

Quality indicators in the legal services market: discussion paper

23 February 2021

Responses welcome by 22 April 2021

Foreword

In its recent review of the legal services market, the CMA recommended that the LSB take the lead in coordinating action by the regulatory bodies on developing quality indicators. Today, we set out our provisional thinking on quality indicators and encourage stakeholders to engage with the ideas in this discussion paper.

Our [State of Legal Services 2020 report](#) identified nine challenges that the sector needs to collectively address, including ‘empowering consumers to obtain high quality and affordable services’. We are keen to address a long-standing issue in legal services that too many consumers do not and cannot engage effectively with the market. There has been some good progress on price transparency, which was acknowledged by the CMA, but quality indicators have remained elusive.

We intend to focus greater attention on this issue and identify practical solutions that will make tangible improvements to the consumer experience. It is encouraging that some regulators have started a pilot scheme in parts of the market, which should be instructive in our collective quest to identify solutions that make a real difference.

Making progress on quality indicators will support effective consumer choice and help to raise standards in the market. With these objectives in mind, this paper sets out the evidence on the current situation and discusses the best types of quality information and the channels for getting such information to consumers. We also identify policy interventions that could help this information flow to consumers.

The legal landscape changed significantly during 2020 as consumers increasingly turned to online services during the pandemic. These shifts present opportunities to move the dial on quality indicators. For example, we consider that digital comparison tools will become more widespread in legal services, as they have done in other markets, but fostering change could need some assistance from regulators.

This paper concentrates on improving transparency around quality, but this is just one factor that consumers weigh up when choosing a provider. Information about quality must be accompanied by information about price, redress and regulation to give consumers the best tools to shop around and exercise effective choice. Therefore, later in the year, we plan to consult on a statutory statement of policy that will set expectations for the regulators on consumer engagement more widely.

This area is prime territory for the regulatory bodies and others with an interest in these issues to collaborate on devising measures that will improve real outcomes for consumers. I look forward to hearing your views on the issues in this paper.

Dr Helen Phillips, Chair

Executive summary

1. This discussion paper sets out the LSB's current thinking on how to improve transparency of quality in the legal services market to support effective consumer choice and invites stakeholder views on the subject.
2. In compiling this paper, we have taken account of a range of evidence and discussions among the legal services regulators on the subject. Improving information for consumers about quality of legal provider, i.e. establishing 'quality indicators', has been much debated in recent years, triggered in part by the CMA's findings in its 2016 study of the legal services market. Following the recent discussions and the CMA's latest recommendations from its 2020 review, we are keen to accelerate progress and identify practical solutions that will deliver tangible benefits to consumers and the market.
3. We consider that work in this area would advance the regulatory objectives in the Legal Services Act 2007 (the Act), in particular: improving access to justice; protecting and promoting the interests of consumers; promoting competition; and increasing public understanding of the citizen's legal rights and duties.
4. In this paper, we provide evidence and analysis on what information about quality consumers would find helpful, and the best channels for getting this to them. We then set out a series of potential policy interventions that could support effective consumer choice. Our proposed framework for improving transparency of quality information is summarised in the box overleaf.
5. In considering potential policy interventions, we consider that there is a choice between two broad approaches:
 - a. Regulators support the emergence of a flourishing digital comparison tools (DCTs) market, which would sit alongside a regulator-led single digital register. This support could include specific measures such as signposting requirements.
 - b. Alternatively, regulators use a commissioning model to establish a platform operating a standardised customer feedback system. This could form part of a single digital register, or sit alongside it, and would co-exist with commercial DCTs.
6. Alongside this discussion paper, we are publishing new research with the LSB's Public Panel¹. The purpose of the research was to understand what consumers

¹ <https://www.legalservicesboard.org.uk/wp-content/uploads/2021/02/LSB-Public-Panel-Quality-Indicators-Research-Report-Accessible.pdf>.

look for in terms of quality; the information they currently use to gauge quality; and their response to initiatives to improve access to information on quality.

7. In response to the CMA's progress review published in December 2020, we will consult later this year on a draft statement of policy on consumer engagement. This will set expectations of the regulatory bodies in relation to improving market transparency and related public legal education initiatives. Responses to this discussion paper will inform the development of the quality indicators component of the statement of policy.
8. We welcome responses to the discussion paper by **Thursday 22 April 2021**.

Proposed framework for improving transparency of quality

Overarching objectives

- Improved transparency of quality in the legal services market
- Consumers can better compare providers and make informed choices
- Further benefits of increased general standards and innovation

Defining quality

- Technical quality – quality of advice, comprehensiveness, accuracy
- Service quality – quality of client care, communication
- Outcome – desired outcome of casework

Scope of intervention

- Legal services providers serving individuals and small businesses
- A base level of quality across the market plus enhanced transparency in priority service areas (these areas to be identified)

Types of information

- Objective data – for example, disciplinary records/sanctions, Legal Ombudsman decisions, error rates recorded by public bodies
- Consumer feedback – narrative reviews, scoring systems
- General information about providers – for example, age of firm, size of firm

Information channels

- Legal services providers' websites
- Digital comparison tools
- Single digital register

Options for improving consumer engagement

- Requirements on legal services providers to signpost consumers to DCTs
- Requirements on legal services providers to embed a rating from a DCT on their website or operate a standardised customer feedback mechanism
- Requirements on legal services providers to publish certain information in a specific format on their websites, such as complaints data or error rates
- Supporting consumers to know what to look for when choosing providers
- Supporting consumers and legal services providers to use DCTs safely

Testing and evaluation

- An ongoing programme of consumer research and testing to determine the information on price, service and quality that is most useful for consumers

Background

9. Too many consumers are not able to use the legal services market effectively. Only a third of consumers shop around, and the public lack the necessary information to help them make informed choices. Many consumers find it difficult to compare the quality of different legal services providers making it harder for them to select the best option for their needs. For example, the Legal Services Consumer Panel (LSCP) has found that only 59% of consumers find it easy to compare providers and 15% find this difficult.²
10. The LSB's Public Panel told us that choosing a legal services provider was harder than in other sectors. Compounded by the worry of their situation, participants found it difficult to gauge and compare the quality of services. This was partly because they lacked the knowledge of what they needed or how legal services worked, and partly because the information was hard to find, inconsistent or non-existent.

