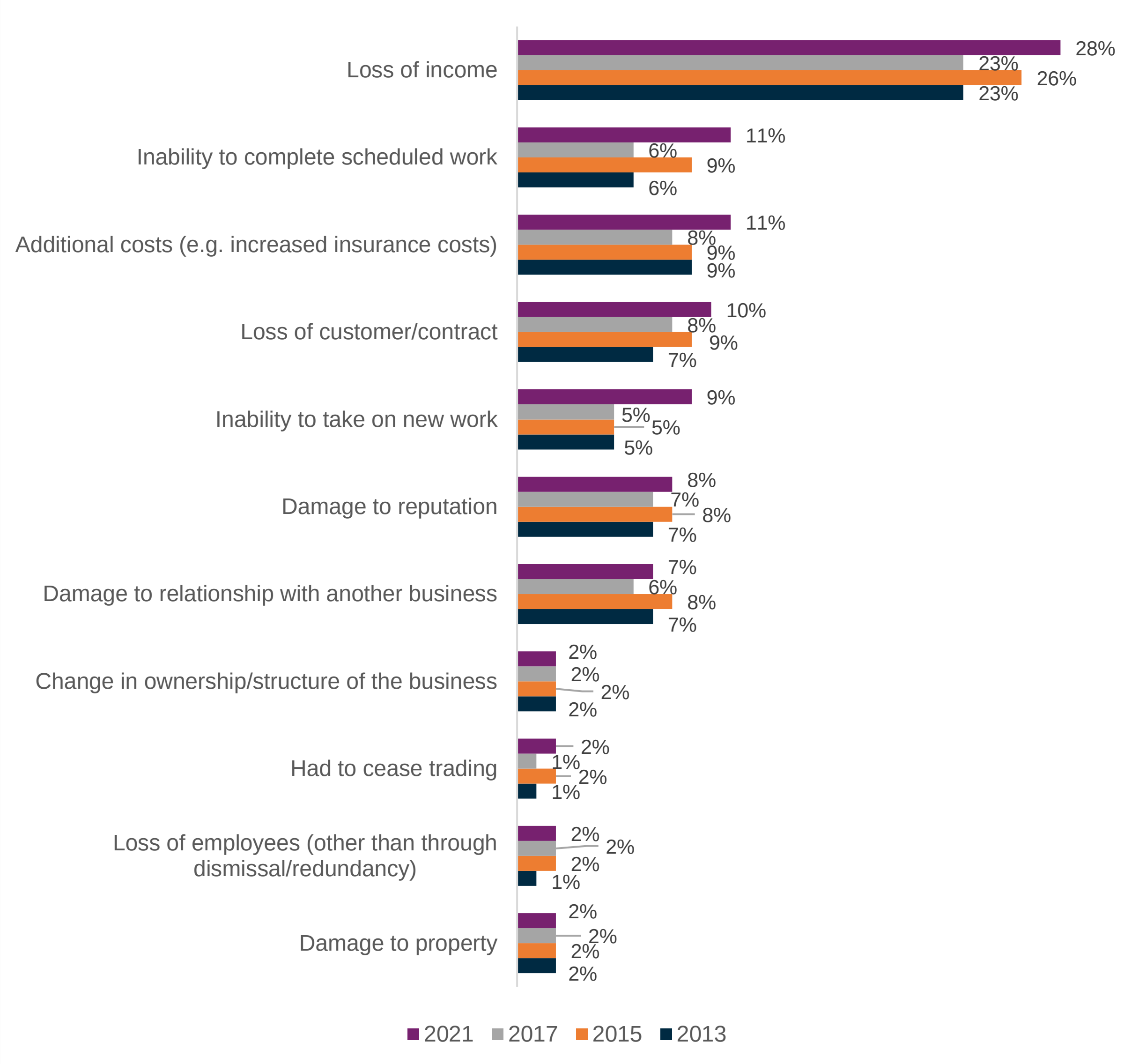
Figure 68 : Whether the disagreement concluded in favour of the business



Bases: 2021 = 2,097; 2017 = 2,718; 2015 = 2,366; 2013 = 2,993

9.25 In relation to the consequences of the legal issues experienced, Figure 69 shows that in 2021 more businesses experienced loss of income (28%), inability to schedule work (11%), additional costs (11%), loss of customers/contracts (10%) and inability to take on new work (9%) than in previous waves.

Figure 69 : Consequences of legal issues over time



Bases: 2021 = 3,697; 2017 = 4,258; 2015 = 3,873; 2013 = 4,932

Attitudes toward the law and justice system over time

9.26 We asked the small businesses surveyed if they agreed or disagreed with eight attitudinal statements on the law and the justice system. These statements are separate from the questions used to measure legal capability and have been used since the first or second waves in 2013 and 2015. Here we have reported just five of the eight variables where statistically significant shifts between 2021 and 2017 were observed[w]. All responses to the statements can be found in the annexes.

9.27 The first statement was whether 'law and regulation provide a fair environment for businesses to succeed'. Figure 70 shows that between 2013 and 2015 there was

[w] Some questions were not asked in 2013, in that case n/a is reported in the table.

an increase in the proportion of businesses agreeing with this statement (from 30% to 45%). After remaining steady between 2015 and 2017, the proportion of businesses agreeing significantly decreased from 44% in 2017 to 34% in 2021[100].

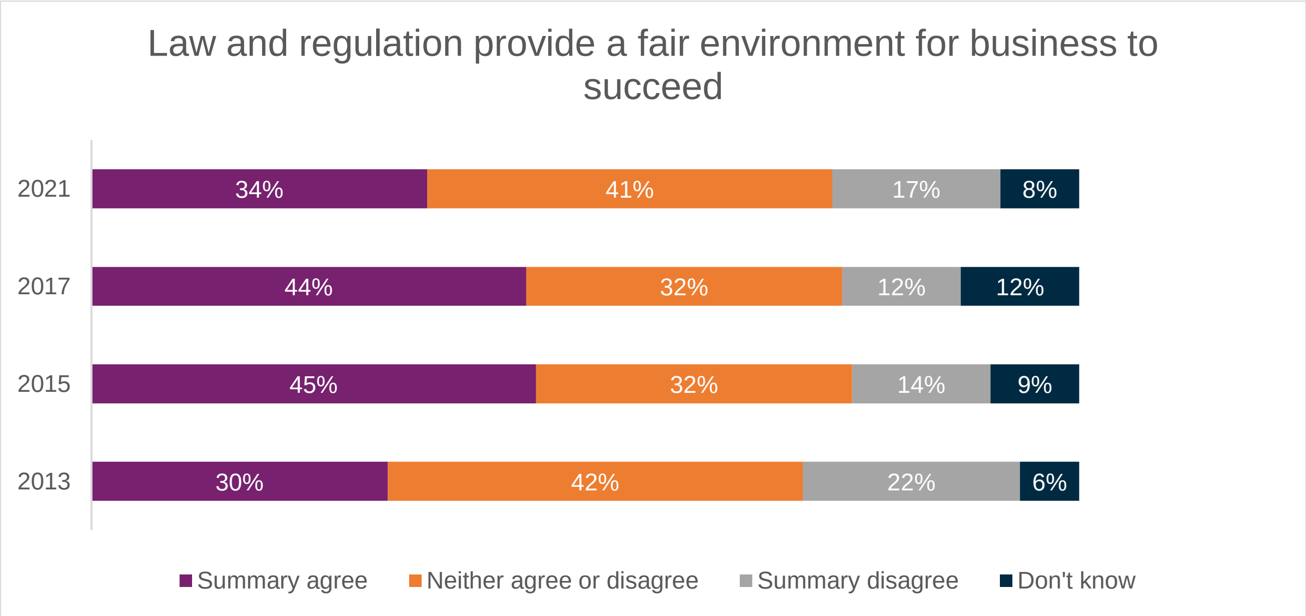
9.28 The second statement, 'lawyers provide a cost-effective means to resolve legal issues, saw an increase in disagreement over time. Between 2017 and 2021, it significantly increased from 49% to 56%[101].

