



# Prices of Individual Consumer Legal Services in England and Wales 2020:

## Annexes

For any queries about this research please contact the Legal Services Board via [research@legalservicesboard.org.uk](mailto:research@legalservicesboard.org.uk)

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## Detailed Methodology

- 1.1 The 2020 research on legal services prices was funded by the Legal Services Board together with the Competition and Markets Authority and HM Courts & Tribunals services. Watermelon Research was commissioned to run the fieldwork, while analysis and reporting were run in-house by the Legal Services Board research team. The fieldwork was run between January and March 2020, after a pilot in December.
- 1.2 The survey repeats the price research run in 2017 and 2015 by the LSB with the main objective of measuring legal services prices over time. Consistent with the 2017 and 2015 waves, the 2020 survey included 1,500 telephone interviews covering legal firms providing services in conveyancing, divorce and wills, trusts and probate. The 1,500 legal firms were equally distributed within the three areas of law (including five price scenarios per area of law) and gives enough sample size in order to study prices within each area at overall level, also flagging for relevant groups of respondents – e.g. by firm size, charging approaches, type of firm. All group differences were always tested for statistical significance to the 95% confidence interval. As in previous waves of the analysis, the overall population of legal firms offering the key legal services covered by this research is not known so benchmark data of this kind does not exist.
- 1.3 The primary sample was obtained from the commercial sample provider firm SMI data, where 13,637 records were obtained. In addition, sample was supplemented from the following sources:
  - Databases supplied by the LSB from the ACCA, CILEx Regulation, CLC and ICAEW.
  - A database of organisations licensed as an ABS with the SRA.
  - Experian database using relevant sic codes.
- 1.4 Further to the data analysis, this was mainly run using IBM SPSS version 26. Microsoft Excel and R studio were also used in support for some steps of the analysis. The first practical step of the statistical analysis involved an exploratory check of all the variables from the 2020 dataset against the questionnaire, to make sure that all questions were correctly processed and agreed quotas were met. This step involved running descriptive statistics of all variables. Once assessed that the 2020 dataset was ready for the analysis, a merged dataset including the 2015, 2017 and 2020 survey data was created. Price figures within the 2015 and 2017 waves were adjusted for inflation using the Consumer Price Index<sup>1</sup>.
- 1.5 The merged dataset included 4,498 responses from legal services providers, equally distributed within the three waves and areas of law. Although as previously said, the overall level of base sizes was large enough to flag the analysis by relevant groups of respondents, in some areas base sizes reached low levels. For this reason, each time a base size was below fifty respondents a warning symbol is included (Δ). When the warning symbol appears, results should be treated cautiously.
- 1.6 In this report, statistical tests described above were used to assess changes over time. However, due to the quota sampling methodology used, these tests should not be interpreted as an exact test of whether 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 indication of whether the results would be significant had the data been produced from a random probability sample.

