

Bruce MacMillan  
Legal Services Board  
7<sup>th</sup> Floor  
Victoria House  
Southampton Row  
London, WC1B 4AD  
By email and by post

Your ref		Direct line	(020) 7211 8788
Our ref		Fax	(020) 7211 8505
Date	19 June 2009	Email	sue.aspinall@oft.gsi.gov.uk

Dear Mr McMillan,

### **The Levy: funding legal services regulation**

I am writing in response to your consultation document *The Levy: funding legal services regulation – Consultation on proposed rules to be made under Sections 173 and 174 of the Legal Services Act 2007* issued on 9 April 2009.<sup>1</sup>

### **Funding the Legal Services Board**

In the consultation document the Legal Services Board (LSB) proposes that its running costs until the end of March 2010 should be apportioned between Approved Regulators based on the proportion of authorised persons regulated by each body as at 1 April 2009.

We agree with the LSB that this is a transparent, fair and proportionate way to raise its running costs, provided that membership figures have been accurately recorded by the Approved Regulators.

### **Funding the Office of Legal Complaints**

---

<sup>1</sup> [http://www.legalservicesboard.org.uk/what\\_we\\_do/consultations/2009/pdf/consultation\\_on\\_the\\_levy.pdf](http://www.legalservicesboard.org.uk/what_we_do/consultations/2009/pdf/consultation_on_the_levy.pdf)



In the consultation document the LSB also proposes that the Office of Legal Complaints' (OLC) establishment costs should be apportioned based on the number of service complaints, relative to the total number of service complaints against all authorised persons which an Approved Regulator has received for a rolling three year period.

The OFT agrees with the LSB's reasoning that it would be wrong to levy funds for both the LSB and the OLC using the same criteria as they are different bodies performing different functions. Unlike the LSB the OLC will be able to obtain a proportion of its running costs through case fees. The OFT believes that this is a transparent, fair and proportionate way for costs to be levied for the OLC as those responsible for the majority of complaints will be responsible for the costs of the setting-up of the new complaints handling mechanism. We hope that it will encourage firms or authorised persons to deal with complaints better in-house and therefore reduce the cost burden associated with the OLC.

Yours sincerely

**Sue Aspinall**  
**Markets and Projects – Professions**