

Introduction

1. We know that progress is being made and agree that quality is a key area for consumers.
2. We also support an evidence-based approach, so that any further developments can meet the needs of consumers in a proportionate way, balancing the relevant regulatory objectives.
3. As highlighted in the discussion paper, earlier this year we launched a quality indicator pilot¹,
4. In our view, a single register – a substantial project in itself – is not a prerequisite for the development of an effective commercial DCT market. Our pilot is already indicating real interest and uptake in the sector, suggesting that the market may be able to help consumers in a significantly shorter timeframe than a register could be developed and implemented. As we say in paragraph 49 below, DCTs can change and adapt quickly to both consumer and provider demand, in a way that is difficult for regulators or other non-commercial organisations.
5. Our preference would be to work to develop a DCT market that can help consumers with the choices they need to make. In the event it does not prove successful and more needs to be done, there may be potential for the regulators to provide further quality indicators through a variety of routes.
6. Separately, work can take place to understand the potential benefits of a single digital register and to scope out what the development programme would entail and how it could be resourced.

¹ [SRA | Comparison websites and quality indicators | Solicitors Regulation Authority](#)

Discussion 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?

10. In our view it is right to think broadly in terms of defining the parameters for quality in legal services.

Technical quality

11. We already set standards of quality as regulators, which are published. For some practice areas, there is also other information available such as via land registry data.

Customer service

12. Our independent Transparency Rules Year One Evaluation research² -involving more than 2,000 individual consumers and 1,500 small businesses - asked these groups about their perceptions of quality indicators. Many of the key themes are relevant to customer service, including: good communication; approachability; empathy; timely responses and understandable advice.
13. