



LEGAL SERVICES
BOARD

Quality indicators discussion paper: response document

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Introduction

1. On 23 February 2021, we published a discussion paper on how to improve transparency of quality in the legal services market and invited responses. The deadline for responses was 22 April 2021.¹
2. Our paper followed the publication of the Competition and Markets Authority (CMA)'s 2020 review of its 2016 market study of the legal services sector.² The CMA made recommendations to the legal services regulatory bodies and the Legal Services Board (LSB) to improve transparency in the market. These included that the LSB should lead on the development of quality indicators.
3. Our work in this area is intended to 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. We are developing a draft statutory statement of policy on the information that should be available to consumers – people and small businesses – to empower them to access the legal services they want and need. We will consult publicly on that statement of policy before finalising it. We propose that this will set out expectations of the regulatory bodies in relation to improving market transparency and related public legal education initiatives. Responses to the quality indicators discussion paper will inform the quality transparency element of the draft statement of policy.
5. Alongside the discussion paper, we published research with our Public Panel³. The purpose of the research was to understand what consumers look for in terms of quality, the information they use to gauge quality, and their response to initiatives to improve access to information on quality.
6. Our policy development in this area has also been informed by a programme of stakeholder engagement. We have met with various stakeholders, including regulators and representative bodies, legal services providers, consumer and citizen groups, professional groups and digital comparison tool (DCT) and review website providers.
7. We held a discussion event with stakeholders following the deadline for responses, where we discussed initial themes that had emerged from those responses. We have also monitored the progress of the pilot scheme led by some of the regulatory bodies around online reviews.⁴

¹ LSB (2021), [Quality Indicators discussion paper \(legalservicesboard.org.uk\)](https://legalservicesboard.org.uk)

² CMA (2020), [Review of the legal services market study in England and Wales](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/531117/Review_of_the_legal_services_market_study_in_England_and_Wales.pdf)

³ LSB (2021), [LSB Public Panel Research Report \(legalservicesboard.org.uk\)](https://legalservicesboard.org.uk)

⁴ SRA (2021), [Joint regulators online review pilot](https://www.sra.org.uk/insights/online-review-pilot)

8. This paper summarises key points from the responses received to the discussion paper and other relevant evidence, the LSB's consideration of this material and how our analysis will be reflected in the draft statement of policy and further activity. We intend to consult on a draft statement of policy later this year.
9. We received 23 written responses to our discussion paper. Where stakeholders consented to their responses being made public, these have been published on our website alongside this consultation response document. Annex A lists the stakeholders who responded to the consultation paper.
10. We are grateful to each organisation and individual that took time to consider our proposals and to respond or to attend our consultation event. All points made have been considered carefully as we develop our draft statement of policy.
11. We have recently established a new group, the Market Transparency Co-ordination and Oversight Group, chaired by the LSB and attended by the regulators and the Legal Services Consumer Panel (LSCP). This follows the CMA's recommendation that the LSB take a role of co-ordination and oversight across the whole programme of market transparency recommendations.

Overview of discussion paper

12. In the paper, we provided 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.
13. When we published the discussion paper, we considered that there may be a choice between two broad approaches when considering potential policy interventions:
 - a. Regulators support the emergence of a flourishing DCT and review website 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.

Overview of responses

14. The vast majority of respondents supported the LSB's work in this area and recognised the need for greater market transparency.

15. There was support for using the three types of information proposed in the discussion paper to indicate quality in a legal services provider (objective data, consumer feedback, and general information about providers). However, there was little appetite for the use of complaints data, and frequent opposition to the use of success rates.
16. There was support for a base level of transparency across all services within scope, although differing views over how much information this level should be. There was also a range of views on what an enhanced level of transparency should look like, and how any priority areas for enhanced transparency should be chosen.
17. Similarly, although the majority of respondents agreed that action should be targeted towards individual consumers and small businesses, some respondents noted that consumers in vulnerable circumstances may have additional needs. It was also suggested in stakeholder meetings that different approaches may be needed for consumers who engage with less market-oriented segments of the market such as legal aid.
18. There was widespread agreement that the three channels identified in the paper (firms' websites, DCTs and review websites, and a single digital register) could all be useful in indicating quality to consumers. Although there was some hesitancy towards DCTs and review websites, there was some evidence of increased use of these platforms and respondents recognised that they can be useful to consumers in providing information about quality of service in particular. Respondents also noted the potential benefits of legal service providers' websites and a single digital register as conduits for information about quality.
19. Generally, respondents favoured a more market-led approach. Many noted a growing DCT and review website market, as well as noting the potential costs of possible regulatory interventions. Several respondents also noted that more work may need to be carried out to better understand the market before taking any regulatory action, including taking account of any findings from the regulators' pilot.

Key elements of our approach

20. Following our analysis of responses and evidence, we have concluded that the key elements of our approach should be as follows:
 - We will undertake a series of measures to catalyse change in the market;
 - The three types of information about quality (independent quantitative data, consumer feedback and general information) provide a sound framework; and

- There should be a base level of transparency, consisting of a core set of information for providers of services to individuals and small businesses, plus enhanced transparency in certain practice areas.

21. We will set out our proposed expectations of the regulatory bodies on these issues in a draft statement of policy. We also intend to pursue wider activities, in conjunction with the regulatory bodies. We will consider the following:

- Regulatory bodies making use of a variety of levers to effect change. Should voluntary approaches not achieve sufficient and fast enough progress, this should include regulatory requirements on providers;
- Increasing the provision and quality of core regulatory information, as well as making this available on an open data basis and in a standardised format suitable for DCTs. This is the essential raw material that DCTs need to grow. A single digital register could serve this function although alternatives are possible;
- Pursuing solutions with the regulatory bodies to contextualise data on providers (e.g. by size, practice area etc.) so that it is meaningful to consumers and fair to providers;
- Promoting public and provider trust in DCTs via a voluntary accreditation scheme with a code of conduct operated jointly by the regulatory bodies, supported by public legal education initiatives targeted at consumers;
- Encouraging public bodies to publish more information about the technical quality of legal work, e.g. error rates;
- Identifying suitable practice areas for enhanced transparency; and
- Using our convening role to foster collaboration on these activities.

22. We will consider whether different approaches may be appropriate for consumers who engage with less market-oriented segments of the market such as the legal aid sector.

23. We will reflect our proposed overall expectations in the draft statement of policy and be clear on the outcomes regulators should pursue in the interests of the public and consumers. Our proposal is for the statement of policy to be permissive and enabling, providing for regulators to tailor approaches to the needs of consumers and providers in different parts of the market. We also propose to emphasise collaboration where appropriate.

24. We want to encourage a cycle of implementation and evaluation, so that regulators are seeking continuous improvement in their approach. Working with the regulators, we will identify lead indicators to assess changes in consumer outcomes (e.g. DCT visitor traffic, levels and ease of shopping around).

Summary of responses

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?

25. The majority of respondents, including the Bar Standards Board (BSB), the Association of Consumer Support Organisations (ACSO) and Trustpilot, agreed that in principle, these dimensions are sensible and desirable as indicators of quality. However, many were concerned about the use of these dimensions in practice, including:

- How technical quality could be assessed consistently across a wide range of professions and practice areas (CILEx Regulation);
- Who would carry out this assessment, e.g. the Institute of Chartered Accountants in England and Wales (ICAEW) noted that the technical quality of the advice given can only be accurately assessed by someone with the relevant technical expertise;
- Whether customer service could be conveyed objectively to consumers (Quartz Barristers); and
- Whether consumers, providers or regulators would focus too much on one of these dimensions so that it would become the overriding definition of quality (The Law Society (TLS)).

26. There was general consensus, including from ReviewSolicitors and the LSCP, that providers' outcomes are important in indicating quality; clearly consumers are looking for a provider more likely to obtain a successful outcome. However, there were serious concerns about how a "successful outcome" could be measured and the possibility of perverse incentives if this was relied upon as a measure of quality. Respondents such as the Solicitors Regulation Authority (SRA) and the Association of Personal Injury Lawyers (APIL) suggested providers might refuse to take on difficult cases, or encourage consumers to settle out of court.

27. Several respondents including the Bar Council and APIL also suggested the potential use of professional accreditations as an indicator of quality. They did

though acknowledge current poor consumer awareness of their significance and relevance, which was also seen in the LSB's Public Panel research.

28. Furthermore, some regulators including CILEx Regulation and the Council for Licensed Conveyancers (CLC) noted that the availability of accreditations is not equal across the legal services market and there were also concerns regarding the rigour of some accreditations. Some noted that approved regulators' and regulatory bodies' requirements on minimum professional standards among legal providers inherently indicate quality to consumers.

Our response

29. We welcome the general consensus that the three areas proposed as defining quality are sensible and desirable in principle. We acknowledge the concerns that each of these three areas pose challenges in practice, but it is clear to us that the development of useful, comparable information about quality for consumers cannot continually be avoided due to its difficulty. The current system is not serving consumers well and is detrimental to competition.

30. With this in mind, we consider that technical quality, customer service and outcomes are each potentially useful categories of indicators of quality. The relevance of each may depend on the practice area, for example, timeliness may be more important in conveyancing, while client care may be more important in a sensitive family law case.

