



Legal Services Board
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Response to consultation paper: Alternative business structures – approaches to licensing

This response is limited to the proposals relating to Special Bodies.

Do you think that special bodies' 'transitional arrangements' should come to an end? Do you think that 12 months after the start of the mainstream ABS is sufficient time for them to gain a full licence? Are there core requirements that all special bodies should meet?

As stated in our response to the previous consultation we agree in principle that special bodies should be subject to entity based regulation (though this regulation needs to be proportionate and take into account the different character of the service as compared to that of commercial providers). Therefore we accept that any transitional arrangements will need to end.

However we would question whether 12 months gives sufficient time for the sector to adjust to what could be a very different regulatory regime. Citizens Advice does lay down membership requirements and standards in many areas (including complaints handling) but until the final shape of the regulatory regime is clear it is not possible to be confident whether 12 months gives sufficient time.

We would welcome early, and detailed, discussions with the Board about how Citizens Advice bureaux will come within the ambit of the ABS approach, the core requirements for special bodies and whether Citizens Advice may wish to play a role within the regulatory regime for example through a 'passporting' or other arrangement. We have significant experience in setting requirements and standards, auditing compliance and dealing with non compliance.

What are your views on the suggestion that the OLC should make voluntary arrangements with special bodies?

We would be interested in exploring this with OLC as this could be of benefit to consumer confidence.

We would suggest that the role of the OLC with respect to each 'special body' may need to vary depending on the complaints' handling processes already in place. For example, all Citizens Advice bureaux operate within a complaints process that moves from internal stages, through a review by Citizens Advice itself to an external adjudicator; all CABx are also covered by network-

wide insurance arrangements which help clients where there are mergers or takeovers within the network. Individual, and early discussions, with the special bodies could help the OLC develop an approach which will provide confidence.

If you would like to follow up any issues or have further discussions, please do not hesitate to get in touch.

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