- 1.7 We've used a number of statistical approaches and techniques to mitigate the issues of using a quota sample. We have used medians and inter-quartile ranges which should be less sensitive to both outliers and the potential biases introduced by quotas. Additionally, we have used statistical regressions which are also less prone to the same vulnerabilities.
- 1.8 Key variables of this analysis were represented by the estimate of legal services prices given by the firms included in the sample. The price variables were positively skewed so, as we did in 2015 and 2017, we log-transformed the data. The transformed variables are more symmetrical, so the statistical tests will be more robust to the effects of outliers.
- 1.9 Statistical analysis involved a comparison of each price scenario over time. Therefore comparing the 2020 mean price of each scenario against the mean price in 2017 and 2015, assessing statistical significance – e.g. comparing if the mean price charged for an individual standard will in 2020, has increased in real terms compared to the mean price for the same legal service in 2017 and 2015. Further statistical analysis included comparing 2020 prices by relevant group, e.g. comparing the 2020 mean price charged by solicitors against the price charged by licensed conveyancers for the same service.
- 1.10 To assess statistical significance, we used the one-way Anova significance test along with Tukey as a post-hoc test. One-way Anova test assumptions require that the variable must be continuous, normally distributed, each group must be drawn independently of the other groups, along with meeting the homogeneity of variance assumption. The first three assumptions were met, while in relation to the homogeneity of variance, this was assessed through the Levene test. A one-way Anova test is used when we have to compare the mean of three or more independent groups, while if two groups only had to be compared, the traditional t-test was used instead – e.g. when comparing if there was a statistically significant difference between the price charged by firms based in cities and firms based in rural areas, a t-test was used because two independent groups only had to be compared.
- 1.11 When assessing statistical significance for nominal variables the Chi-squared test was used. For example, when comparing whether the proportion of firms displaying prices on their website has significantly changed across waves, a Chi-squared test was used to assess statistical significance. When a Chi-squared test was run and base sizes were low, the Fischer's exact test was used instead. To assess significance for ordinal variables the Mann-Whitney U test was used, for example, when comparing whether the proportion of firms that have increased their prices in the last twelve months has significantly changed.
- 1.12 Consideration must be given to outliers. Typically, outliers are identified and cleaned from the dataset prior to analysis. However, in the 2015 and 2017 waves no outliers were removed and we have taken a similar approach, removing just two extremely high outliers. This is on the basis that outlying prices were challenged and checked with providers during the telephone interview and while high they are the prices that would have been offered. Some prices may be very high because they are based on what richer consumers will pay, rather than the cost of the service.

## Scenarios

### Conveyancing

- 2.1 For the purposes of each of these scenarios, to keep things simple, please provide your estimate taking account of the following:
- I. The estimate is for a new client who lives locally or for whom you are providing your services remotely
  - II. The cost should exclude VAT
  - III. The cost should be for your fees or profit costs only and so it should exclude disbursements such as bank transfer fees, search fees or Land Registry fees.
  - IV. The costs should include administrative charges like postage, photocopying or telephone calls, if applicable.
  - V. The estimate should also include costs for liaising with lenders or another firm, where applicable together with charges associated with attendance at completion/settlement and preparation of any relevant document lodgement and payment of charges
  - VI. All properties concerned are registered land, on a residential road with no new extensions.
  - VII. There are no restrictive covenants or caveats or other complications
- 2.2 Scenario 1: Sale only of a freehold property
- Representation of an individual seller
  - The sale value is £229,000 [mean UK house price]
  - The current mortgage will be repaid on sale, is 80% of sale value, and the lender is a major residential property lender
  - The property is freehold
- 2.3 Scenario 2: Sale of a leasehold property
- Representation where the property is being sold by 2 sellers, selling as joint tenants
  - The sale value is £229,000 [mean UK house price]
  - The existing mortgage will be fully repaid at sale but to be formally discharged at completion
  - The property is leasehold and no complications are expected
- 2.4 Scenario 3: Purchase of a freehold property
- They are an individual purchaser
  - The purchase value is £229,000 [mean UK house price]
  - There is a new mortgage for the property, being 70% of the purchase value, and the lender is a major residential property lender
  - It is freehold
  - Please include cost for conducting standard searches of the Land Register (and other reasonably necessary local searches) together with fees associated with payment of stamp duty and land tax

## 2.5 Scenario 4: Purchase of a leasehold property

- The property is being bought by 2 buyers, buying as joint tenants
- The purchase value is £229,000 [mean UK house price]
- There will be a new mortgage for the property, being 70% of the purchase value, and the lender is a major residential property lender
- It is leasehold
- Please include dealing with the payment of stamp duty and land tax and conducting searches of the Land Register (and reasonably necessary local searches)

## 2.6 Scenario 5: Sale and purchase of freehold properties

- The properties are being bought and sold by the same 2 people, as joint tenants
- The sale value is £229,000 [mean UK house price]
- And the purchase value is the same at £229,000 [mean UK house price]
- The transactions are linked, so the client must sell in order to buy
- There is a mortgage to be discharged and there is also a new mortgage for the purchase property for 70% of the purchase value, the lender is a major residential property lender.
- Both properties are freehold
- Please include dealing with the payment of stamp duty and land tax and conducting searches of the Land Register (and reasonably necessary local searches)

## Divorce

### 3.1 For the purposes of each of these scenarios, to keep things simple, please provide your estimate taking account of the following:

- I. The estimate is for a new client and services can be provided remotely or in person
- II. The client is eligible for divorce (eg. married for more than 12 months) and there are no complicating factors
- III. There has been no domestic violence and there are no concerns in respect of parenting capacity, where applicable
- IV. Include any firm administrative charges (e.g. postage, photocopying and telephone calls)
- V. The cost should exclude VAT and disbursements, if applicable
- VI. The client is not eligible for Legal Aid.