“It was easy to find plenty of solicitors on Google to help. However the confusing part was figuring out who is best. They all offer similar advice on the websites, but it is very hard to pick who would be the right one, even with reading about their company.”

“I think that the combination of my own inexperience in the field, a potential lack of understanding of jargon being used and needing trust in their complete professionalism and formality would make it one of the most challenging service providers I could select.”

LSB's Public Panel research

11. Other LSB research shows a welcome improvement in transparency on price following the introduction by regulatory bodies of rules and guidance over 2018 and 2019.³ However, price is just one aspect of effective consumer choice; indeed, in the absence of other types of information there is a risk of excessive focus on price. Price information needs to be provided together with information about the quality of legal services, among other factors, so that consumers can assess value for money in the round and drive competition in the market.
12. This paper sets out our long-term goal for the sector in terms of transparency on the quality of legal services, and potential actions for us and the regulatory bodies to undertake to achieve this goal. We are keen to gather views on our proposed approach. We want to hear from a diverse range of voices, including regulators, firms, consumer groups and DCTs.

² LSCP (2020), [Legal Services Consumer Panel Tracker Survey 2020](#), p.4-5.

³ LSB (2020), [Prices of Individual Consumer Legal Services in England and Wales 2020](#).

The CMA's review and the LSB's role

13. In December 2020, the CMA published its review assessing progress on the recommendations of its 2016 market study.⁴ The CMA found a mixed picture on the evidence of improved consumer engagement and noted that more needed to be done, particularly around transparency on the quality of legal services.
14. The CMA made fresh recommendations to the LSB and the regulatory bodies to make further progress, including the following:
 - a. Improve the provision of information on quality of legal services providers to consumers:
 - i. Identify, design, and implement effective quality indicators; and
 - ii. Measures to improve engagement with customer reviews.
 - b. Pursue initiatives to help consumers engage with information on price, service, and quality:
 - i. Develop a single digital register incorporating quality indicators and use it to promote the role of DCTs.
15. The CMA asked the LSB to take the lead in coordinating action by the regulatory bodies on these issues.
16. We shared our emerging thinking on quality indicators with the CMA during its review and we welcome the CMA's findings and recommendations. The CMA's recommendation that we coordinate activity across the regulators and broker collaboration is a good fit with our role as oversight regulator. We are confident that we have a range of regulatory levers at our disposal to improve outcomes for consumers.
17. We consider that the underlying objectives of the recommendations are consistent with the regulatory objectives set out in the Act, in particular: improving access to justice; protecting and promoting the interests of consumers; promoting competition; and increasing public understanding of the citizen's legal rights and duties. Work in this area is a key element of our draft strategy for the sector⁵ and in meeting the challenge identified in our State of Legal Services 2020 report⁶ of empowering consumers to obtain high quality and affordable services.
18. Over the last six months we have been considering the best next steps to drive consumer engagement, analysing a range of potential initiatives. Alongside this

⁴ CMA (2020), [Review of the legal services market study in England and Wales](#).

⁵ LSB (2020), [Reshaping legal services: a draft strategy for the sector](#).

⁶ LSB (2020), [The State of Legal Services 2020](#).

discussion paper, we are publishing findings from new research on quality indicators with the LSB's Public Panel.⁷ We commissioned this research to better understand how information on quality could be provided to help consumers to compare and select providers.

19. We are mindful of the relationship between quality indicators and other information that consumers may need to make informed choices. This includes information around price, redress and regulatory status, and information gained through the Legal Choices digital platform and broader public legal education measures. Later in the year we will consult on a draft statutory statement of policy under Section 49 of the Act. This will set expectations for the regulatory bodies on what they should be doing in these areas to improve consumer engagement. We will monitor progress through our regulatory performance framework.
20. The LSB is also undertaking work to review how the regulatory bodies ensure that regulated legal professionals remain competent throughout their careers.⁸ This is closely linked to our work on quality, as consumers are entitled to have information about whether a prospective legal services provider is meeting minimum competence standards, as well as information about their level of quality. As part of that work, we are considering whether more formal ways of gathering feedback (such as from clients, supervisors and peers) would be beneficial, and so is particularly relevant to our considerations on consumer feedback (see paragraphs 45-50).

Activity by the regulatory bodies

21. Some regulatory bodies have been proactively undertaking their own work on quality indicators in recent months. Of note is a pilot scheme covering conveyancing and employment law (see page 10). The LSB's work is not intended to preclude action by the regulatory bodies on these issues. We intend to be flexible in crafting our forthcoming statement of policy to support work on transparency by regulatory bodies that is already ongoing or in development. We will take account of any emerging trends and findings from such work in developing the statement of policy.

⁷ <https://www.legalservicesboard.org.uk/wp-content/uploads/2021/02/LSB-Public-Panel-Quality-Indicators-Research-Report-Accessible.pdf>.