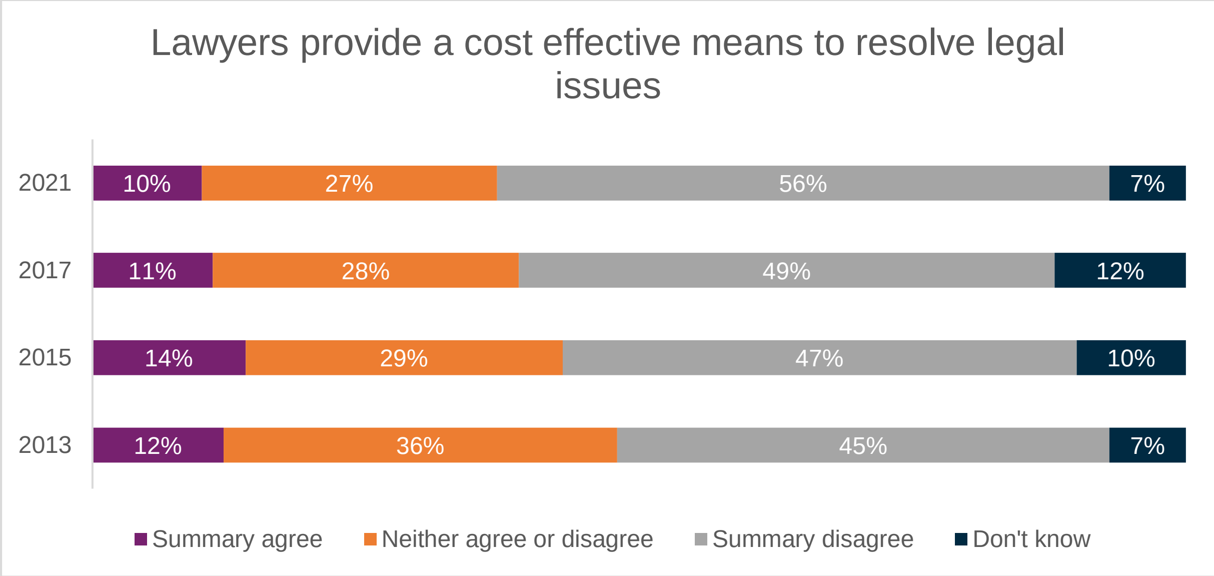
9.29 The third statement was 'when I need one, I find it easy to find a suitable legal services provider that I can afford'. The question was not asked in 2013 and between 2015 and 2017 no major shifts were observed. However, the proportion of businesses disagreeing increased from 18% in 2017 to 24% in 2021[102].

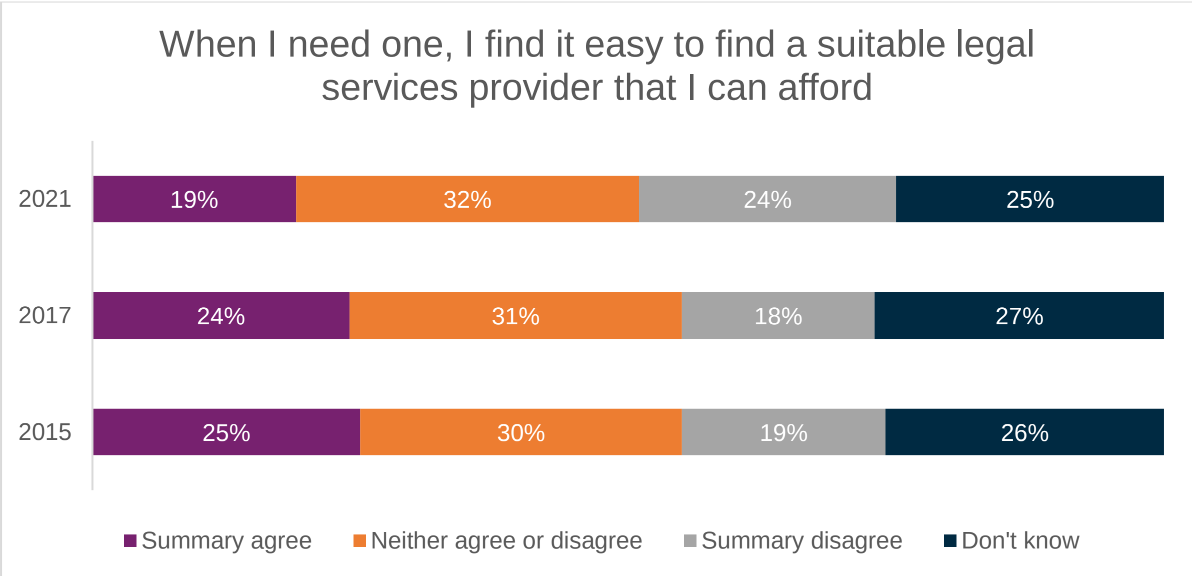
9.30 The percentage of small businesses disagreeing with the fourth statement, 'not being able to find a suitable legal services provider when I need one has affected the growth of my business', decreased from 56% in 2017 to 47% in 2021. This more than offsets the two percentage point increase in agreement[103].

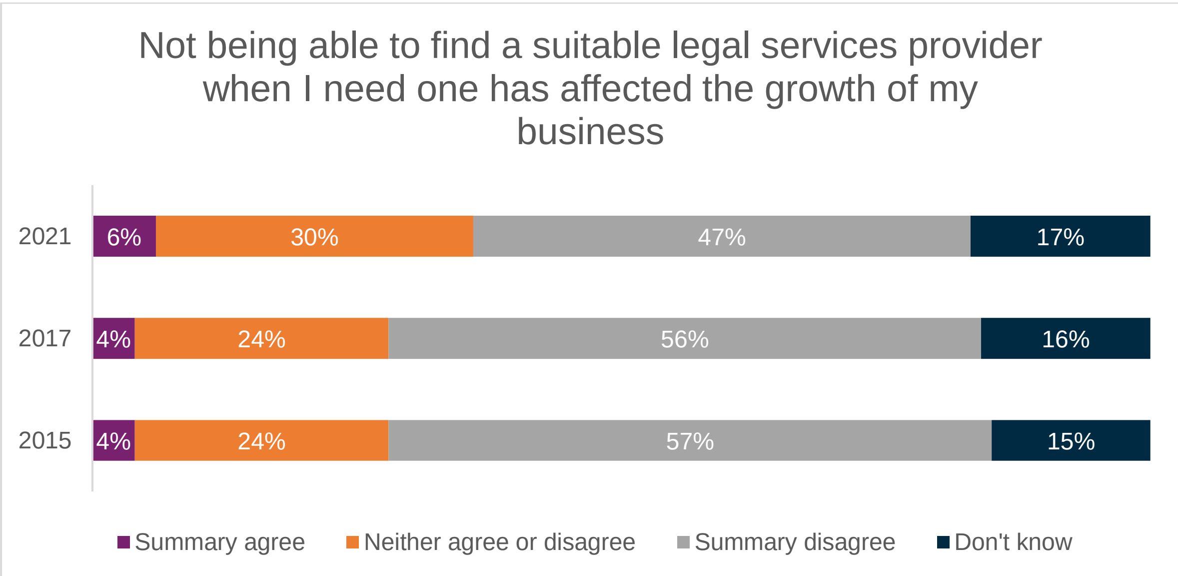
9.31 Finally, the last statement where we saw significant change was 'I feel the need to take legal advice more often than I did two years ago'. The proportion of businesses agreeing increased from 6% in 2017 to 9% in 2021[104], while those disagreeing decreased from 57% in 2017 to 52% in 2021[105].