### 3.2 Scenario 1: An uncontested divorce requiring a full legal service

- A client who seeks to file for divorce from her husband on the grounds of unreasonable behaviour
- The divorce is amicable
- They do not have any children and there are no assets to split
- She would like you to handle the entire divorce for her, so services to include:
  - General advice
  - Filling out the petition for divorce
  - Affidavit or statement of truth

- 3.3 Scenario 2: An uncontested divorce responding to a petition for divorce
- A client whose wife has filed for divorce from him on the grounds of unreasonable behaviour
  - The divorce is amicable
  - They do not have any children
  - To simplify the scenario please assume that there are no assets to split
  - He would like you to handle the entire divorce for him, so services to include:
    - General advice
    - Responding to the petition for divorce
- 3.4 Scenario 3: An uncontested divorce requiring arrangements for dependent children
- A client who seeks to file for divorce from her husband on the grounds of unreasonable behaviour
  - The divorce is amicable
  - To simplify the scenario please assume that there are no assets to split
  - They have two children under the age of 18
  - They have agreement on childcare arrangements which are joint residency with shared parenting arrangements
  - She would like you to handle the entire divorce for her, so services to include:
    - General advice
    - Filling out the petition for divorce
    - Agreeing arrangements for the children
    - Affidavit or statement of truth
- 3.5 Please assume that:
- There has been no domestic violence
  - Both parents are fit to provide a joint residency for the children.
  - Legal services can be provided either face to face or remotely
- 3.6 Scenario 4: A more complex divorce requiring mediation and advisory services
- A client who seeks to file for divorce from her husband on the grounds of unreasonable behaviour
  - To simplify the scenario please assume that there are no assets to split
  - They have two children under the age of 18
  - No agreement has been reached on childcare arrangements
    - Client is seeking full residency of the children
    - Client is also seeking financial maintenance payments
  - She would like you to handle the entire divorce for her, so services to include:
    - General advice
    - Filling out the petition for divorce
    - Agreeing arrangements for the children
    - Affidavit or statement of truth
    - A Mediation Information Assessment (MIA) provided by you
  - Please assume that she attends mediation and that this is successful and the case DOES NOT go to court
  - Please DO NOT INCLUDE the cost of any mediation sessions in your cost



3.7 Please assume that:

- The case is not urgent – i.e. no kidnapping or violence
- Both parents remain in the local area near to the children’s school and friends and have enough room for the children
- Mother works part-time (salary of £26,000)
- Father works full time (salary of £39,000) [mean UK salary]

3.8 Scenario 5: A more complex divorce involving disagreement over assets

- A client who seeks to file for divorce from her husband on the grounds of unreasonable behaviour
- They have two adult children and neither are dependent
- No agreement has been reached on how the assets will be divided
- Estimated total assets of £518,000
- She would like you to handle the entire divorce for her, so services to include:
  - General advice
  - Filling out the petition for divorce
  - Affidavit or statement of truth
  - Advice on assessing assets
  - Obtaining financial order
  - A Mediation Information Assessment (MIA) provided by you
- Please assume that she attends mediation and that this is successful and the case DOES NOT go to court
- Please DO NOT INCLUDE the cost of any mediation sessions in your cost

Wills, Trusts and Probate

4.1 For the purposes of each of these scenarios, to keep things simple, please provide your estimate taking account of the following:

- I. Please assume that all information necessary to provide an estimate of costs is included in the scenario. There will be no other complicating factors such as overseas properties, urgency or advice/assistance required over and above your standard service.
- II. Please include any firm administrative charges (e.g. postage, photocopying and telephone calls)
- III. But exclude any other disbursements (if there are any)
- IV. Please also exclude VAT