⁸ <https://www.legalservicesboard.org.uk/wp-content/uploads/2021/02/Findings-report-OC-Feb-2021-Final.pdf>.

22. We also welcome recent research studies by regulatory bodies and others on these issues, which have informed our thinking. This includes studies by the LSCP⁹, the Solicitors Regulation Authority (SRA)¹⁰ and CILEx Regulation¹¹.

⁹ LSCP (2020), [*Consumers feedback on quality indicators in legal services.*](#)

¹⁰ SRA (2020), [*SRA Transparency Rules: Year One Evaluation.*](#)

¹¹ CILEx Regulation (2020), [*Legal Services for Consumers: Qualitative Research into Client Behaviour, Use and Satisfaction.*](#)

Regulators' quality indicators pilot

The SRA, working alongside the Council for Licensed Conveyancers (CLC) and CILEx Regulation launched a quality indicators pilot on 11 February 2021. These regulators are working with law firms and DCTs to trial approaches that they hope will increase the information about the quality of legal services that is easily accessible to consumers. The pilot has been developed based on considerable evidence gathered by the regulators, including research conducted by the SRA and CILEx Regulation and workshops with DCTs, consumer groups and the SRA's expert panel. Regulated firms and representative bodies have also helped shape the pilot.

The pilot is initially focused on conveyancing and employment law. Conveyancing is a service that is more easily commoditised, where levels of transparency are higher than for other legal services and data appears to be more readily available. Employment law is more bespoke in nature, may be an area with more unmet need and presents more of a challenge in terms of identifying comparable data.

The Covid-19 pandemic has driven a large increase in the number of consumers facing employment-related issues, and therefore employment law is an area where greater transparency could bring significant consumer benefits quickly. It also gives an opportunity to test solutions that may work for small businesses as well as individual consumers. The pilot may be extended to other areas, such as family law, as work progresses.

The first phase of the pilot will explore approaches to increase the numbers of consumers leaving reviews online about their experiences of law firms, and the numbers of consumers who use such reviews to help them select a legal services provider.

Other phases of the pilot will consider how objective data, and other information beyond that currently published by regulators, could be made readily available to consumers and how information already published (by regulators, law firms or DCTs) could be made more easily comparable.

The regulators plan to test and adapt in order to build an understanding of what works well for different consumers and in different legal service areas. This will help make sure that any permanent interventions will be proportionate and targeted. The approach being taken is to stimulate the use of DCTs in the legal services market, with the aim that, in the future, it will be much more common for consumers to use DCTs to help choose a law firm.

Quality in the legal services market

Aspects of quality

23. There are three aspects of quality in legal services:

- a. The quality of the advice given and of the work done – the more technical aspect, covering the comprehensiveness, accuracy and precision of legal work.
- b. The quality of service – the overall client experience, including how staff communicate, provide clarity and offer all-round client care.
- c. Outcomes – whether the legal service is useful and delivers a good outcome. However, it should be noted that in some circumstances a good outcome may not meet the consumer's wishes but still serve the interests of justice (see discussion of success rates in paragraphs 53-55).

24. These three aspects of quality reflect what participants in the LSB's Public Panel said were important. In addition, participants identified values (such as honesty, trustworthiness, reliability, and professionalism) as being important and said that they glean this information from reading consumer reviews.

25. We are interested in solutions that make available to consumers information on all these dimensions of quality since each is relevant to making informed choices. We want to ensure such information is sufficient in quantity and presented in ways that are accessible, easy to understand and facilitate comparisons.

26. A related dimension of choice is what providers include within their service offer. This can be illustrated using will-writing. There are commonly three broad types of service available for drafting a will: a fully automated online DIY will with no lawyer input; a DIY will plus a review by a lawyer; and/or a bespoke will written by a professional. Consumers need to understand what the service being offered consists of so they can compare providers on a like-for-like basis. Although relevant to our considerations here, this is different in nature from the quality of legal services (i.e. how good something is). We will consider this further in our wider work on consumer engagement.

Types of quality information

27. From our discussions with the regulatory bodies and the LSCP, there is some consensus on three broad types of information that it would be useful to promote, although there are likely to be different views on the merits of individual examples within these categories:

- a. Objective data – factual data, such as LeO decisions, disciplinary records and sanctions, and service specific data from independent public bodies (e.g. error rates);
- b. Consumer feedback – independently verified feedback from past customers; and
- c. General information about providers – such as their age, size and experience.

28. These correlate with the more specific types of information that the CMA suggested regulators should consider in developing quality indicators.¹²

29. Participants in the LSB's Public Panel research focused mostly on consumer feedback and were less likely to use objective data, but this may be because this information is not well-known (therefore hard to trust), not well understood and not readily available.

Question 1: We are proposing to think about quality in terms of these dimensions: technical quality, customer service and outcomes. What do you think about these elements and are there others we should consider?

Question 2: We are proposing to encourage use of these types of information: objective data, consumer feedback and general information about providers. What do you think about these types of information and are there others we should consider?

Role of regulation

30. There are already regulatory levers in place to secure minimum standards of quality in general. Regulators set standards around technical quality through their education and training frameworks, and around service quality through codes of conduct. There are also a range of tools in place to assess the ongoing competence of practitioners, and we are undertaking work separately to assess these provisions (see paragraph 20). Meanwhile, the Legal Ombudsman offers a route to redress for those who are dissatisfied with service quality and professional indemnity insurance has an important role in relation to technical quality issues.

¹² CMA (2020), [Review of the legal services market study in England and Wales](#), paras. 4.49-64.

31. Providers operating beyond the regulatory minimum quality standards can compete at different price points, offering choice to consumers. The market has already developed some signals of higher quality that consumers may find useful in this respect, such as voluntary accreditation schemes and quality marks.¹³ In the LSB's Public Panel research, many participants considered that quality marks and accreditations could confer legitimacy and provide reassurance on professionalism and proficiency. However, there were questions over how dependable these quality marks and accreditations are, with several participants distinguishing between marks that are earned and those that are bought.
32. Beyond setting minimum standards and ensuring compliance, regulators may need to undertake additional measures to ensure that markets are working well for consumers. This is especially the case where good solutions are unlikely to materialise without action by regulations. While there are challenges in improving transparency of quality information, we consider these are surmountable.
33. As well as supporting individual consumers to make informed choices, more widespread quality information could deliver additional benefits, for example a general improvement in standards, benefiting all consumers. This is because greater transparency may lead to "higher-quality" firms being rewarded with increased reputation and custom, while firms performing more poorly might be incentivised to improve their quality to reduce the risk of negative reputation. We might also see greater innovation because of stronger consumer-driven competition.
34. The Act does not give the LSB or the legal services regulatory bodies a remit to regulate DCTs directly. However, there may be measures that regulators can take to support consumers and legal services providers to use DCTs safely. We note the recent case involving Trustpilot and Summerfield Browne Solicitors. We discuss potential measures to support consumers and legal services providers further in paragraphs 85-87.

Potential solutions

35. In making progress on quality indicators, some of the key challenges include identifying what information consumers would find helpful, the best channels for getting this information to them and determining how regulators should support this. However, in making changes, regulatory bodies need to avoid placing disproportionate burdens on providers or creating perverse incentives.

¹³ For example, the Law Society's Lexcel Practice Management standard or the Legal Aid Agency's Specialist Quality Mark.

36. We are keen to determine both short-term and long-term measures. The former could be implemented sooner and make initial progress, paving the way for longer-term measures toward an 'ideal state' solution, which may take more time to implement.

37. In the following sections, we set out the key components of our proposed approach, focusing on:

- a. The scope of intervention
- b. The types of information that consumers need
- c. The channels that consumers could use to access this information
- d. Supporting consumers and legal services providers
- e. Testing and evaluation

38. The potential measures we set out below are not exhaustive or exclusive and we would welcome suggestions of alternative ideas. Indeed, we anticipate that several options would be undertaken in conjunction to best support efforts to improve consumer engagement.

Scope of intervention

39. We consider that regulatory interventions should be targeted at legal services providers delivering services to individual consumers and small businesses, reflecting the focus of the CMA's review. Individuals and small businesses are more likely to be one-off customers and less familiar with the legal services market than frequent commercial purchasers.

40. We consider there should then be a base level of transparency on quality across the market and enhanced transparency in priority service areas. This mirrors the CMA's preferred approach to transparency of information more generally.¹⁴ Priority service areas are likely to be those where there is a higher volume of transactions and which are more amenable to solutions, for example because quality information is already available (or could easily be made available) or there is already improved transparency of price information.

41. We invite views on what a base level of transparency on quality should consist of, with reference to the framework set out on page 5 of this discussion paper. For example, there would seem to be a strong case for some objective data (e.g.

¹⁴ CMA (2020), [Review of the legal services market study in England and Wales](#), paras. 4.6-7 and Appendix A. The CMA identified some potential areas where there should be greater transparency and encouraged the regulators to analyse the inherent features of different practice areas and agree these suitable areas.

Legal Ombudsman decisions, disciplinary decisions and sanctions) to be published on a market-wide basis. This is already the norm, albeit with some inconsistencies in approach between regulatory bodies.

42. A more contentious issue is likely to be whether consumer feedback mechanisms should be introduced, if at all, across the whole market (base level) or only in priority areas of law (enhanced level). The universal characteristics of service quality, such as timeliness, empathy, or overall satisfaction, might suggest that this solution should be implemented widely, but this needs to be balanced with considerations around proportionality.

43. In our consultation on a draft statement of policy, we will return to the issue of whether intervention by regulatory bodies should take the form of mandatory rules, rather than guidance that is ultimately optional for providers to follow.

Question 3: Which groups of consumers and/or types of provider should action in this area focus on?

Question 4: Should there be a base level of transparency on quality across the market and enhanced transparency in priority service areas? What should a base level of transparency on quality consist of?

Types of quality information

44. As set out above, we consider there are generally three types of information that consumers find useful in comparing providers: consumer feedback, objective data and general information about providers. We consider that consumer feedback and objective data are the most important elements to prioritise generating.

Consumer feedback

45. Research suggests that consumers find recommendations by other consumers helpful in understanding the service they are likely to receive.¹⁵ Unlike technical quality, service quality is directly observable by consumers. Consumer feedback as a proxy for assessment of quality is also useful, given the difficulty in quantifying the quality of the service received through specific metrics, and many consumers' lack of familiarity with the legal services sector.

46. Consumers may currently access customer ratings and reviews directly via DCTs or on the legal service provider's website (where DCTs enable firms to embed

¹⁵ SRA (2020), [SRA Transparency Rules: Year One Evaluation](#), p.78-82.

ratings).¹⁶ DCTs use a variety of scoring or rating systems. These include an overall five-star rating system and systems where scores are given for separate elements of service (e.g. timeliness, communication). Alternatively, a net promoter score measures the propensity of consumers to use a provider again and/or recommend them to others (this option was identified by the CMA).¹⁷

47. Relying on a personal recommendation has long been the most common way for consumers to choose providers.¹⁸ DCTs aggregate recommendations from communities of past users on a large scale so they may offer more reliable information than a single personal recommendation. In the LSB's Public Panel research, overall ratings and narrative reviews were the types of information that the participants rated most highly. Even so, people said they were happier to receive recommendations from someone they knew, and some were alive to the potential pitfalls of DCTs and others chose to avoid them. Participants also described techniques they used as filters, such as looking for providers with high numbers of scores and independently verified reviews.

“The information that helped me decide was mainly the reviews on previous cases they had dealt with. The reviews usually say it all... for me, it is the opinion of their clients that really tell you how good they are.”

“Customer reviews are definitely something I rely on. However it is beginning to get increasingly more difficult to figure out what's a real review and what's the staff or a false review. Unless it says something like “verified review” then I'm almost half hearted, yet I still rely on them based on how truthful I feel they are. Very hard to figure it all out.”

LSB's Public Panel research

48. There are concerns in parts of the sector that consumer feedback is too subjective, with consumers likely to be swayed in leaving positive or negative feedback by the outcome of their case. Consumers will also invariably provide feedback with different perspectives, for example concentrating on the customer care received, or on the communication throughout the process. However, the more feedback given to a particular provider, the more accurate the assessment of the provider's overall quality from a consumer perspective should be.

49. There remains an issue that consumers are not generally disposed to providing feedback for legal services.¹⁹ However, in the LSB's Public Panel research participants said they were as likely to leave feedback on legal services as for

¹⁶ We discuss testimonials on legal services providers' websites in paragraph 64.

¹⁷ CMA (2020), [Review of the legal services market study in England and Wales](#), paras. 4.56-58.

¹⁸ For example, see the LSCP Tracker Surveys over the last decade.

¹⁹ SRA (2020), [SRA Transparency Rules: Year One Evaluation](#), p.73-74; CILEx Regulation (2020), [Legal Services for Consumers: Qualitative Research into Client Behaviour, Use and Satisfaction](#), p36-38.

other types of services. This points to a need to make it easier for consumers to leave feedback, which we consider further below (see paragraph 73).

50. We are hopeful that the regulators' pilot will produce helpful findings that will contribute to our policy development on this topic.

Objective data

51. Objective data already collected by regulators includes disciplinary records and sanctions, while the Legal Ombudsman publishes ombudsman decision data. There are several sources of unpublished data, such as error rates on forms, that could be useful indicators of quality. We could work with relevant public bodies to release this information, which could be republished by DCTs.

52. Key benefits include that such information is factual and has been verified by the public body which publishes it; this is likely to enhance public trust. Where this information is already in the public domain, making it more easily available need not involve any additional burden on legal services providers.

53. Some types of objective information require further consideration, such as data on success rates and first-tier complaints (i.e. complaints made directly to the firm). This information could be useful for consumers, and we are aware that some providers already use success rates in their marketing materials. Yet for these types of information, issues around reliability, contextualisation and the risk of perverse incentives become more relevant.

54. The LSB's Public Panel was alive to these challenges, including that publishing success rates might push firms to only take on cases they are likely to win and that a provider still might have done an excellent job despite 'losing' a case. They told us that it is possible that success rates may be suitable in some service areas but not others.

"I think [complaints data] is helpful to decide whether or not [to] trust the company. I can ignore 1 or 2 complaints as some people will never be satisfied [but] I wouldn't trust a company with many complaints."

"A firm could have a large number of cases won, but when you read their customer reviews you might see that the process has been for example frustrating for the clients. They might have won the case eventually, but they may haven't been always approachable and it has taken the client to constantly chase them up for them to deal with your case."

LSB's Public Panel research

55. We would caution though that it is apparent from the LSB's Public Panel research, as well as recent SRA²⁰ and CILEx Regulation²¹ research, that consumers are generally more interested in comparing the positive attributes of providers, rather than the negative aspects observable from more technical data. This may change when certain thresholds are met. For example, the LSB's Public Panel told us that complaints data became more influential in certain circumstances, such as high levels of complaints over time or where complaints are upheld by an independent body, such as the Legal Ombudsman.
56. Another limitation is that information like error rates is currently only collected in a limited number of service areas, such as conveyancing. Therefore, in many areas of legal activity, publishing objective data may not be a practical option.
57. As highlighted by the CMA, objective data benefits from being contextualised, so it is fair to providers and meaningful to consumers. For example, the number of complaints could be measured relative to the size of the provider or the number of cases handled by that provider, broken down by service area. In the past, progress on contextualisation has been hampered by a lack of agreement on what information to use and practical barriers to accessing this information.

General information about providers

58. The third category of information is general information about providers (such as age of firm and specialisms). This is something that firms provide as part of their own marketing and branding, and via profiles on DCTs. Therefore, while helpful for consumers, it is unlikely that regulators need to introduce incentives for this.
59. We might though explore whether greater standardisation of general information about providers would be helpful. This could be in detailing the size of the firm by staff numbers or volume of transactions. As set out above, this would help consumers to interpret objective data and ensure fairness for legal services providers.

Question 5: How useful could consumer feedback, objective data and general information about providers be in informing consumer choice? What are the benefits and drawbacks of these types of information?

Question 6: What role, if any, should success rates and complaints data have in informing consumer choice? Is there other quantitative data that would be helpful to inform consumer choice?

²⁰ SRA (2020), [SRA Transparency Rules: Year One Evaluation](#).