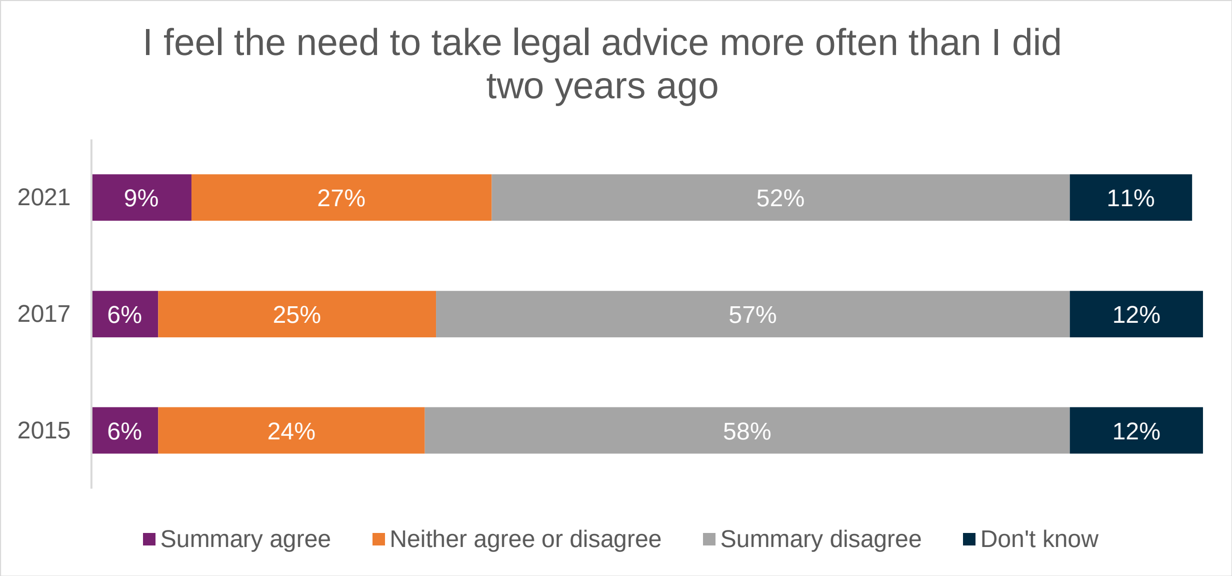
Figure 70: Attitudes toward the law and the justice system over time




Lawyers provide a cost effective means to resolve legal issues
2021
10%
27%
56%
7%
2017
11%
28%
49%
12%
2015
14%
29%
47%
10%
2013
12%
36%
45%
7%
Summary agree
Neither agree or disagree
Summary disagree
Don't know


When I need one, I find it easy to find a suitable legal services provider that I can afford
2021
19%
32%
24%
25%
2017
24%
31%
18%
27%
2015
25%
30%
19%
26%
Summary agree
Neither agree or disagree
Summary disagree
Don't know


Not being able to find a suitable legal services provider when I need one has affected the growth of my business
2021
6%
30%
47%
17%
2017
4%
24%
56%
16%
2015
4%
24%
57%
15%
Summary agree
Neither agree or disagree
Summary disagree
Don't know



Bases: 2021 = 10,228; 2017 = 10,579; 2015 = 10,688; 2013 = 10,535

Appendix A
Detailed Methodology

11.1 Work on this wave started with a commissioned review of the survey by Professor Pascoe Pleasence and Associate Professor Catrina Denvir. Details of that review and the amended survey is available in their report[x]. Then via a competitive tendering exercise, using the Crown Commercial Service Research Marketplace Dynamic Purchasing System, YouGov were commissioned to carry out the fieldwork. They ran the online survey from July to September 2021. We set response quotas[y] by country/region, industry sector and business size. The LSB's research team then conducted the analysis and reporting.

11.2 We started the analysis by confirming that the structure of the 2021 variables was consistent and comparable with the previous waves (except for new variables for 2021). We then created a merged dataset including all four waves of the research.

11.3 We weighted the data with two different methods. 2021 data were weighted considering business population estimates[z] published by the Department for Business, Energy & Industrial Strategy. Therefore the 2021 weighted sample is broadly comparable to the population of small businesses in England and Wales. Further, since 2013, 2015 and 2017 waves were weighted based on size and sector. We applied this same weight to the 2021 data to make the four waves comparable for robust longitudinal analysis. In summary, we used the first weight for the 2021 wave analysis only and the second weight for comparisons over time across the four waves. Both weightings were provided by YouGov. The two different weightings may mean that for the same questions, 2021 numbers used for comparisons over time may differ slightly from numbers in the reporting for 2021 only.

11.4 We conducted standard bivariate analysis such as descriptive statistics and crosstabs, plus more complex multivariate analysis involving logistic regression to understand what drives advice seeking for small businesses when they experience legal issues.

11.5 We used statistical significance tests to assess changes over time and by groups. However, due to the quota sampling methodology used, these tests should not be interpreted as an exact test of whether the differences observed are statistically significant. There are a number of technical limitations with using formal significance tests on quota sample data, such as lack of known sampling probability and unknown total population. Therefore, these tests are best viewed as an

[x] See Pascoe Pleasence and Catrina Denvir. February 2021. "The Legal services Board's small business legal needs survey: researching legal capability, legal needs and the impact of covid-19 and exiting the European Union". Available at: https://legalservicesboard.org.uk/wp-content/uploads/2021/02/SMEs-2020-review-Further-Exploring-Capability-Need-and-the-Impact-of-Covid-19-and-EU-Exit-1.pdf

[y] See BEIS business population estimates October 2020: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/922793/BPE__2020_detailed_tables.xlsx

[z] Business population estimates available at: https://www.gov.uk/government/collections/business-population-estimates

indication of whether the results would be significant had the data been produced from a random probability sample.

11.6 Most of the variables from the survey were nominal or ordinal – e.g. levels of service satisfaction and legal capabilities – therefore we used Chi-squared[aa], and Mann Whitney tests to assess statistical significance for nominal and ordinal variables respectively. For example, when comparing the proportion of firms shopping around when looking for a provider by wave, a Chi squared test was used. While a Mann Whitney test was used to measure how levels of service satisfaction have changed across the four waves.

11.7 For continuous variables like how the monetary estimates of the legal issue impact on the businesses, we used a t-test and a one-way Anova (with Tukey as a post-hoc test). The t-test allows us to compare whether the mean of a normally distributed continuous variable differs among two groups. It was used, for example, to test if the estimate of the costs associated to legal issues were different among firms based in England compared to those based in Wales. The Anova test allows us to compare the mean of a normally distributed continuous variable among three or more groups. For example, we used it to test whether the estimate of the costs associated to legal issues were different among different type of firms.

11.8 We carried out all the significance testing at a significance level of 5%, meaning that our estimates have a 95% chance of being within acceptable limits of standard error and can therefore be considered to be 'real' and not due to chance. Or, to put it another way, there is a one in 20 probability of the result occurring through chance. We occasionally report where differences were just below this threshold, where there is a one in ten probability of the result occurring through chance.

2021 sample profile

11.9 The profile of small businesses within the 2021 survey wave is described below by industry sector, size, age, legal structure and region.

Figure 71: 2021 sample profile

	2021 (n=10,228)
SECTOR	**%**
Agriculture, forestry and fishing	5%
Manufacturing	7%
Construction	14%
Mining and extraction	0%
Energy and water supply	1%

[aa] When bases sizes were low Fischer's exact test was used instead

Primary and secondary schools	3%
Further and higher education	2%
NHS	1%
Other private healthcare	7%
Voluntary and not-for-profit sector	5%
Hotels, catering and leisure	4%
IT industry	5%
Transport and communications (including media)	4%
Consultancy services	9%
Finance, insurance and real estate	4%
Wholesale and retail trade	8%
Other business services	19%
Public administration – central government	0%
Public administration – local government, including fire services	1%
Armed forces	0%
Quango	0%

BUSINESS SIZE	%
1 worker	76%
2-9 workers	17%
10-49 workers	8%

AGE SINCE BUSINESS STARTED	%
Less than a year	4%
1 year	4%
2 years	5%
3 years	6%
4 years	4%
5 years	7%
6 to 10 years	22%
11 to 20 years	26%
More than 20 years	22%
Don’t know	2%

TYPE OF BUSINESS	%
Sole proprietor/sole trader	67%
Private limited company (Ltd)	25%
Public limited company (PLC)	1%
Limited partnership (LLP)	1%
Partnership	3%
Other	3%

REGION	%
Wales	6%
North West	10%

North East	4%
Yorkshire and Humber	8%
West Midlands	9%
East Midlands	8%
South West	13%
South East	21%
London	14%
East of England	1%
Don't know	8%

Longitudinal sample profile (2021 v 2017 v 2015 v 2013)

9.32 Figure 72 shows the characteristics of the sample used in the longitudinal analysis. Data are weighted consistently based on sector and number of employees, allowing the comparison of the four waves of the analysis.

9.33 Looking at Figure 72, samples did not differ much by wave in terms of overall base sizes and demographics such as number of employees, age of the business and proportion of employees with a disability or a long-standing physical or mental health conditions. These similarities allowed running a robust longitudinal analysis, where it was possible to compare changes over time.

Figure 72: Key characteristics of the sample: 2013, 2015, 2017 and 2021. Data are weighted.

	2021 (10,288)	2017 (10,579)	2015 (10,687)	2013 (10,535)
Business size				
1 worker	76%	76%	76%	75%
2-9 workers	20%	19%	20%	21%
10-49 workers	4%	5%	4%	4%
Age of the business				
Up to 3 years	19%	19%	20%	22%
3-6 years	17%	19%	19%	19%
6-10 years	18%	19%	15%	19%
10-25 years	34%	32%	31%	30%
25 years+	13%	16%	15%	14%
Expected turnover				
Less than £50k	59%	54%	55%	55%
£50-100k	12%	12%	12%	13%
£100-250k	6%	6%	7%	6%

£250-500k	4%	4%	3%	3%
£500k-£1m	3%	3%	2%	2%
£1m+	4%	2%	2%	2%
Disability				
Yes, limited a lot	6%	5%	4%	5%
Yes, limited a little	20%	21%	20%	20%
No	74%	74%	76%	75%
Expect to make a profit in current year				
Yes, limited a little	63%	71%	68%	61%
No	19%	13%	14%	19%
Don't know	18%	16%	18%	20%

Appendix B – Legal capability scales

11.1 For the first time, we included legal capability scales (legal confidence, self-efficacy and accessibility of justice as used in the 2020 Individual Legal Needs Survey). This is the first wave of the Small Business Legal Needs Survey to include measures of legal capability to successfully face legal issues and use the legal system to resolve them. Developed by professors Pascoe Pleasence and Nigel Balmer they describe the concept of legal capability as:

'consideration of what capabilities are required for an individual to have an effective opportunity to make a decision about whether and how to make use of the justice system to try to resolve a problem[28].'

11.2 Their inclusion allows us to analyse differences in legal needs and outcomes by level of legal capability. We included two measures of legal capability: legal confidence[29] and accessibility of justice[30].

Legal confidence scale

11.3 The Legal confidence scale comprises six questions and a four-point Likert scale response set. The scale is suitable for use as a general measure of legal confidence. The question presented to respondents to measure legal confidence is shown below:

If your business found itself facing a significant legal dispute – such as a dispute concerning a contract, invoice, your business premises, employees, taxation or regulation – how confident are you that your business could achieve an outcome that is fair and the business would be happy with in the following situations?

- E70_1: I CAN ALWAYS MANAGE TO SOLVE DIFFICULT ISSUES IF I TRY HARD ENOUGH –
- E70_2: IF SOMEONE OPPOSES ME, I CAN FIND THE MEANS AND WAYS TO GET WHATIWANT
- E70_3: IT IS EASY FOR ME TO STICK TO MY AIMS AND ACCOMPLISH MY GOALS –
- E70_4: I CAN REMAIN CALM WHEN FACING DIFFICULTIES BECAUSE I CAN RELY ON MY COPING ABILITIES –
- E70_5 WHEN I AM CONFRONTED WITH A ISSUES, I CAN USUALLY FIND SEVERAL SOLUTIONS
- E70_6 I AM GOOD AT FINDING INFORMATION TO HELP RESOLVE ISSUES

[28] https://research.thelegaleducationfoundation.org/wp-content/uploads/2019/02/Legal-Confidence-and-Attitudes-to-Law-Developing-Standardised-Measures-of-Legal-Capability-web-version-1.pdf
[29] Confidence they could personally achieve a fair and positive outcome in legal scenarios
[30] The degree to which someone thinks the justice system, excluding criminal justice, is accessible.

<1> Very confident
<2> Quite confident
<3> Not very confident
<4> Not confident at all

11.4 We applied a scoring system based on the responses that people gave to each statement. Responses of 'very confident' are assigned a score of 3, 'quite confident' a score of 2, 'not very confident' a score of 1 and 'not confident at all' a score of 0. Across the six items this produces individual scores between 0 and 18. These scores are converted into Legal confidence scores (ranging from 0 to 100) using the table below. A higher score indicates greater legal confidence.

Figure 73: Scoring for the six-item 'Legal confidence' Scale

Raw score	Rasch converted legal confidence score
0	0
1	9.4
2	17
3	23.3
4	28.9
5	34.3
6	38.4
7	42.7
8	47
9	51.5
10	56.5
11	61.9
12	67.2
13	72.1
14	76.7
15	81.2
16	86.1
17	92.3
18	100

Accessibility of justice scale

11.5 The Accessibility of justice scale, comprises nine questions and a four point Likert scale response set. The scale is suitable for use as a general measure of perceived ease of access to justice. The question presented to respondents to measure accessibility of justice is shown below:

We are not concerned with the ‘criminal’ justice system. We are concerned with the justice system that deals with disputes concerning such things as contracts, invoices, business premises, employees, taxation or regulation Thinking about issues like this, to what extent do you agree or disagree with the following statements?

- E71_1: Issues like this are usually resolved promptly and efficiently.
- E71_2: Those with less money generally get a worse outcome.
- E71_3: For issues like these, law is like a game in which the skilful and resourceful are more likely to get what they want.
- E71_4: It is easy to take issues like these to court if needed.
- E71_5: For issues like these, legal services are too expensive for most small businesses to use.
- E71_6: The justice system provides good value for money.
- E71_7: For issues like these, businesses like mine can afford legal services.
- E71_8: Large business’s lawyers are no better than small business’s lawyers
- E71_9: Taking a case to court is generally more trouble than it is worth.