31. Our forthcoming draft statement of policy will set our proposed expectations of the regulatory bodies to facilitate better use of quality indicators by consumers with reference to technical quality, customer services and outcomes. Our proposal is for it to be permissive in nature to encourage regulators to tailor their approaches to different areas of the market.

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?

32. Most respondents, including the LSCP, Pitsford Consulting and ICAEW, said that use of objective data would be desirable and recognised its potential to facilitate comparisons. Again though, there was a mixed response as to how such data could be used in practice. Several responses such as TLS highlighted the limited capacity for many practice areas to generate useful objective data – some, such as the SRA suggested that only conveyancing would generate relevant data (for example Land Registry (HMLR) data on requisitions and transaction completion times).

33. Many such as the Office for Legal Complaints (OLC), ACSO, CILEx Regulation and the BSB highlighted the need for appropriate contextual information to aid consumers in interpreting any such objective data. Examples suggested included the number of legal cases handled by a provider each year (OLC), or that certain types of property transactions usually have more requisitions (CILEx Regulation).
34. Some respondents, such as Quartz Barristers and the Cardiff and District Law Society (CDLS), said that there should be better use of data already publicly available, for example, complaints data from the Legal Ombudsman (LeO), rather than expending resources on gathering more from providers. Pitsford Consulting made the point that objective data, or other information which could aid consumers, needs to be provided independently to ensure that it is a trusted indicator of quality.
35. Most respondents considered that consumer feedback was useful in informing consumer choice, but there were differences of opinion as to what extent. Many respondents, including the Bar Council and the Leicestershire Law Society, noted the difficulties for consumers in judging the technical quality of providers' work because legal cases are often complex, specific to the individual circumstances of the case and involve unfamiliar processes and terminology. As such, feedback would generally be more focused on service quality. Law for Life suggested that timeliness, quality of communication and customer service should become explicit indicators of quality.
36. Many, including the SRA and CILEx Regulation, noted that the Public Panel research showed that consumer feedback is currently the most commonly used type of quality indicator, and that consumers find this to be the most useful in choosing a legal services provider.
37. There was widespread agreement among respondents, including from TLS and APIL, that general information about providers is helpful in informing consumer choice. Many, including the CLC, noted that information like size of business, location and areas of expertise would be straightforward to make available because much of this is already in the public domain.
38. We also received feedback, however, criticising the quality and consistency of data held by regulators on their registers.⁵ We also received comments that the different formats for this data used by each regulatory body present barriers for DCTs and review websites.
39. Furthermore, some including the SRA cautioned around interpreting some types of information as indicators of quality – for example how many years a provider had been practising, as this could unjustly discriminate against newer providers. Again, respondents suggested that this information would need contextualising for it to be useful to consumers.

⁵ LSB (2021), [Summary note of the quality indicators discussion event](#)

40. Respondents, for example TLS and CILEx Regulation, expressed a desire for any new information required from providers to be proportionate to the consumer interest served, noting that any new requirements were likely to have a greater impact on smaller firms' resources with associated implications on the diversity of the profession.

Our response

41. We welcome the consensus that each of the three types of information are potentially useful. We do not intend to focus on one type in isolation, rather we want to encourage regulators and providers to make better use of each type where helpful to consumers and proportionate to do so.

42. We also want to make it easier for DCTs and review websites to gather and present this information in ways that are comprehensible to consumers. We see these as useful platforms allowing consumers to make effective comparisons. Addressing issues around quality and consistency of existing basic data held by regulators on their registers will be an early priority.

43. Improving the availability of useful data may be challenging where extra work is needed to establish which metrics are most valuable to consumers in different practice areas. Further work may be needed to establish where this information is held or how it is gathered. This is particularly the case for independent quantitative data. We will continue to engage with public bodies that hold relevant data, with the aim of making it more widely available.

44. Given the increased interest and volume of consumer feedback in the legal services sector, encouraging greater use of feedback will be a key component of our approach to improving the provision of quality indicators. It is apparent that general social and economic trends mean that consumer feedback will play an increasing role in consumers' decision-making, and evidence from DCTs is that this is already the case in legal services (see Question 8). We consider that it is important to seek to shape this development in the legal services sector positively, rather than remain passive in the face of progress.

45. This focus on consumer feedback should not exclude the development of objective data and general information about providers as further indicators of quality. In particular, we want to ensure there is a consistent level of core information about legal services providers available across the market. This should include basic details such as contact information and regulatory status, and some specific information such as disciplinary data.

46. Such information should be standardised across regulatory bodies and available on an open-data basis, so that it can be used by third-party platforms offering consumer-facing solutions. As noted above, we are concerned that the coverage

and accuracy of existing data held on the regulators' registers is currently patchy and preventing development of further consumer-facing solutions.

47. Similarly, we think that increasing awareness of professional accreditations could be helpful to consumers in some circumstances, but only if these accreditations are rigorous and can be independently verified.
48. Some respondents mentioned price and other types of information as being key to informing consumer choice. We agree, and along with information on service and quality, this will be reflected in the draft statement of policy.

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

49. The majority of respondents, including The Law Superstore/ReallyMoving, the OLC and the BSB agreed with the discussion paper's proposal to focus on helping individual consumers and small businesses, as endorsed by the CMA. Some, including Pitsford Consulting, noted that more commoditised areas of law, such as conveyancing, could be more easily targeted.
50. Others, including the Commercial Bar Association (COMBAR), considered that some more adversarial areas of law or the Bar were less suitable. The Bar Council noted that the self-employed Bar remains overwhelmingly a referral profession rather than one which is instructed directly by the public, and noted the predominance of legal directories in informing consumer choice. It noted that the appointment of a barrister to Queen's Counsel serves as a helpful indicator of quality. It also said that the BSB already requires chambers, self-employed barristers and BSB-regulated entities to link to both complaints data from LeO and information about disciplinary cases from the BSB's barrister's register.
51. The LSCP said that priority areas should include areas where consumers' needs are greatest and where evidence shows that consumers are currently struggling because of deficiencies in transparency. The LSCP cited immigration and family law as examples.

Our response

52. We have reflected on the CMA's analysis and responses and continue to consider that regulatory interventions should be targeted at legal services providers delivering services to individual consumers and small businesses. Individuals and small businesses are more likely to be one-off customers and less familiar with the legal services market than frequent commercial purchasers, and so we consider that interventions should be targeted here.

53. Beyond this, we are aware that many consumers access legal services via intermediaries, such as estate agents for conveyancers or employment representatives for employment law advice. Such intermediaries will typically be more familiar with selecting legal providers, but we propose for the draft statement of policy to allow regulators flexibility to support these intermediaries as appropriate.
54. Furthermore, we will reflect further on how best to support those consumers with particular needs that are likely less affected by changes in market competition, such as consumers of legal aid services. We are also conscious that regulators may need to tailor their approaches in certain areas to best engage different groups of consumers, for example those with protected characteristics, those who are digitally excluded and other consumers in vulnerable circumstances.
55. We analyse responses regarding what a base or enhanced level of transparency should look like in response to Question 4.

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?

56. There was general agreement, including from Trustpilot and the LSCP, that there should be a base level of transparency, but a lack of consensus on what this should look like in practice. Some respondents including the Leicestershire Law Society considered that this base level was already in place; others including the OLC, CILEX and TLS said that the differences between practice areas, for example between immigration and conveyancing, are so significant as to make such a base level very difficult to establish.
57. Some, including the CLC, noted that consistency may not be necessary given consumers are unlikely to be comparing legal providers across practice areas. The LSCP said that there should be enhanced transparency in areas where consumers are more likely in vulnerable circumstances, or where information which could be relevant in judging quality is already available. APIL suggested information on professional membership, accreditations and a commitment to follow an enhanced professional code of conduct and consumer charter could form this enhanced level of transparency.
58. There was a wide range of responses as to what information should constitute a base level. Examples of specific information included details of the services offered and the provider's experience, information about regulatory status, scope of authorisation and accreditation, insurance information, and the qualifications and experience of the individual practitioners. Some including the LSCP and BSB said that data from LeO and on disciplinary decisions and sanctions should be readily available as standard. Responses from DCTs and review websites such

as ReviewSolicitors said that firms should use and display consumer reviews as part of a minimum threshold of quality information.

59. There was agreement that, prior to any new requirements on making more information available, the LSB and regulators should do further research into how this would benefit consumers and how information could be best placed in context to be accurate and informative.

Our response

60. There is already some information publicly available that can help inform consumers' choices, including the regulatory status of a legal services provider, basic contact and location information, details of complaints made to LeO, and details of any disciplinary cases and sanctions. We consider that this information should form a base level of transparency required across the legal services market. Our proposal is for the draft statement of policy to set expectations that the regulators should be collecting this information and making it available openly and transparently, in ways that will support consumers' decision-making.
61. With regards enhanced transparency, we consider that the regulatory bodies are best placed to determine which practice areas would be most suitable for enhanced measures, noting the CMA's recommendation that they carry out further analysis here. In principle though, as set out in our response to question 3, we consider that areas with a high volume of transactions would be most useful to target initially. Such an approach should have the greatest effect for the greatest number of consumers.
62. Consumers are able to access some of this information from firms and regulators, including through their websites, as well as via third parties such as DCTs and review websites. However, this information should be easier for consumers to obtain. In particular, consumers often have to visit a range of websites and platforms to get a comprehensive understanding of all relevant information, as suggested by the research from Glenesk.⁶ We consider the merits of how different platforms hold and provide information in our response to Question 7.

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?

63. Generally, each of these types of information was considered useful to an extent in informing consumer choice. ICAEW was one of several to recognise that the availability of standardised data across providers would aid comparisons by consumers, although it said this would be difficult to achieve. There was a

⁶ Glenesk (2021), [Consumer Legal Services Insight 2021](#)

general appreciation including from ACSO and CILEx Regulation that no one indicator could be the sole arbiter of quality, and that a mix would need to be provided to consumers. Furthermore, some noted that quality could vary within a legal firm or provider – for example, a firm could provide excellent family law advice, but be poor in conveyancing.

64. Responses, including from the CLC, suggested that there would need to be research to establish what this mix should be for consumers, and that it may be necessary for regulators to collaborate to agree an appropriate approach across shared practice areas. Several respondents, including Trustpilot, felt strongly that consumer feedback via online reviews was the best way to communicate quality to consumers as this seemed to be what consumers preferred. Others including The Law Superstore/ReallyMoving noted that relying on outcomes was unhelpful, as there were serious concerns about how a “successful outcome” could be measured and the possibility of perverse incentives, if this were relied upon as a measure of quality (see also responses to Question 1).

Our response

65. We will expect regulators to have regard to each of the three categories in seeking to improve transparency of quality information. However, we consider that in order to produce the broadest set of improvements across the diverse legal sector, regulators should have the flexibility to determine a mix of quality indicators to suit different practice areas and needs for particular consumers. We note that this may mean consumers should be able to distinguish quality between different practice areas within a legal firm (see also our response to Question 2).

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?

66. There were significant reservations about using success rates as an indicator of quality. Many noted the potential for this measure to create perverse incentives among providers, such as an unwillingness to take on cases with a low likelihood of success. There was also scepticism, including from Pitsford Consulting, over defining “success”, particularly in contentious cases, and who would be responsible for this. For example, respondents including CILEx Regulation queried what “success” would look like in contentious and adversarial cases, such as in a divorce case, a criminal trial, or an employment tribunal.

67. Some respondents including the OLC and the CLC saw the value in complaints data being used as an indicator of quality, but considered that more context was necessary for it to be of practical use to consumers. Some noted that second-tier complaints data is already available in a limited form via LeO, and the fact that it was not already widely used by consumers showed the need for development.

68. There was less enthusiasm for first-tier complaints data as an indicator of quality. Some respondents including ICAEW and the BSB noted the difficulty in creating a consistent and meaningful metric using this information, and some, including the SRA, felt that increased requirements around first-tier complaints could lead to more providers suppressing complaints or otherwise not dealing with them appropriately.
69. Some respondents, including the SRA, noted other quantitative data, such as error rates, the time a transaction took to complete, or the volume or value of transactions completed. However, these suggestions were qualified by the need for more research into how useful they would be to consumers in reality. The SRA noted its intention to explore these metrics through the ongoing joint regulators' pilot. Some respondents, including the LSCP, noted that there is quantitative data about legal services providers, for example, in relation to some providers who carry out legal aid work, that is currently held by public bodies, but not in the public domain.

Our response

70. We recognise the concerns put to us regarding the use of success rates as an indicator of quality. Many of these were acknowledged in the discussion paper and were a feature of the Public Panel research findings. However, securing a good outcome is generally foremost in consumers' minds when engaging with legal services. As such, we consider that success rates may only be suitable in limited circumstances and would need to be carefully justified with specific mitigations put in place to manage the risks. We consider that regulators should seek to reflect this principle in their approaches. We also note the current provision of complaints data from LeO and its plans to enhance this.⁷
71. We are supportive of quantitative data being used to inform quality where it can be demonstrated that it would meaningfully inform decision-making. Key benefits include that such information is factual and has usually been verified by the 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 significant additional burden on legal services providers.
72. We plan to hold discussions with relevant public bodies to improve the transparency of relevant quantitative information they may hold about providers. We agree that any quantitative data needs to be presented in context to meaningfully inform consumer choice, and we will seek to promote this.

⁷ LeO (2020), [Transparency and Reporting Impact](#)

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?