4.2 Scenario 1: An individual standard will

- A new client who is married and had 2 adult children with her husband
- This is her (and her husband’s) first marriage and she has no other children
- The beneficiaries of the will would be her husband and if he predeceases then it would be her 2 children in equal shares
- The executor of the will would be one of their children
- She has a total estate valued at £299,000 (made up predominantly from a single property) [mean UK house price]

- In terms of any specific gifts there are some but not complicated – just a car, technology, jewellery to be given to family members
- The client will arrange for the execution and safekeeping of the will

4.3 Please also assume that:

- There are no other complicating factors – for example no overseas property and no appointment of legal guardian
- The client will arrange for witnessing of the will (although the solicitor should explain rules for witnessing)
- No related tax advice is required
- No probate services are required
- The will is not required urgently
- Brief and standard instructions are to be contained in the will for the funeral and funeral expenses

4.4 Scenario 2: An individual complex will

- A new client who is married with 2 dependent children from his current marriage
- He has been married before, which ended in divorce
- He has one adult child from his previous marriage
- The beneficiaries of the will would be his wife and if she predeceases then it would be his 2 children from his current marriage and other child from his first marriage in equal shares.
- The executor of the will would be a family friend
- He has a total estate valued at £299,000 including 3 pension funds (from 3 different employers)
- In terms of any specific gifts there are some but not complicated – just a car, technology, jewellery to be given to family members and a charity donation
- The client would like to include arrangements for the legal guardian of his 2 dependent children, if his wife predeceases
- The client will arrange for the execution and safekeeping of the will

4.5 Please also assume that:

- There are no other complicating factors – for example no overseas property
- The client will arrange for witnessing of the will (although the solicitor should explain rules for witnessing)
- The client needs basic advice on how to instruct his pension providers but you will not need to contact his pension providers directly
- No related tax advice is required
- No probate services are required
- The will is not required urgently
- Brief and standard instructions are to be contained in the will for the funeral and funeral expenses

4.6 Scenario 3: Lasting power of attorney

- A single man aged 67 who has recently retired
- He wishes to appoint his younger brother who is aged 55 as attorney for his property and financial affairs only

- He is confident and has a good idea of what he wants but he would like some basic advice from a legal professional to help assess his needs, explain his options and prepare the form
- He requires you to register the Lasting Power of Attorney (LPA)
- He has no ongoing medical conditions
- In terms of the client's financial circumstances, he owns a property outright (valued at £229,000) [mean UK house price], has a modest income from a basic state pension and employer pension, some savings and no investments or shares
- Please include in your cost your time for registering the form with the Office of the Public Guardian, but exclude the registration fee

4.7 Please assume that:

- There are no other reasons why this has to be progressed urgently
- The client has an up to date will
- The client has never married and has no current relationship. He has one brother and there are no family disputes.
- The client wishes to name his nephew as a replacement attorney
- The attorney should make decisions upon registration of the LPA with the Office of the Public Guardian (the recommended standard option requiring the consent of the donor before decisions are taken)
- Assume that the client is not eligible for means testing for funding of the LPA registration fee
- There is no existing Power of Attorney arrangement
- The client needs basic advice on how to instruct his pension providers but you will not need to contact his pension providers directly

4.8 Scenario 4: Assistance for obtaining Grant of Probate

- A new client
- Her mother has recently died and she would like assistance to obtain a Grant of Probate
- Her mother was a widow, so the last surviving parent
- You will complete and register the probate form with the Probate Court
- You will not need to administer the estate
- There is a valid and non-contested will, and the daughter is named as the sole executor in the will
- The total value of the estate is £299,000 and includes a residential property, cash and securities

4.9 Please also assume that:

- There are no other complicating factors
- Include any firm administrative charges (e.g. postage, photocopying and telephone calls)
- But exclude any other disbursements (if there are any)
- Please also exclude VAT

4.10 Scenario 5: Estate administration

- A new client

- Her mother has recently died. Her mother was a widow, so the last surviving parent
- There is already a Grant of Probate
- There is a valid and non-contested will and the daughter has been named sole executor in the will
- The total value of the estate is £299,000 and includes a residential property, cash and securities
- She would like assistance administering the estate. She is likely to require the following services:
  - Finalising income tax affairs and pensions
  - Collecting in the estate from banks & building societies
  - Selling assets
  - Paying money due to beneficiaries
  - Making any gifts of items to beneficiaries
  - Preparing accounts for the estate
- Conveyancing services are not required to sell the property

4.11 Please also assume that:

- The probate service was not pre-arranged i.e. not via a will
- All beneficiaries are named and traceable
- There are no other children
- There is no inheritance tax due (as under the £325,000 threshold)
- There is no family trust required and no younger beneficiaries (no children under 18)
- There are no other complicating factors – such as owning a business, insufficient estate to meet all legacies, insolvent estate and the property is not agricultural

## Sample composition

### Responses by scenario

Conveyancing					
Scenario	1. Sale of a freehold property	2. Sale of a leasehold property	3. Purchase of a freehold property	4. Purchase of a leasehold property	5. Sale and purchase of freehold properties
2015	504	505	501	500	502
2017	498	495	484	482	484
2020	500	499	493	493	493

Divorce					
Scenario	1. An uncontested divorce requiring a full legal service	2. An uncontested divorce responding to a petition for divorce	3. An uncontested divorce requiring arrangements for dependent children	4. A more complex divorce requiring mediation and advisory services	5. A more complex divorce involving disagreement over assets
2015	499	495	490	481	380
2017	493	493	487	462	358
2020	500	499	487	480	112

Wills, trusts and probate					
Scenario	1. An individual standard will	2. A complex will	3. A lasting power of attorney	4. Assistance for obtaining Grant of Probate	5. Estate administration
2015	485	482	459	423	221
2017	486	483	456	376	191
2020	445	439	430	435	137

Responses by provider

Conveyancing								
Provider type	Solicitor	Licensed conveyancer	Accountancy firm	Barristers chambers	Notaries firm	Will writing firm	Unregulated legal services provider	Other
2015	90% n=455	9% n=45	0	0	0	0% n=2	0% n=2	0% n=2
2017	87% n=433	11% n=55	0	0% n=1	0	0	0% n=1	2% n=8
2020	89% n=445	11% n=53	0	0	0	0	0% n=1	0% n=1

Divorce								
Provider type	Solicitor	Licensed conveyancer	Accountancy firm	Barristers chambers	Notaries firm	Will writing firm	Unregulated legal services provider	Other
2015	98% n=491	0	0	0	0	0	1% n=3	1% n=5
2017	97% n=480	0	0	1% n=3	0	0% n=1	1% n=5	1% n=6
2020	99% <sup>c</sup> n=495	0	0	1% n=3	0	0	0% n=1	0% n=2

Wills, trusts and probate								
Provider type	Solicitor	Licensed conveyancer	Accountancy firm	Barristers chambers	Notaries firm	Will writing firm	Unregulated legal services provider	Other
2015	80% n=400	2% n=10	0% n=2	0% n=1	0	15% n=73	1% n=5	2% n=9
2017	66% n=325	2% n=11	0% n=2	0% n=1	0% n=1	25% n=121	3% n=13	4% <sup>c</sup> n=19
2020	70% <sup>c</sup> n=347	2% n=9	13% <sup>a</sup> n=65	0% n=2	1% n=6	9% <sup>a</sup> n=46	1% <sup>c</sup> n=7	3% n=17

<sup>a</sup> = statistically significant compared to 2017 and 2015. <sup>b</sup> = statistically significant compared to 2017. <sup>c</sup> = statistically significant compared to 2015

Responses from firms licensed as an alternative business structure (ABS)

Area	Conveyancing		Divorce		Wills, Trusts and Probate	
	ABS	Non ABS	ABS	Non ABS	ABS	Non ABS
2015	12% n=56	88% n=432	7% n=32	93% n=432	7% n=27	93% n=386
2017	12% n=56	88% n=421	10% n=47	90% n=426	12% <sup>c</sup> n=38	88% <sup>c</sup> n=292
2020	15% n=64	85% n=368	10% n=45	90% n=388	15% <sup>c</sup> n=60	85% <sup>c</sup> n=339

<sup>a</sup> = statistically significant compared to 2017 and 2015. <sup>b</sup> = statistically significant compared to 2017. <sup>c</sup> = statistically significant compared to 2015

Responses by country and region

Conveyancing						
Region	North of England	Midlands	South West	South East	London	Wales
2015	25% n=124	23% n=115	13% <sup>b</sup> n=68	33% <sup>†</sup> n=169	0	6% n=31
2017	26% n=127	17% <sup>c</sup> n=83	9% n=45	43% <sup>†</sup> n=215	0	6% n=28
2020	23% n=116	19% n=93	13% <sup>b</sup> n=66	25% n=123	10% n=52	10% <sup>a</sup> n=50
Difference between smallest and largest sample sizes	11	32	23	46		22



Divorce						
Region	North of England	Midlands	South West	South East	London	Wales
2015	24% n=120	26% n=131	7% n=36	37% n=182	0	6% n=30
2017	24% n=118	14% <sup>c</sup> n=68	9% n=44	47% <sup>†</sup> n=234	0	6% n=31
2020	24% n=122	18% <sup>c</sup> n=90	10% n=50	23% <sup>†</sup> n=114	15% n=75	10% <sup>a</sup> n=50
Difference between smallest and largest sample sizes	4	63	14	52		20

Wills, trusts and probate						
Region	North of England	Midlands	South West	South East	London	Wales
2015	23% n=116	29% n=143	10% n=48	31% <sup>†</sup> n=155	0	8% n=38
2017	24% n=118	19% <sup>c</sup> n=94	10% n=48	41% <sup>†</sup> n=203	0	6% n=31
2020	24% n=122	14% <sup>a</sup> n=72	13% n=63	24% n=122	14% n=70	10% <sup>c</sup> n=50
Difference between smallest and largest sample sizes	6	71	15	48		19

<sup>†</sup>South East and London combined. <sup>a</sup> = statistically significant compared to 2017 and 2015. <sup>b</sup> = statistically significant compared to 2017. <sup>c</sup> = statistically significant compared to 2015

There is variation in the sample sizes across waves for each region/scenario combination. Across the three blocks the variation is small for the North of England. It is also relatively small for the South West where the largest and smallest samples are for the first two blocks are in 2015 and 2017. When the sample from London 2020 is combined with the sample from the South East 2020, the largest and smallest sample sizes are also between 2015 and 2017. There is larger sample for Wales in 2020 than in the first two waves. The largest variation in sample size over time is in the Midlands, where the largest and smallest sample sizes for the first two blocks are between the first two waves. This might compromise significance tests with the West Midlands. Though overall and particularly for 2020 and 2017, the variation in sample sizes, between regions, does not appear large enough to limit interpretation of significance tests.

Responses by firm size

Conveyancing						
Size	1	2 to 10	11 to 50	51 to 100	101 to 250	250+
2015	5% n=25	39% n=194	36% n=176	11% n=55	8% n=37	2% n=8
2017	5% n=26	45% <sup>c</sup> n=219	33% n=160	8% n=39	6% n=29	2% n=9
2020	5% n=21	43% n=179	38% n=156	7% n=27	5% n=22	2% n=10

Divorce						
Size	1	2 to 10	11 to 50	51 to 100	101 to 250	250+
2015	6% n=26	38% n=182	37% n=174	10% n=48	6% n=28	3% n=16
2017	7% n=33	37% n=179	38% n=181	9% n=44	7% n=33	3% n=13
2020	6% n=23	43% n=178	37% n=152	6% <sup>a</sup> n=23	6% n=26	3% n=13

Wills, trusts and probate						
Size	1	2 to 10	11 to 50	51 to 100	101 to 250	250+
2015	14% <sup>b</sup> n=70	41% n=202	31% n=150	8% n=40	5% n=23	1% n=7
2017	21% n=98	39% n=183	27% n=128	7% n=35	4% n=17	2% n=10
2020	14% <sup>b</sup> n=60	42% n=177	33% n=138	6% n=26	4% n=15	2% n=8

Note: In 2020, 15% of firms did not answer the question across the three blocks.