<1>	Strongly agree
<2>	Mainly agree
<3>	Mainly disagree
<4>	Strongly disagree

11.6 A scoring system was applied based upon the responses that people gave to each statement. For items 2, 3, 5 and 9, strongly agree are assigned a score of ‘0’, mainly agree ‘1’, mainly disagree ‘2’ and strongly disagree ‘3’. For items 1, 4, 6, 7 and 8 strongly agree should be assigned a score of ‘3’, mainly agree ‘2’, mainly disagree ‘1’ and strongly disagree ‘0’. For item 5, strongly agree should be assigned a score of ‘2’, mainly agree ‘1’, mainly disagree ‘0’ and strongly disagree also ‘0’. Across the nine items this will yield individual scores of between 0 and 26. These scores can be converted into Accessibility of justice scores (ranging from 0 to 100) using the table below. Higher scores are associated with greater perceived accessibility of justice.

Figure 74: Scoring for the six-item 'Accessibility of Justice' Scale

Raw score	Rasch converted accessibility of justice score
0	0
1	9.3
2	16.2
3	21.2
4	25.2
5	28.7
6	31.8
7	34.6
8	37.3
9	39.9
10	42.4
11	44.8
12	47.3
13	49.7
14	52.2
15	54.6
16	57.2
17	59.9
18	62.6
19	65.5
20	68.6
21	71.8
22	75.4
23	79.5
24	84.3
25	91
26	100

Figure 75: All variables and indicators used in the OECD experimental model for estimating legal needs

Key variable	Indicator	Measure
Duration	When did the issue start? When did the issue concluded?	• Short/moderate=Issue lasted up to a year • Long=issue lasted more than a year
Seriousness	Consider a scale of 0 to 10 – where the top of the bar represents the most serious type of problem your business could possibly face, and the bottom of the bar represents the least serious – please mark on the scale where you would place this problem	• Low seriousness= 0 to 3 • Medium seriousness= 4 to 7 • High seriousness= 8 to 10

Legal awareness	Do you agree that the relevant person(s) in the business knows about the business' legal rights and responsibilities	• Legal awareness=strongly agree, mainly agree • No legal awareness= mainly disagree, strongly disagree
Legal confidence	Do you agree that the relevant person(s) in the business is confident about achieving a fair outcome (when dealing with legal issues)	• Legal confidence=strongly agree, mainly agree • No legal confidence= mainly disagree, strongly disagree
Process fairness	Regardless of the outcome of this problem, do you feel the process through which the outcome was reached was basically fair or unfair to everybody concerned?	• Fair process=fair to everybody concerned • Not fair process= Not fair to everybody concerned
Expert help	Which of these descriptions best indicate how your business went about sorting out the problem?	• Expert help= obtained help from an independent adviser, representative or support service • No expert help=did not obtain help from an independent adviser, representative or support service
Adequacy	Do you agree that the relevant person(s) in the business is able to get all expert help needed (when dealing with legal issues)	• Adequate=strongly agree, mainly agree • Not adequate= mainly disagree, strongly disagree

Appendix C
Statistical reporting
Regression outputs

Model 1: Which small businesses are more likely to experience legal issues

Categorical Variables Codings

		Frequency	Parameter coding (1)
Low accessibility of justice	.00	7844	0.000
	1.00	1647	1.000
Size=10-49 employees	.00	8447	0.000
	1.00	1044	1.000
Internal legal capacity	No	9008	0.000
	Yes	483	1.000
Firm do not expect to make profits in current year	.00	7819	0.000
	1.00	1672	1.000
Disability	.00	7243	0.000
	1.00	2248	1.000
UK_exit_EU_impact	.00	6230	0.000
	1.00	3261	1.000
Covid-19_Impact	.00	2915	0.000
	1.00	6576	1.000
Size=1 employee	.00	4208	0.000
	1.00	5283	1.000

Block 0: Beginning Block

Classification Table[a,b]

Observed			Predicted		
			Problem_Yes_No		Percentage Correct
			0	1	
Step 0	Problem_Yes_No	0	6648	0	100.0
		1	3016	0	0.0
	Overall Percentage				68.8

a. Constant is included in the model.

b. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	-0.790	0.022	1296.091	1	0.000	0.454

Variables not in the Equation

		Var name	Score	df	Sig.
Step 0	Variables	Size=1 employee(1)	927.587	1	0.000
		Size=10-49 employees(1)	721.477	1	0.000
		Legal_capacity_int(1)	57.144	1	0.000
		E54=Expect_Profit_No(1)	87.425	1	0.000
		Disability(1)	137.555	1	0.000
		Covid-19_Impact(1)	141.984	1	0.000
		UK_exit_EU_impact(1)	460.677	1	0.000
		Accessibility_of_justice=Low(1)	26.200	1	0.000
	Overall Statistics	1792.373	8		0.000

Block 1: Method = Enter

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	1819.012	8	0.000
	Block	1819.012	8	0.000
	Model	1819.012	8	0.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	10179.664[a]	0.172	0.241

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Classification Table[a]

Observed			Predicted		
			Problem_Yes_No		Percentage Correct
			0	1	
Step 1	Problem_Yes_No	0	6153	495	92.6
		1	1918	1098	36.4
		Overall Percentage			75.0

a. The cut value is .500

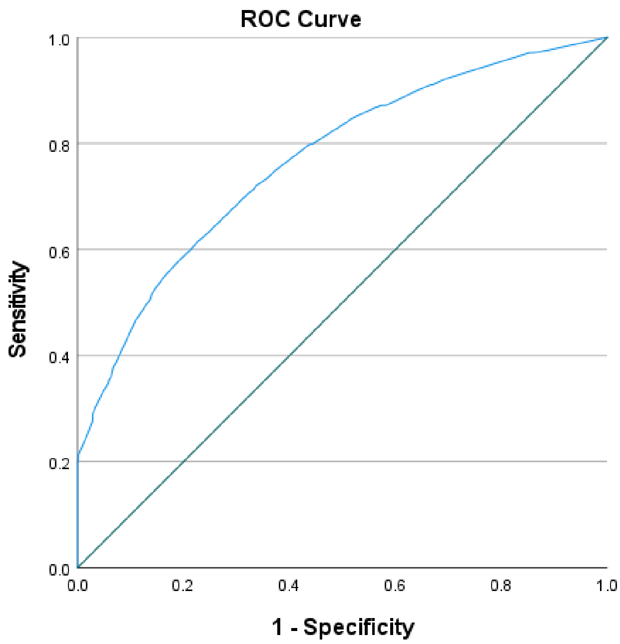
Variables in the Equation

Variable	B	S.E.	Wald	Sig.	Exp(B)	Lower	Upper	VIF
Size=10-49 employees(1)	1.566	0.120	169.381	0.000	4.789	3.783	6.063	1.352
UK_exit_EU_impact(1)	0.868	0.051	294.978	0.000	2.381	2.157	2.629	1.054
Disability(1)	0.621	0.054	130.238	0.000	1.861	1.673	2.071	1.024
Covid-19_Impact(1)	0.488	0.058	71.771	0.000	1.629	1.455	1.823	1.055
Legal_capacity_int(1)	0.438	0.126	12.019	0.001	1.549	1.210	1.984	1.029
E54=No(1)	0.391	0.061	40.892	0.000	1.478	1.311	1.667	1.026
Accessibility_flagged=Low(1)	0.325	0.061	28.753	0.000	1.384	1.229	1.559	1.027
Size=1 employee(1)	-1.256	0.060	431.392	0.000	0.285	0.253	0.321	1.352
Constant	-0.964	0.068	200.425	0.000	0.381			

Area Under the Curve

Test Result Variable(s): Predicted probability

Area
0.768



Diagonal segments are produced by ties.

Model 2: Which small businesses are more likely to use professional help

Categorical Variables Codings

		Frequency	Parameter coding (1)
Describing the issue as legal	No	3162	0.000
	Yes	443	1.000
Regulation	0	2598	0.000
	1	1007	1.000
Business_premises	0	2829	0.000
	1	776	1.000
Structure	0	3197	0.000
	1	408	1.000
Employees	0	2496	0.000
	1	1109	1.000
Size=10-49 employees	.00	2730	0.000
	1.00	875	1.000
Accessibility o justice (mediun or high)	.00	667	0.000
	1.00	2938	1.000
Tax	0	2831	0.000
	1	774	1.000

Block 0: Beginning Block

Classification Table[a,b]

Observed			Predicted: Professional_help .00	Predicted: Professional_help 1.00	Percentage Correct
Step 0	Professional_help	.00	2381	0	100.0
		1.00	737	0	0.0
	Overall Percentage				76.4

a. Constant is included in the model.

b. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	-1.173	0.042	773.941	1	0.000	0.310

Variables not in the Equation

			Score	df	Sig.
Step 0	Variables	Tax(1)	109.002	1	0.000
		Regulation(1)	121.302	1	0.000
		Business_premises(1)	118.076	1	0.000
		Structure(1)	145.228	1	0.000
		Employees(1)	130.758	1	0.000
		Access_Med_High(1)	34.993	1	0.000
		Size=10-49 employees(1)	47.755	1	0.000
		Legal(1)	53.292	1	0.000
		E62_10_Agree = Agree that ‘When I need one, I find it easy to find a suitable legal services provider that I can afford’	80.824	1	0.000
	Overall Statistics		421.474	9	0.000

Block 1: Method = Enter

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	394.377	9	0.000
	Block	394.377	9	0.000

Model	394.377	9	0.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	3016.233[a]	0.119	0.179

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Classification Table[a]

Observed			Predicted		
			Professional_help		Percentage Correct
			.00	1.00	
Step 1	Professional_help	.00	2306	75	96.8
		1.00	593	144	19.6
	Overall Percentage				78.6

a. The cut value is .500

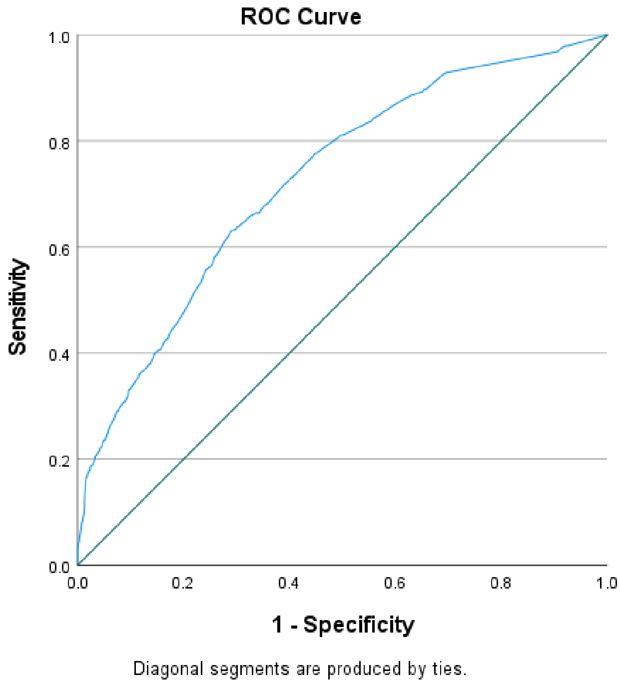
Variables in the Equation

Variable	B	S.E.	Wald	Sig.	Exp(B)	Lower	Upper	VIF
Legal(1)	0.726	0.128	32.442	0.000	2.068	1.610	2.655	1.028
Structure(1)	0.647	0.143	20.557	0.000	1.911	1.444	2.528	1.179
Tax(1)	0.611	0.109	31.698	0.000	1.843	1.490	2.280	1.127
Regulation(1)	0.597	0.100	35.426	0.000	1.817	1.492	2.211	1.121
E62_10_Agree	0.557	0.101	30.135	0.000	1.745	1.431	2.129	1.080
Access_Med_High(1)	0.418	0.127	10.801	0.001	1.518	1.184	1.948	1.065
Employees(1)	0.408	0.113	13.018	0.000	1.503	1.205	1.876	1.292
Business_premises(1)	0.390	0.115	11.584	0.001	1.477	1.180	1.850	1.153
Size=10-49 employees(1)	0.275	0.124	4.915	0.027	1.316	1.032	1.678	1.204
Constant	-2.439	0.124	385.159	0.000	0.087			

Area Under the Curve

Test Result Variable(s):	Predicted probability
Area	

0.726



ROC Curve
1.0
0.8
0.6
0.4
0.2
0.0
Sensitivity
0.0
0.2
0.4
0.6
0.8
1.0
1 - Specificity
Diagonal segments are produced by ties.

[1] I Trading: χ2 (2, N = 10,228) = 470.44, $V = .15$, $p < .001$; Tax: χ2 (2, N = 10,228) = 207.13, $V = .10$, $p < .001$; Employee: χ2 (2, N = 10,228) = 1553.09, $V = .28$, $p < .001$; Business premises: χ2 (2, N = 10,228) = 485.38, $V = .15$, $p < .001$; Finance and insolvency: χ2 (2, N = 10,228) = 210.36, $V = .10$, $p < .001$; Intellectual property: χ2 (2, N = 10,228) = 216.75, $V = .10$, $p < .001$; Regulation: χ2 (2, N = 10,228) = 318.94, $V = .12$, $p < .001$; Structure: χ2 (2, N = 10,228) = 265.56, $V = .11$, $p < .001$; Other: χ2 (2, N = 10,228) = 210.36, $V = .10$, $p < .001$

[2] χ2 (1, N = 10,228) = 20.31, $V = .04$, $p < .001$

[3] χ2 (1, N = 10,228) = 69.73, $V = .08$, $p < .001$

[4] χ2 (1, N = 10,228) = 14.99, $V = .04$, $p < .001$

[5] χ2 (2, N = 3,191) = 49.80, $V = .09$, $p < .001$

[6] χ2 (2, N = 3,191) = 4.84, $V = .03$, $p = .089$; Sole trader v 10-49 employees: χ2 (1, N = 2,365) = 4.70, $V = .04$, $p = .03$; 2-9 employees v 10-49 employees: χ2 (1, N = 1,344) = 2.83, $V = .05$, $p = .09$

[7] χ2 (2, N = 3,191) = 13.75, $V = .05$, $p = .001$; Sole trader v 10-49 employees: χ2 (1, N = 2,365) = 13.69, $V = .08$, $p < .001$; 2-9 employees v 10-49 employees: χ2 (1, N = 1,344) = 8.41, $V = .08$, $p = .004$

[8] χ2 (1, N = 3,191) = 12.68, $V = .06$, $p < .001$

[9] χ2 (1, N = 3,191) = 38.31, $V = .11$, $p < .001$

[10] χ2 (1, N = 3,191) = 33.44, $V = .10$, $p < .001$

[11] χ2 (1, N = 3,191) = 203.36, $V = .25$, $p < .001$

[12] χ2 (1, N = 1,549) = 4.42, $V = .05$, $p = .04$ (note: analysis excludes “don’t know” responses)

[13] χ2 (2, N = 1,803) = 11.04, $V = .06$, $p = .003$; Sole trader v 2-9 employees: χ2 (1, N = 1,518) = 5.12, $V = .06$, $p = .024$; Sole trader v 10-49 employees: χ2 (1, N = 1,359) = 8.17, $V = .08$, $p = .004$

[14] χ2 (2, N = 1,803) = 27.91, $V = .09$, $p < .001$; Sole trader v 10-49 employees: χ2 (1, N = 1,359) = 28.99, $V = .15$, $p < .001$; 2-9 employees v 10-49 employees: χ2 (1, N = 728) = 5.24, $V = .08$, $p = .022$