73. Many respondents, including TLS and the SRA, noted that law firms’ websites remain the foremost way consumers gather information about legal services providers. However, as the CLC noted, the distribution of relevant information across firms’ websites does not allow easy comparisons and visiting multiple websites may lead to consumers becoming fatigued.
74. The Bar Council noted the role of legal directories such as Chambers and Partners and Legal 500 in conveying useful information about providers’ practice areas, expertise and endorsements to consumers.
75. Opinion about DCTs and review websites was mixed. Some, including the Bar Council, expressed concerns about these websites’ ability to deal with false or malicious reviews, and reiterated concerns about consumer feedback not being an adequate measure of quality. Some, including an individual respondent, suggested that only consumers who had purchased services from a provider should be able to leave feedback for that provider.
76. Others, including ACSO and the CLC, said that they were encouraged by the websites, but that these had currently limited use in the legal services sector, which would hamper their progress as a vehicle for providing reliable information about quality.
77. There was though some data indicating increased use of DCTs and review websites in recent months (see responses to Question 8). Various respondents, including firms and other non-DCT respondents such as the SRA and the LSCP, said that their use should be encouraged, particularly of legal-services specific platforms, noting these businesses’ apparent expertise in this area and capacity to expand.
78. Regarding a potential single digital register of regulated providers, opinion was split between those who considered it would be useful as a tool for DCTs and review websites to use, and those who considered that it would require extensive investment and resources to prove effective. For example, the BSB said that much of the information suggested for inclusion on a single digital register relating to barristers is already available on its website.

79. Pitsford Consulting noted that a single digital register could act as a “single version of the truth” acting as an authoritative repository where DCTs and other stakeholders could draw on accurate information. There was also concern raised by the Cardiff and District Law Society that a single digital register would not be useful to consumers, given they currently rely on a provider’s reputation and recommendations to inform their choice. CILEX noted that it would be detrimental to the development of the growing legal services-specific DCT market if a single digital register was in competition with these DCTs.

Our response

80. The majority of consumers glean information about a legal service provider from its website⁸. Providers’ websites will continue to play a valuable role but have limitations in helping consumers to make comparisons. There is some encouraging evidence of growth of DCTs and review websites in this sector (see also response to Question 8). As well as conveying information about quality, many of these platforms are innovating to enable consumers to compare other metrics, such as information about price.

81. We do not consider any one tool is supreme in conveying quality to consumers, but together they offer a range of options to consumers looking to obtain information about providers. We also note the potential for these tools to act as a ‘shop window’ for providers by conveying quality to consumers. Given the different pay-models of DCTs and review websites, they could enable smaller providers to compete on a more equal footing with larger firms with larger marketing budgets.

82. We note that DCTs and review websites are not homogenous or offer the same product to consumers: there are review websites (e.g. Trustpilot), comparison websites operating with a panel of member firms (e.g. The Law Superstore/ReallyMoving), comparison websites without a referral model (e.g. Legal Utopia), and other consumer information websites (e.g. Legal Beagles).

83. With regards to legal directories, we recognise that they include information which consumers can find useful. However, our understanding is that they are primarily used by other lawyers rather than individual consumers and small businesses and less relevant to what regulators should be doing to improve their engagement with the market.

84. We are currently considering how best to take forward the CMA’s recommendation on a single digital register of regulated providers. Its primary purpose might be to provide the raw material that DCTs and review websites need to grow enabling them to offer consumers a rounded picture of legal services providers. Therefore, we see the register as facilitating the growth of

⁸ SRA (2020), [SRA Transparency Rules: Year One Evaluation](#)

these platforms rather than acting in competition with them. We also note its potential to facilitate the innovation and development of other tools which could inform consumers' decision-making. We discuss a potential single digital register further in our response to Question 10.

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?

85. Material was provided which showed evidence for recent increased usage of DCTs and review websites, including legal services-specific platforms⁹:

- ReviewSolicitors experienced a 160% increase in the number of consumers using the website following the first lockdown and a further 140% after the second lockdown. Over 1800 firms are now actively using the platform to collect reviews¹⁰;
- Trustpilot has reported 800 legal services providers in the UK have registered with the platform, and a 25% rise in UK businesses engaging with reviews provided in the 'legal sector' category since the start of the regulators' pilot. Consumer reviews about legal services have doubled over the last year from under 3,000 in the first quarter of 2020 to more than 6,000 in the first three months of 2021¹¹;
- Impact of the regulators' pilot – DCTs have reported increased interest from providers, including some of the largest consumer-facing firms. There is increasing innovation in this space, with new entrants and increasing options not just for solicitors;¹² and
- Consumer surveys – SRA research found that 21% of individuals and 26% of SMEs have used legal review websites to help with choosing a law firm¹³.
- Research by IRN published in May 2021¹⁴ found that 10% of people were using review and comparison websites to find lawyers, up from 6% the previous year and 4% in 2019. The researchers suggested this could be a “watershed moment for digital comparison sites”.

⁹ Statistics provided correct at time of discussion paper response

¹⁰ [ReviewSolicitors \(2021\)](#)

¹¹ Further information provided by Trustpilot

¹² SRA (2021), [SRA | Engaging with comparison websites | Solicitors Regulation Authority](#)

¹³ SRA (2020), [year-one-evaluation-of-transparency-rules_research-report.pdf \(sra.org.uk\)](#)

¹⁴ IRN (2021), [Consumer Legal Services Research Report – virtual consultations embraced and consumers looking further afield to find legal advice | IRN Research \(irn-research.com\)](#)

86. Furthermore, it appears that there are ongoing innovations in the legal DCT market, with Legal Utopia launching its comparison app on 17 May, and ReviewSolicitors indicating that it plans to shortly extend into ReviewBarristers and introduce a “value for money” indicator on its website.
87. Several respondents, including TLS and ICAEW, reiterated concerns about the reliability of DCTs and review websites. These included concerns around the validity of feedback left by non-clients, the possibility of fake or malicious reviews and the lack of redress should this occur, the commercial interests of DCTs conflicting with market transparency, and the cost burden placed upon providers in engaging with DCTs. An individual solicitor said that he was also concerned about the possibility of non-clients being able to leave reviews. They noted that these concerns would need to be addressed in order to secure the confidence of both consumers and providers in DCTs and review websites.
88. Several respondents, including the BSB and Trustpilot, were in favour of a voluntary code of conduct or assurance scheme for DCTs and review websites. It was suggested that such a scheme could be run by the regulators, with the aim that this would increase trust among consumers and providers in DCTs and review websites. The BSB pointed to its plan to engage with other regulators such as Ofgem to understand the potential benefits of an accreditation scheme
89. There was little appetite for making it mandatory for legal services providers to signpost to DCTs or review websites. Some respondents, including TLS, considered that such a requirement, or an increasing reliance upon DCTs or review websites, would have a disproportionate and regressive impact on small firms and sole traders, with associated diversity and inclusion impacts.

Our response

90. We have analysed responses to Questions 8 and 9 together below.

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

91. From the regulatory bodies and approved regulators, there was general enthusiasm for collaboration in this area, although limited detail on what this should entail.
92. Respondents such as TLS pointed towards various models for ensuring trust, including the CMA’s CARE principles¹⁵ and the LSCP 2013 guidance.¹⁶ Furthermore, the SRA, CILEx Regulation and the CLC recently produced

¹⁵ CMA (2017) [Digital comparison tools: summary of final report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/614433/digital-comparison-tools-summary-of-final-report.pdf)

¹⁶ [LSCP \(2013\), Best practice standards final April 2013 \(legalservicesconsumerpanel.org.uk\)](https://www.lsc.gov.uk/lsc/wp-content/uploads/2013/04/LSCP-2013-Best-practice-standards-final-April-2013.pdf)

guidance for DCTs and review websites participating in its joint pilot,¹⁷ for example, that websites should be independent, fair and transparent.

93. Respondents, such as CILEx Regulation, noted that any endorsement of particular DCTs or review websites should not be anti-competitive. One individual respondent highlighted the potential use of blockchain technology to ensure trust in gathering feedback and measuring quality in legal services providers.

Our response

94. As set out previously, we consider that increased use of DCTs in the legal services market can bring benefits to consumers and providers. We consider that it would be optimal in informing consumer choice for platforms to be able to convey information about price, quality and other relevant information in a way which can facilitate comparisons.

95. Given that some consumers and providers may be hesitant or unfamiliar with using such tools, they may need further education or information and regulators could play a role to support this. We acknowledge that regulators should not endorse any single DCT, review website or business model.

96. We welcome figures showing evidence of increased and rapid growth in consumers and providers engaging with some DCTs and online review platforms. We recognise there is some conflicting evidence, noting in particular the slower growth indicated by the latest LSCP tracker survey data, but we are confident that overall the market is showing greater use of online reviews and DCTs, which should be of benefit to consumers.

97. As such, we see benefits from regulators taking steps to improve confidence in such tools, with the aim of increasing their use. This might take the form of an accreditation scheme for DCTs and review websites, including a code of conduct operated by regulators. It would be sensible for any such scheme to be formed jointly by regulators in order to ensure consistent expectations for DCTs and review websites, and minimise consumer confusion. We would also support the development of guidance for consumers to encourage them to provide and engage with feedback effectively.