²¹ CILEx Regulation (2020), [Legal Services for Consumers: Qualitative Research into Client Behaviour, Use and Satisfaction](#).

Information channels

60. We have identified three principal channels where the types of information set out above could be accessed by consumers: via law firm websites, DCTs and a single digital register. We consider that prioritising DCTs and a single digital register would deliver most impact for consumers.

Firm websites

61. Legal services providers' websites remain the primary location for consumers shopping around in the first instance. Therefore, one option is to improve the range, usefulness and prominence of different types of quality information on these websites. For example, legal services providers could be required to publish certain information in a standardised format, such as complaints data or error rates. The requirements on gender pay gap reporting offer a practical example of how this works in a different context.²²
62. Another option is to require legal services providers to operate a customer feedback mechanism using a standardised scoring system and publish this feedback. Alternatively, they might be required to use a commercial DCT provider and embed a customer feedback rating and/or reviews on their website. The advantages of focusing solutions on law firm websites include aligning with present consumer shopping around behaviour.
63. However, while this approach might be part of the solution, we foresee some challenges. These include the cost to law firms of collecting and publishing the data, difficulty in designing and implementing a standardised approach and ensuring compliance. Ultimately, this solution relies on consumers searching for the information across a range of websites, increasing search costs and with the consequence that like-for-like comparisons would remain difficult.
64. Further, the LSB's Public Panel research indicates that consumers are more likely to trust information on external websites and are sceptical about the value of testimonials sourced by legal services providers.

"I do not believe reviews on your own website where you can basically make them up yourself, or at least cherry-pick the best ones."

LSB's Public Panel research

Digital comparison tools

²² <https://www.gov.uk/government/collections/gender-pay-gap-reporting>.

65. The benefits of DCTs include reducing time and effort for consumers by making searching around and comparing easier and more appealing, particularly for household services that are often complicated and not immediately interesting to people. Second, they make suppliers compete harder to provide lower prices and better choices to consumers.²³ The CMA notes that the impacts of Covid-19 have caused legal services providers to further develop their online offering. Therefore, another benefit is that DCTs could act as key mechanisms for further driving online growth.
66. Current DCTs covering legal services fall into two categories: firstly, companies such as Trustpilot and Google Reviews that operate in multiple sectors of the economy; and secondly, services that specifically serve the legal services sector, such as ReviewSolicitors and Solicitor.info.
67. There is mixed evidence on usage of DCTs. The LSCP Tracker Survey indicates that only 3% of recent users referred to one when choosing a provider. IRN Research consumer survey results found that 6% used review sites in 2019 and 2% used price comparison sites.²⁴ However, SRA research suggests 13% of individual consumers and 22% of small business consumers have used legal price comparison sites, while 21% and 26% respectively have used legal review sites.²⁵
68. Visitor traffic data and data provided by DCTs suggests that a wide range of legal services providers are using DCTs, especially since the outset of the Covid-19 pandemic. For example, ReviewSolicitors has reported that over 1,800 firms are actively using its platform.²⁶ Trustpilot told us it has over 1,000 UK companies listed under the categories 'Legal Service Providers' and 'Lawyers & Attorneys', with over 800 UK companies in the 'Legal Service and Government' category carrying a live widget on their own website, which displays and updates in real time their latest Trustpilot score ('TrustScore') and star rating.
69. There also appears to be high consumer satisfaction with law firms on these websites and good engagement by law firms. Trustpilot data indicates that the current average TrustScore for a UK company in the 'Legal Services' group is 3.96 out of 5 ("Great"), compared to 3.62 ("Average") for companies within 'Money & Insurance'. In terms of engagement with reviews, Legal Services ranks highly, with UK companies in this category replying to around a third of the c.650,000 reviews that have been left.

²³ CMA (2017), [Digital comparison tools market study: final report](#).

²⁴ IRN Research (2020) [UK Legal Services Consumer Research Report 2020](#).

²⁵ SRA (2020), [SRA Transparency Rules: Year One Evaluation](#).

²⁶ <https://www.reviewsolicitors.co.uk/news/legal-services-in-lockdown-were-the-no-1-choice-for-clients/>.

70. The LSB's Public Panel was mostly enthusiastic about DCTs in legal services, although participants were also savvy about their limitations and some distrusted them. Most welcomed the idea of a specific tool to bring the relevant information together in a single place. However, some questioned how comparison and review tools could work in a market where price is not necessarily the deciding factor, performance is harder to describe and measure, and comparison is hard, given the variables and complexities.

"Nowadays I almost always look at comparison websites as they pretty much do the homework for me and provide the best price for the service I am looking for. It saves a lot of time. It also shows star review ratings and reviews that people left based on the services they had. This allows me to get a better understanding of what firm I want to consider and what firm I should avoid."

"Price comparison sites are a great source of information, but they are only one step in the selection procedure. Would you trust the cheapest? Are you comparing apples with apples (are the same things included/excluded in each company's price)? Are all companies included? Did they pay to get on the list?"

LSB's Public Panel research

71. Regulators could potentially do more to provide the necessary architecture to support DCTs. Currently the lack of comparable information in the market that describes services offered, and their price and quality, presents a challenge for them. This is exacerbated where DCTs operate across multiple service areas in the market. The CMA notes that as the clarity, comparability and standardisation of price and quality information improves then it should become increasingly useful for DCTs to use such information in their services.²⁷

72. A single digital register could also help, by providing DCTs with the raw material on which to develop their own solutions (see paragraphs 78-84).

73. As well as a need to make available the raw material necessary for DCTs, the CMA's progress review identified a need to encourage engagement by consumers and law firms with DCTs. We are keen to hear views on the potential options the CMA set out to address this. These include requirements on law firms to signpost consumers to independent review platforms; and law firms prompting consumers to leave a review following the provision of legal services.

74. Another group of challenges relates to concerns about DCTs. Submissions to the CMA's call for evidence highlighted issues with fake reviews and that legal professional privilege might prevent providers from responding to reviews, among

²⁷ CMA (2020), [Review of the legal services market study in England and Wales](#), para. 4.88.

other concerns.²⁸ We agree with the CMA's view that legal professional privilege or client confidentiality does not necessarily prevent providers from responding to reviews. As noted above, Trustpilot data suggests firms already routinely do so.

75. Further, we agree with the CMA's view that as review platforms develop in sophistication, together with enforcement action by regulators, manipulation may become more difficult and the threat of disciplinary action could act as a further deterrent to law firms (and others) to submit fake or misleading reviews. Trustpilot data suggests that only 0.2% of reviews for legal services companies in the UK are flagged and reported, compared to an overall rate of 4.6% across its UK service.

76. Nevertheless, while DCTs are subject to general consumer law and enforcement action by national authorities, it remains the case that legal services regulators have no formal jurisdiction over DCTs and thus have limited influence on their behaviour. We invite views on how this risk could best be mitigated. For example, we note that the pilot scheme being operated by some of the regulatory bodies (see box on page 5) includes a voluntary code of conduct.

77. There are several models of DCT regulatory engagement in other sectors that could offer models for legal services. For example, some regulators operate voluntary accreditation schemes, offering assurance about their credentials and practices. The CMA has issued high-level principles for how DCTs should behave to engender consumer trust – the CARE principles.²⁹ Within the legal services sector, the LSCP has previously issued good practice standards for DCTs.³⁰

Single digital register

78. The CMA recommended that the LSB coordinate the development of a single digital register combining relevant regulatory and customer focused information.³¹

79. In practical terms, two linked registers may be needed: one for individual practitioners and another for entities. Consumers could access the registers via Legal Choices, but potentially also through other sources, such as regulatory bodies' websites. The raw material sitting on these registers could be available to DCTs in a reusable format to help facilitate the growth of these services.

80. This model could build on the existing registers held by the individual regulators and the 'help me trust my lawyer' product being developed for Legal Choices³². As well as facilitating growth of DCTs, potential benefits include uniting various

²⁸ CMA (2020), [Review of the legal services market study in England and Wales](#), para. 4.68.

²⁹ CMA (2017), [Digital comparison tools market study: final report](#), Figure 5.1.

³⁰ LSCP (2018), [Good practice standards for Digital Comparison Tools](#).

³¹ CMA (2020), [Review of the legal services market study in England and Wales](#), para. 4.80.

³² This product is intended to search publicly available data from across the regulators' registers (including data from LeO) and provides disciplinary information to the enquirer.

relevant information in a single system so simplifying access for consumers and offering a whole of market view. A joined-up approach also benefits by masking the complexity of the fragmented institutional landscape behind the scenes.

81. The LSB's Public Panel was enthusiastic about a single digital register. Participants said that a register would offer an impartial, trustworthy 'whole market view', addressing challenges in comparing and choosing providers. Participants stressed the importance of the register becoming well-known, both to drive trust, and to help it become a familiar way of choosing legal services.

"I think a website such as this one could become a smooth, comfortable and easy way for anybody to be able to compare honest scores and not just on categories they know they're searching for, but also to discover noteworthy points that they should be taking into account in their choice of solicitor, that they hadn't yet considered."

LSB's Public Panel research

82. There is a need for the sector to consider what information a register should hold, both initially and over time. At first, to get the register up and running quickly, this might only include basic information about practitioners and entities (for example contact details, list of activities the practitioner/entity is authorised to provide) and objective data generated by the regulatory bodies and the Legal Ombudsman.
83. Over time the registers might grow to include other types of information. Potentially the register could general information about entities (such as age of firm) or hold or link to a wider range of information on quality, for example consumer feedback. However, careful consideration would be needed as to whether the register should be limited to objective, factual data or also include more subjective data from sources not within the regulatory bodies' control.
84. We expect to develop proposals for a single digital register in due course, but we would welcome views on the quality indicators dimension of a register.

Question 7: Which of these different channels – law firms' websites, DCTs, a single digital register – do you think could be most effective in providing access to information on quality? Are there other channels we should consider?

Question 8: Do you have evidence on current usage of DCTs not mentioned in the paper? How could we best encourage engagement by consumers and law firms with DCTs? What are your views on the

specific potential solutions, such as requiring law firms to signpost to DCTs, embed ratings, or prompt consumers to leave a review?

Question 9: What, if any, steps should regulatory bodies take to help consumers and legal services providers engage with DCTs safely?

Question 10: What range of quality information, if any, would it be appropriate to hold on a single digital register?

Supporting consumers and legal services providers

85. Beyond provision of information, consumers may need encouragement and support to engage with these tools. Participants in the LSB's Public Panel research described their limited knowledge and experience of what is needed, and not knowing what they should look out for when choosing providers. This points to the need for public legal education, for example via Legal Choices, to help consumers know what a good quality legal service involves, and the sort of information they should look for, and questions to ask, when shopping around.
86. Similarly, public legal education can support consumers to use DCTs safely and avoid potential pitfalls. We want consumers to be confident that the comparison tools they use offer transparent, impartial and accurate information. This would help build trust in these tools and in the legal services market more generally.
87. Legal services providers would also benefit from guidance on engaging with DCTs, and some representative bodies have already produced helpful materials.

