



LEGAL SERVICES  
**BOARD**

# Reshaping legal services – a sector-wide strategy

## Online discussion event for Wales

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7 June 2021

# Reshaping legal services

## Widespread engagement throughout 2020/21

- 72 organisations
- Senior summit
- Evidence sessions
- Consultation events
- Public Panel research

## State of Legal Services 2020 report

- Narrative volume
- Evidence compendium



# Business Plan 2021/22

|  | Workstream  | Fairer outcomes | Stronger confidence | Better services |
|--|---|-----------------|---------------------|-----------------|
| Ongoing and carryover commitments  | Diversity and inclusion                           | ✓               | ✓                   | ✓               |
|  | Consumer engagement                               | ✓               | ✓                   | ✓               |
|  | Technology and innovation                         | ✓               | ✓                   | ✓               |
|  | Ongoing competence                                |                 | ✓                   | ✓               |
|  | Regulatory performance framework review           |                 | ✓                   |                 |
|  | Changes to regulatory arrangements process review |                 | ✓                   |                 |
| Proposed new workstreams   | Scope of regulation                               | ✓               | ✓                   | ✓               |
|  | Legal expenses insurance                          | ✓               | ✓                   |                 |
|  | Legal support for small businesses                | ✓               | ✓                   | ✓               |
|  | Citizens in vulnerable circumstances              | ✓               | ✓                   | ✓               |
|  | Policy framework assessment                       |                 | ✓                   |                 |
| <b>Underpinned by our core statutory functions - Regulatory Performance and Statutory Decisions, OLC oversight and SDT oversight</b> |   |                 |                     |                 |



## What happens next?

### Collaborating

Working effectively and efficiently with partners across the sector and joining forces on specific initiatives

### Curating

Maintaining momentum on the sector-wide strategy, tracking progress against the challenges and measuring impact

# State of Legal Services 2020

A reflection on ten years of regulation



## THE STATE OF LEGAL SERVICES 2020



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The State of Legal Services 2020 • Narrative Volume • 23

### 2 - Closing gaps in consumer protection

63. In our Public Panel research, people feel 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."*

ISB's Public Panel

64. The ISB has highlighted that the current list of reserved activities is an accident 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, self-serving is an example of where new entrants have successfully used technology to serve large numbers of consumers. ISB's research<sup>10</sup> suggests more innovative 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 consumer providers. Yes, the regulated means they cannot access the service 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 competing interests 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. 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 an increase in turnover in the face picture of the largely reflects by the corporate ed 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.

83% 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

# Wales

- More innovation
- Cheaper prices
- More likely to use solicitors
- Lower proportion of ABS
- No difference in unmet need or customer satisfaction

