



LEGAL SERVICES  
**BOARD**

# State of Legal Services 2020 and Draft strategy for the sector

## LSB webinar

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Steve Brooker, Head, Policy Development and Research

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# Developing a strategy for legal services

4 evidence sessions  
72 stakeholder meetings  
41 Public Panel members

**Summit** with 40 sector leaders – 24 September 2020

**Headline projects** in year 1 of the strategy

**Public consultation**  
9 December to 5 February

**Finalise strategy and business plan** in March

**Engagement**

**Evidence**

**Business Plan**

**Strategy**

**State of Legal Services 2020**  
Published in November

**Evidence compendium**  
analysing health of sector  
**Narrative volume**  
contains strategic overlay

**A strategy for the sector** not just LSB  
**10yr strategic direction**, 3 themes, 9 challenges  
**3yr priorities**

# Public Panel research

Legal Services Board  
Strategy Development:  
Public Panel Research report  
August 2020



Bringing the voices of communities into the heart of organisations

## Strategic priorities for the legal sector: A view from LSB's Public Panel

**40+** members of the public in England and Wales, from diverse backgrounds

**1** week of online deliberation

**10** 'Hot topics' to consider and prioritise

### Making trade-offs between competing priorities



Results of trade-off exercise, showing responses to the question, "How do you think the LSB should focus its energies? For each, should it be closer to one, or closer to the other?" Numbers shown are raw numbers.



### Allocating Resources

After a week's deliberation, participants as a whole\* indicated that the LSB should allocate its resources to match relative priorities as follows:



"I am still rather surprised that legal professionals do not undertake any formal checks...Without a competent legal professional, everything that follows will become an issue."

\*Chart shows average (mean) number of points allocated to each hot topic as a percentage.

# Volume one: the narrative



## 2 - Closing gaps in consumer protection

63. In our Public Panel research, people felt vulnerable when they needed to use legal services knowing that lawyers can have such a significant impact on their lives. Most participants felt there should be a large amount of regulation to protect people from mistakes, rather than letting consumers manage their own risks. In this context, there was surprise and concern that some legal services are unregulated. Survey data also shows that a significant minority of consumers do not know and do not check if their provider is regulated, mainly because they wrongly assume this is the case.

*"It is odd that the list of regulated services has not been reviewed for some time. With the advance of internet-based services, this is in danger of being left behind the pace of the real world and new ways of providing advice that ought to be regulated."*

LSB's Public Panel

64. The LSB has highlighted that the current list of reserved activities is the current list of history and not based on a consumer protection rationale. Further, this list was not reviewed prior to the Consumer Services Act. The market has evolved since the 2007 Act with technology and fast-changing how legal services are

delivered, and by whom. Clearly, the Legal Services Act could not contemplate some of these technological changes, which transcend regulatory boundaries. A question to address with growing urgency is whether there is sufficient flexibility within the current framework to keep pace with these developments and provide adequate protections that can command public confidence.

65. While the unregulated market remains small, well-serviced is an example of where new entrants have successfully used technology to serve large numbers of consumers. LSB's research<sup>10</sup> suggests that unregulated providers tend to be more innovative and cheaper – there are significant benefits given challenges around unmet legal need. Against this survey evidence shows that consumers are more dissatisfied with the service they receive from unregulated providers. Yet the regulated framework means they cannot access the legal ombudsman to seek redress. Could it be likely to accelerate a permanent shift to more remote delivery of legal services, which could see unregulated providers grow in influence, and thus gaps in consumer protection widen.

66. This issue requires balancing competing tensions of protecting consumers, enabling innovation and increasing the affordability of legal services. The solution in the short term may lie in broadening the scope of regulation but in a light-touch way<sup>11</sup>. If there is universal access to redress across legal services, this might close gaps in protection and give more consumers the confidence to use unregulated providers.

with on turnover in the face picture of largely reflects by the corporate us that the market is ed along different tiers struggling, even before are concerns about ty of the profession, are the next generation social welfare lawyers to es legal needs will come dents face the realities of usands of pounds of debt fication, it is little surprise esities we spoke to told us that

