

RESEARCH SUMMARY

November, 2017



PRICES OF INDIVIDUAL CONSUMER LEGAL SERVICES

1. About the research

i This research helps us to understand changes in prices over time and determine the extent of competition between providers, as well as affordability and access to justice for consumers – all of which input to achieving the LSB’s statutory objectives.

The research provides a **robust picture of the prices** that are currently paid by consumers for some key legal services and allows us to make comparison with prices of legal services in 2015.

1,491 telephone interviews covered services in three areas of legal work: **conveyancing; divorce; and wills, lasting power of attorney and estate administration.**

2. Key findings

i **Prices vary significantly for the same legal services:** it pays consumers to shop around.

Fixed fees are cheaper than other forms of charging in all three areas, for example a difference of £209 for conveyancing of the sale and purchase of a freehold property

Firms based in the South East are typically around a third more expensive than elsewhere

There has been no change in the proportion of firms displaying prices on their website between 2015 and 2017 (18%). Only a relatively small number of providers currently plan to change this practice by displaying prices on their websites in future.

Prices have changed in six of the 15 scenarios – rising in three divorce scenarios, and falling in two conveyancing scenarios, and in the Lasting Power of Attorney scenario.

The majority of firms (64%) stated that their prices had stayed about the same over the last 12 months. However, among those reporting a change, 32% stated that prices had increased whereas 4% said that they had decreased.

For those firms which reported increasing their prices in the 2017 survey, **29% cited an increase in the cost of overheads or staff as the main reason.**

There appears to be a relationship between average prices and regulation. Licensed conveyancers quoted lower average prices than solicitors with both groups being regulated in different ways. Further unregulated providers also quoted lower prices than solicitors.

3. Regulatory insights

i It remains the case that consumers can make significant savings by shopping around, yet other research suggests only 1 in 4 do so and many people find it difficult to compare providers.

The findings of this research reinforce the CMA’s conclusion that competition in the sector is not working well and should assist regulators in shaping plans to improve transparency in the market.