[15] χ2 (1, N = 1,767) = 7.63, $V = .05$, $p = .022$ (note: analysis collapses “no” and “don’t know” responses)

[16] χ2 (2, N = 1,071) = 6.06, $V = .05$, $p = .048$ (note: analysis collapses “no” and “don’t know” responses)

[17] χ2 (2, N = 10,228) = 202.96, $V = .10$, $p < .001$

[18] χ2 (1, N = 10,228) = 47.02, $V = .07$, $p < .001$

[19] χ2 (1, N = 3,255) = 12.43, *V* = .06, *p* < .001 (note: analysis excludes "don't know" responses)

[20] Accountant: χ2 (2, N = 10,228) = 833.14, *V* = .20, *p* < .001 ; Solicitors' firm: χ2 (2, N = 10,228) = 976.30, *V* = .22, *p* < .001 ; Tax or financial advisor: χ2 (2, N = 10,228) = 375.99, *V* = .14, *p* < .001 ; Membership or trade body: χ2 (2, N = 10,228) = 169.99, *V* = .09, *p* < .001 ; HR/employment service: χ2 (2, N = 10,228) = 1187.02, *V* = .24, *p* < .001 ; Government advice service: χ2 (2, N = 10,228) = 103.41, *V* = .07, *p* < .001 ; Another legal service: χ2 (2, N = 10,228) = 331.12, *V* = .13, *p* < .001 ; Business consultant: χ2 (2, N = 10,228) = 336.57, *V* = .13, *p* < .001 ; A business advisor: χ2 (2, N = 10,228) = 278.33, *V* = .12, *p* < .001 ; Insurance service: χ2 (2, N = 10,228) = 100.95, *V* = .07, *p* < .001

[21] χ2 (1, N = 10,228) = 10.86, *V* = .03, *p* < .001

[22] χ2 (1, N = 10,228) = 15.43, *V* = .04, *p* < .001

[23] χ2 (1, N = 10,228) = 48.46, *V* = .07, *p* < .001

[24] χ2 (1, N = 10,228) = 22.60, *V* = .05, *p* < .001

[25] χ2 (2, N = 10,228) = 32.58, *V* = .04, *p* < .001 ; Sole trader v 10-49 employees: χ2 (1, N = 8,500) = 26.56, *V* = .06, *p* < .001 ; 2-9 employees v 10-49 employees: χ2 (1, N = 2,504) = 5.64, *V* = .05, *p* = .018

[26] χ2 (1, N = 10,228) = 98.38, *V* = .10, *p* < .001

[27] χ2 (2, N = 10,228) = 216.79, *V* = .10, *p* < .001 ; Sole trader v 10-49 employees: χ2 (1, N = 8,500) = 206.57, *V* = .16, *p* < .001 ; 2-9 employees v 10-49 employees: χ2 (1, N = 2,504) = 57.07, *V* = .15, *p* < .001

[28] χ2 (1, N = 10,228) = 82.90, *V* = .09, *p* < .001

[29] χ2 (1, N = 10,228) = 7.75, *V* = .09, *p* = .005

[30] χ2 (1, N = 288) = 2.63, *V* = .10, *p* = .105 (note: analysis collapses all other responses against "Yes")

[31] χ2 (1, N = 1,314) = 10.42, *V* = .09, *p* = .001

[32] χ2 (1, N = 1,314) = 72.46, *V* = .23, *p* < .001

[33] χ2 (1, N = 620) = 41.55, *V* = .26, *p* < .001 (note: analysis excludes "don't know" responses)

[34] χ2 (2, N = 10,228) = 165.53, *V* = .09, *p* < .001 ; Sole trader v 10-49 employees: χ2 (1, N = 8,500) = 147.74, *V* = .13, *p* < .001 ; 2-9 employees v 10-49 employees: χ2 (1, N = 2,504) = 34.78, *V* = .12, *p* < .001

[35] χ2 (1, N = 10,228) = 87.30, *V* = .09, *p* < .001

[36] χ2 (1, N = 4,349) = 11.82, *V* = .05, *p* < .001

[37] χ2 (1, N = 4,349) = 85.40, *V* = .14, *p* < .001

[38] $\chi 2$ (1, N = 1,433) = 30.84, $V = .15$, $p < .001$

[39] $\chi 2$ (1, N = 1,433) = 13.31, $V = .10$, $p < .001$

[40] $\chi 2$ (1, N = 375) = 16.15, $V = .21$, $p < .001$

[41] $\chi 2$ (2, N = 3,193) = 29.70, $V = .07$, $p < .001$; Sole trader v 2-9 employees: $\chi 2$ (1, N = 2,676) = 3.45, $V = .04$, $p = .06$; Sole trader v 10-49 employees: $\chi 2$ (1, N = 2,365) = 29.45, $V = .11$, $p < .001$; 2-9 v 10-49 employees: $\chi 2$ (1, N = 1,345) = 12.12, $V = .09$, $p < .001$

[42] $\chi 2$ (1, N = 3,193) = 13.57, $V = .07$, $p < .001$

[43] $\chi 2$ (1, N = 3,193) = 10.50, $V = .06$, $p < .001$

[44] $\chi 2$ (1, N = 3,193) = 36.97, $V = .11$, $p < .001$

[45] $\chi 2$ (2, N = 3,193) = 40.38, $V = .08$, $p < .001$; Low v medium: $\chi 2$ (1, N = 2,615) = 7.08, $V = .05$, $p = .008$; Low v high: $\chi 2$ (1, N = 1,261) = 39.28, $V = .18$, $p < .001$

[46] $\chi 2$ (1, N = 1,803) = 27.88, $V = .12$, $p < .001$

[47] $\chi 2$ (2, N = 3,193) = 76.69, $V = .11$, $p < .001$; Sole trader v 2-9 employees: $\chi 2$ (1, N = 2,676) = 30.86, $V = .11$, $p < .001$; Sole trader v 10-49 employees: $\chi 2$ (1, N = 2,365) = 68.20, $V = .17$, $p < .001$

[48] $\chi 2$ (1, N = 1,314) = 10.42, $V = .09$, $p = .001$

[49] $\chi 2$ (1, N = 1,561) = 24.55, $V = .13$, $p < .001$

[50] All $\chi 2$'s > 12.85, p's < .001 ; Bad luck v private business matter: $\chi 2$ (1, N = 1,072) = 1.44, $p = .23$.

[51] $\chi 2$ (2, N = 744) = 19.16, $V = .11$, $p < .001$; Sole trader v 2-9 employees: $\chi 2$ (1, N = 565) = 10.06, $V = .13$, $p = .002$; Sole trader v 10-49 employees: $\chi 2$ (1, N = 516) = 18.17, $V = .19$, $p <.001$

[52] $\chi 2$ (2, N = 744) = 4.43, $V = .05$, $p = .11$

[53] $\chi 2$ (2, N = 744) = 11.64, $V = .09$, $p = .003$; Sole trader v 2-9 employees: $\chi 2$ (1, N = 565) = 5.61, $V = .10$, $p = .018$; Sole trader v 10-49 employees: $\chi 2$ (1, N = 516) = 10.13, $V = .14$, $p = .001$

[54] $\chi 2$ (2, N = 744) = 20.53, $V = .12$, $p < .001$; Sole trader v 2-9 employees: $\chi 2$ (1, N = 565) = 11.37, $V = .14$, $p < .001$; Sole trader v 10-49 employees: $\chi 2$ (1, N = 516) = 16.43, $V = .18$, $p < .001$

[55] $\chi 2$ (1, N = 744) = 7.17, $V = .10$, $p = .007$

[56] $\chi 2$ (2, N = 744) = 13.80, $V = .14$, $p < .001$; Low v medium: $\chi 2$ (1, N = 565) = 9.46, $V = .13$, $p = .002$; Low v high: $\chi 2$ (1, N = 286) = 13.43, $V = .22$, $p < .001$