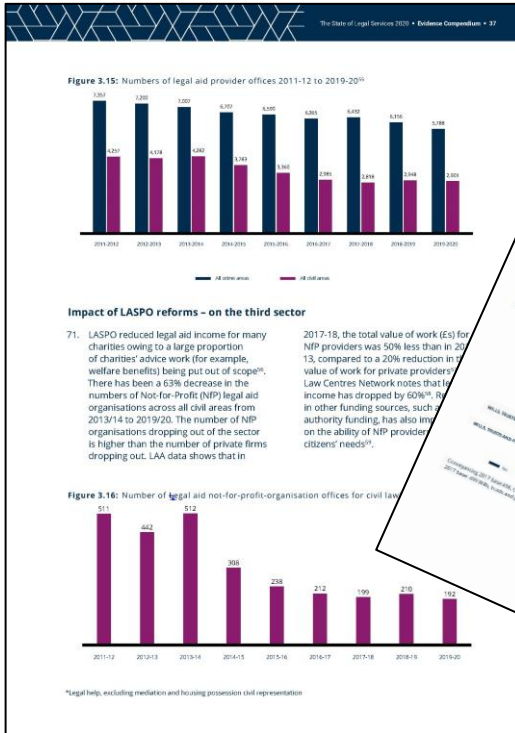
more students are pursuing careers in much better remunerated areas. The commercial success of the corporate sector contributes greatly to the nation's wider economic health and international standing. The corporate sector also voluntarily puts significant investment into pro bono initiatives, which is not always fully recognised. Even so, we also heard calls for this part of the sector to make a greater contribution to widening access to legal services for ordinary people.

63% of adults agree that "people like me can afford help from a lawyer"

36% of adults have low confidence that they could achieve a fair and positive outcome in different legal scenarios

- 50% of small businesses handle legal issues alone
- 79th - UK's international ranking on the accessibility and affordability of civil justice
- 3.6 million adults in England and Wales have an unmet legal need every year
- 8.6 million adults estimated to have legal expenses insurance

# Volume two: the evidence



# A draft strategy and business plan



# Reshaping legal services to better meet the needs of society

<b>Fairer outcomes</b>	<b>Stronger confidence</b>	<b>Better services</b>
Lowering unmet legal need across large parts of society	Ensuring high quality legal services and strong professional ethics	Empowering consumers to obtain high quality and affordable services
Achieving fairer outcomes for people experiencing greater disadvantage	Closing gaps in consumer protection	Fostering innovation that designs services around consumer needs
Dismantling barriers to a diverse and inclusive profession at all levels	Reforming the justice system and redrawing the regulatory landscape	Supporting responsible use of technology that commands public trust

# Successes

## Much has been achieved over the last ten years

- More choice for consumers and a wider range of practising rights and business structures for legal professionals
- Satisfaction with service, quality and price has grown, while fixed fee deals are increasingly the norm
- Regulatory reforms have ripened conditions for innovation without causing negative outcomes for consumers



**84% of customers are happy with the service they receive.  
Satisfaction has stayed consistently high over the decade.**



# Unmet need and vulnerability

## *Issues to address*

- Unmet need among large parts of society and small businesses persists
- Some population groups consistently worse off
- Barriers to access go beyond cost, embracing issues of legal capability and service design

## *A strategy for the sector*

- Reduce financial and non-financial barriers to access
- A legal support strategy for small businesses
- Fairer markets for citizens in vulnerable circumstances

# Diversity in the profession

## *Issues to address*

- A range of barriers that combine to favour people from some groups and serve to exclude others, both at entry and senior levels of the profession
- The pace of progress addressing these barriers has been too slow
- A wide range of initiatives, but evaluation is rare

## *A strategy for the sector*

- Strengthen the evidential base on diversity and inclusion
- Address issues of retention and progression as well as entry
- Improve evaluation of diversity and inclusion initiatives

# Gaps in consumer protection

## *Issues*

- Scope of regulation may not reflect risks to consumers
- No access to redress for consumers using unregulated services
- Consumer confusion about the protections in place

## *A strategy for the sector*

- Align regulation to risk so that the public is properly protected
- Deliver universal access to redress across the market
- Increase public understanding of the consumer protections in place

# Empowering consumers

## *Issues*

- Limited impact of remedies for improving competition after CMA study
- Remains difficult for consumers to compare the quality of providers
- Digital Comparison Tools yet to establish

## *A strategy for the sector*

- Enhance transparency by providers on price and quality
- Facilitate tools enabling consumers to easily compare providers
- Reduce complexity – ‘Simple Legal Products’?

# Covid-19

## *Challenges*

- Increasing legal need, broadening and entrenching social inequalities
- Threatening the sustainability of parts of the profession
- Harder for some groups to start legal careers and progress to senior roles
- Putting the justice system under strain
- Challenges for regulators, complaint and disciplinary bodies

## *But also opportunities*

- Accelerating innovation and adoption of technology
- Changes in working practices could improve diversity
- A transformative policy environment

# Next steps

- Consultation on draft strategy and business plan
  - Written responses due by 5 February 2021
  - Open invitation to stakeholders to step forward and identify where you can make a positive difference
- Final strategy and business plan by end of March
- Ongoing programme of research to monitor impact



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# Thank you

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14 January 2021