Testing and evaluation

88. The CMA recommended that the regulators develop an ongoing programme of consumer research and testing to determine the information on price, service and quality that is most useful for consumers. Specifically, the CMA identified the importance of testing of best practice guidance and formats for price and service transparency to consumers; testing consumers' understanding of questions and prompts used to gather feedback; testing to measure the impact of interventions; and testing with vulnerable consumers.
89. We agree about the importance of testing and evaluation and this will form part of the expectations we set for regulators in our statutory statement of policy.

Two broad routes

90. We want consumers to be empowered to easily compare providers on price, quality and other things that matter to them. We think achieving this involves a choice between two broad routes:

- **Route 1** – Regulators support the emergence of a flourishing DCTs market, which would sit alongside a regulator-led single digital register. This support could include specific measures such as signposting requirements.
- **Route 2** – Regulators use a commissioning model to establish a platform operating a standardised customer feedback system. This could form part of a single digital register, or sit alongside it, and would co-exist with commercial DCTs.

91. The advantages of the first route include that DCTs are likely to innovate and develop a range of approaches offering choice to consumers and legal services providers. Competition between DCTs should improve the quality of these services and ultimately produce models that might serve consumers better than a single model designed by regulators. Many sectors use different scales for measuring quality and performance, without the need for a single consistent metric. This market-led route may also deliver benefits more quickly and cheaply than regulators establishing a bespoke platform for the sector.

92. Part of our considerations is the likelihood of DCTs succeeding in legal services. As discussed, there is mixed evidence on current usage of DCTs. Further, some promising ventures have failed to deliver a commercially viable model because law firms have not engaged at sufficient scale. Inherent features of the legal services market, including the relatively small size of the individual and small business consumer element of the market, and lack of regular engagement by consumers, may act as brakes against growth. In the context of Covid-19 apparently sparking an acceleration in use of DCTs though, and consumers more willing to engage with online and remote services, further measures by regulators could help create the conditions that enable DCTs to thrive.

93. We are hopeful that the regulators' pilot will provide helpful insights on whether both consumers and legal services providers can be encouraged to engage with DCTs in sufficient numbers to enable this market to thrive, or whether further requirements may be needed. If further interventions are required, we hope that the findings of the pilot will help us to understand which consumers, which legal services, and which providers should be targeted with such interventions.

94. The key benefit of the centralised regulator-led approach in route 2 is that consumers could access a standardised set of quality information across the

sector. This model could be a simple overall scoring system or something more granular. As suggested by the CMA, we might look to the Care Quality Commission (CQC), which has established a standardised set of questions to gather feedback and define a good quality service across different types of healthcare provider.³³

95. A standardised scoring and feedback model would help consumers to easily make comparisons, plus enable comparison sites to easily host this information. Such a model is less likely to emerge organically in a market driven by multiple DCTs each operating their own scoring and feedback systems.
96. However, a regulator-led standardised model would take time to implement and represent a significant financial investment. It is possible that such a model could be overtaken by commercial DCTs and there is no guarantee that consumers would use the regulators' service at sufficient scale to justify the investment.
97. We do not consider that this is a simple binary choice and note there are many areas in common between the two approaches. We would welcome views on the relative merits of these two broad approaches.

Question 11: What are your views on the relative merits of a market led approach compared with a standardised regulator led approach?

Question 12: Do you have any further comments on our analysis and approach to determining suitable quality indicators?

Next steps

98. The above sets out our provisional position on the findings of the CMA review regarding quality indicators, our assessment of the current levels of transparency around service quality in the market, and options to drive further progress.
99. We are keen to hear views on the issues addressed in this paper. We have set out the questions included in the paper below and invite responses by Thursday 22 April 2021. Please send any responses and any queries you have about our work in this area to robin.geddes@legalservicesboard.org.uk.

³³ CMA (2020), [Review of the legal services market study in England and Wales](#), para. 4.47.

Questions

Question 1: We are proposing to think about quality in terms of these dimensions: technical quality, customer service and outcomes. What do you think about these elements and are there others we should consider?

Question 2: We are proposing to encourage use of these types of information: objective data, consumer feedback and general information about providers. What do you think about these types of information and are there others we should consider?

Question 3: Which groups of consumers and/or types of provider should action in this area focus on?

Question 4: Should there be a base level of transparency on quality across the market and enhanced transparency in priority service areas? What should a base level of transparency on quality consist of?

Question 5: How useful could consumer feedback, objective data and general information about providers be in informing consumer choice? What are the benefits and drawbacks of these types of information?

Question 6: What role, if any, should success rates and complaints data have in informing consumer choice? Is there other quantitative data that would be helpful to inform consumer choice?

Question 7: Which of these different channels – law firms' websites, DCTs, a single digital register – do you think could be most effective in providing access to information on quality? Are there other channels we should consider?

Question 8: Do you have evidence on current usage of DCTs not mentioned in the paper? How could we best encourage engagement by consumers and law firms with DCTs? What are your views on the specific potential solutions, such as requiring law firms to signpost to DCTs, embed ratings, or prompt consumers to leave a review?

Question 9: What, if any, steps should regulatory bodies take to help consumers and legal services providers engage with DCTs safely?

Question 10: What range of quality information, if any, would it be appropriate to hold on a single digital register?

Question 11: What are your views on the relative merits of a market-led approach compared with standardised regulator-led approach?

Question 12: Do you have any further comments on our analysis and approach to determining suitable quality indicators?