[57] $\chi 2$ (1, N = 744) = 7.66, $V = .10$, $p < .01$

[58] $\chi2$ (1, N = 744) = 13.01, V = .13, p < .001

[59] $\chi2$ (1, N = 354) = 3.46, V = .10, p = .063

[60] $\chi2$ (1, N = 744) = 8.12, V = .10, p = .004

[61] $\chi2$ (1, N = 744) = 3.25, V = .07, p = .07

[62] $\chi2$ (1, N = 744) = 18.81, V = .16, p < .001

[63] $\chi2$ (2, N = 208) = 17.20, V = .11, p < .001 ; Low v high: $\chi2$ (1, N = 94) = 10.49, V = .33, p < .001

[64] $\chi2$ (2, N = 208) = 19.72, V = .22, p < .001 ; Low v high: $\chi2$ (1, N = 85) = 7.77, V = .30, p = .005 ; Medium v high: $\chi2$ (1, N = 183) = 17.41, V = .31, p < .001

[65] $\chi2$ (1, N = 256) = 3.59, V = .12, p = .058 (note: analysis excludes "don't know" responses)

[66] $\chi2$ (2, N = 656) = 12.18, V = .10, p = .002 ; Low v high: $\chi2$ (1, N = 254) = 11.45, V = .21, p < .001 ; Medium v high: $\chi2$ (1, N = 565) = 6.71, V = .11, p = .01 (note: analysis excludes "don't know" responses)

[67] $\chi2$ (1, N = 516) = 2.84, V = .07, p = .09

[68] $\chi2$ (1, N = 744) = 18.47, V = .16, p < .001

[69] $\chi2$ (1, N = 744) = 9.73, V = .11, p = .002

[70] $\chi2$ (1, N = 744) = 24.62, V = .18, p < .001

[71] $\chi2$ (1, N = 744) = 7.58, V = .10, p < .01

[72] $\chi2$ (1, N = 744) = 11.62, V = .12, p < .001

[73] $\chi2$ (2, N = 3,193) = 37.94, V = .08, p < .001 ; Sole trader v 10-49 employees: $\chi2$ (1, N = 2,365) = 30.38, V = .11, p < .001 ; 2-9 employees vs. 10-49 employees: $\chi2$ (1, N = 1,345) = 4.46, V = .06, p < .05

[74] $\chi2$ (1, N = 1,314) = 72.46, V = .23, p < .001

[75] $\chi2$ (1, N = 1,261) = 101.15, V = .28, p < .001

[76] $\chi2$ (1, N = 285) = 7.02, V = .16, p = .008

[77] $\chi2$ (2, N = 744) = 17.46, V = .11, p < .001 ; Low v high: $\chi2$ (1, N = 286) = 17.41, V = .25, p < .001 ; Medium v high: $\chi2$ (1, N = 635) = 8.29, V = .11, p = .004

[78] $\chi2$ (2, N = 3,193) = 41.67, V = .08, p < .001 ; Low v medium: $\chi2$ (1, N = 2,676) = 15.86, V = .08, p < .001 ; Low v high: $\chi2$ (1, N = 2,365) = 33.97, V = .12, p < .001

[79] $\chi2$ (2, N = 3,193) = 10.41, V = .04, p = .005 ; Low v high: $\chi2$ (1, N = 2,365) = 9.73, V = .06, p = .002

[80] $\chi2$ (2, N = 3,193) = 12.71, V = .04, p = .002 ; Low v medium: $\chi2$ (1, N = 2,517) = 11.44, V = .07, p < .001 ; Low v high: $\chi2$ (1, N = 1,314) = 8.95, V = .08, p = .003

[81] $\chi2$ (2, N = 3,193) = 8.99, V = .04, p = .011 ; Low v medium: $\chi2$ (1, N = 2,615) = 8.94, V = .06, p = .003 ; Low v high: $\chi2$ (1, N = 1,262) = 3.73, V = .05, p = .05

[82] $\chi2$ (2, N = 3,193) = 50.50, V = .09, p < .001 ; Low v medium: $\chi2$ (1, N = 2,516) = 43.03, V = .13, p < .001 ; Low v high: $\chi2$ (1, N = 1,314) = 34.94, V = .16, p < .001

[83] $\chi2$ (2, N = 3,193) = 65.29, V = .10, p < .001 ; Low v medium: $\chi2$ (1, N = 2,615) = 24.62, V = .10, p < .001 ; Medium v high: $\chi2$ (1, N = 2,508) = 25.03, V = .10, p < .001

[84] $\chi2$ (1, N = 3,193) = 12.84, V = .06, p < .001

[85] Unable to take on new work: $\chi2$ (2, N = 3,193) = 28.48, V = .07, p < .001 ; Low v medium: $\chi2$ (1, N = 2,616) = 25.23, V = .10, p < .001 ; Low v high: $\chi2$ (1, N = 1,262) = 14.83, V = .11, p < .001 ; Unable to complete scheduled work: $\chi2$ (2, N = 3,193) = 13.87, V = .05, p < .001 ; Low v medium: $\chi2$ (1, N = 2,615) = 9.23, V = .06, p = .002 ; Low v high: $\chi2$ (1, N = 1,261) = 11.27, V = .09, p < .001

[86] $\chi2$ (1, N = 1,767) = 29.46, V = .13, p < .001

[87] $\chi2$ (3, N = 42,030) = 88.47, V = .03, p < .001 ; 2013 v 2021: $\chi2$ (1, N = 20,763) = 19.70, V = .03, p < .001 ; 2015 v 2021: $\chi2$ (1, N = 20,916) = 20.05, V = .03, p < .001 ; 2017 v 2021: $\chi2$ (1, N = 20,807) = 4.35, V = .01, p < .05

[88] $\chi2$ (1, N = 20,807) = 47.68, V = .05, p < .001

[89]: $\chi2$ (1, N = 6,408) = 44.33, V = .08, p < .001 (note: comparison of 2017 v 2021)

[90] Bad luck: $\chi2$ (1, N = 6,408) = 8.80, V = .04, p = .003 ; Moral: $\chi2$ (1, N = 6,408) = 9.59, V = .04, p = .002 (note: comparison of 2017 v 2021)

[91] $\chi2$ (1, N = 6,892) = 34.53, V = .07, p < .001

[92] $\chi2$ (1, N = 6,408) = 9.60, V = .04, p = .002

[93] $\chi2$ (1, N = 1,767) = 29.46, V = .13, p < .001

[94] $\chi2$ (1, N = 6,408) = 38.63, V = .08, p < .001

[95] $\chi2$ (1, N = 1,604) = 9.29, V = .08, p = 0.02

[96] $\chi2$ (1, N = 1,604) = 7.98, V = .07, p < .01

[97] $\chi2$ (1, N = 1,604) = 39.26, V = .16, p < .001

[98] $\chi2$ (1, N = 1,604) = 32.97, V = .14, p < .001

[99] $\chi2$ (3, N = 8,105) = 104.30, V = .07, p < .001

[100] $\chi2$ (1, N = 20,808) = 228.63, V = .10, p < .001

[101] $\chi 2$ (1, N = 20,808) = 105.81, V = .07, $p < .001$

[102] $\chi 2$ (1, N = 20,808) = 97.26, V = .07, $p < .001$

[103] $\chi 2$ (1, N = 20,808) = 137.95, V = .08, $p < .001$

[104] $\chi 2$ (1, N = 20,808) = 36.26, V = .04, $p < .001$

[105] $\chi 2$ (1, N = 20,808) = 25.50, V = .04, $p < .001$