98. We note recent government proposals to extend consumer protection in this area, including new measures to tackle “fake reviews”.¹⁸

¹⁷ SRA (2021) [SRA | Voluntary code of conduct for digital comparison tools operating in the legal services market | Solicitors Regulation Authority](#)

¹⁸ BEIS, Reforming Competition and Consumer Policy: Driving growth and delivering competitive markets that work for consumers, July 2021.

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

99. Views on a single digital register were mixed, but coalesced around the idea that it should hold basic regulatory information which is already publicly available. Several respondents including Trustpilot and The Law Superstore/ReallyMoving said that a regulator-led register should not hold customer feedback. Others said that it should not include information about outcomes or success rates either, because this information would not be verifiable or sufficiently independent.
100. There was a suggestion from the BSB, the OLC and ACSO that more work needed to be done, for example via the joint regulators' pilot, to establish more firmly what information would most help consumers, whether through a single digital register or via DCTs and review websites. The SRA also said that the pilot would be used to better establish what kinds of information is valuable to consumers.
101. ReviewSolicitors suggested that a regulator-managed feedback system would be unworkable. It said that consumers might expect enforcement action in any case where they left negative feedback, given that it would be provided to the regulator. Conversely, consumers might be discouraged from leaving negative feedback if they considered this would have significant consequences for the provider.

Our response

102. We were encouraged to see thoughtful discussion on some form of a single digital register. It is clear that there is further work to do in developing the scope and function of a register, and there remains a wide range of possibilities as to what it would look like in practice. We will undertake work in collaboration with the regulatory bodies through the new oversight group chaired by the LSB, to explore the benefits and drawbacks of a single digital register, its potential scope and options for implementation.

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

103. There was widespread consensus that a market-led approach was best, in light of the developing DCT and review website market, as set out in responses to Question 8. There was consensus that regulators do not have the expertise to replace these businesses, and that any large interventions creating new requirements on firms would be unhelpful and penalise smaller firms. However, there was consensus that if regulators take action, it should be to facilitate this market growth.

104. CILEX said that any action taken by regulators should be iterative, rather than overly prescriptive. TLS said that action could be taken to facilitate the growth of DCTs or other tools which could aid consumer choice by ensuring that adequate data was available that these tools could use. ReviewSolicitors suggested that lessons could be learnt from the ongoing joint regulator pilot, and these could help inform any next steps. ReviewSolicitors was supportive of a market-led approach, noting that it could foster competition between DCTs and review websites, leading to better outcomes for consumers.
105. The discussion paper had noted the CMA's reference to the Care Quality Commission (CQC)'s central model of rating healthcare providers, on a single platform accessible to consumers and providers alike. TLS said that although this model would provide a more robust system of indicating quality to consumers, it would be too costly to roll out in the more fragmented and diverse legal sector.

Our response

106. In light of the responses received, and our wider evidence base, we intend to undertake a series of measures to catalyse change in the market. We have set out the key elements of our approach and next steps above (paragraphs 19-24).
107. We do not consider that a CQC-style model is appropriate for this sector, nor does it fit with the LSB's role or scale. In theory it could be effective, but the significant resource required in establishing such a system, including technical expertise and large-scale data gathering, would likely outweigh the benefits.
108. In line with the CMA's recommendation that the LSB lead on this work, we have established a new oversight group, the Market Transparency Co-ordination and Oversight Group. It is chaired by the LSB and its members comprise the regulatory bodies and the LSCP. Within the workplan of the group, we intend to consider and implement solutions to issues raised in this document and responses. It will also have an emphasis on co-ordinating work between regulators, to ensure better, collaborative progress.
109. We have reflected responses to Question 12 elsewhere throughout the document.

Annex A – List of respondents

- Association of Consumer Support Organisations (ACSO)
- Association of Personal Injury Lawyers (APIL)
- Bar Council
- Bar Standards Board (BSB)
- Cardiff and District Law Society (CDLS)
- Chartered Institute of Legal Executives (CILEX)
- CILEx Regulation
- Mr. B. Collier (Solicitor)
- The Commercial Bar Association (COMBAR)
- Mr. D. Jabbari (Solicitor and CEO)
- Law for Life
- Legal Services Consumer Panel (LSCP)
- Leicestershire Law Society (LLS)
- Office for Legal Complaints (OLC)
- Pitsford Consulting
- Quartz Barristers
- ReviewSolicitors
- Solicitors Regulation Authority (SRA)
- The Council for Licensed Conveyancers (CLC)
- The Institute of Chartered Accountants in England and Wales (ICAEW)
- The Law Society (TLS)
- The Law Superstore/Really Moving
- Trustpilot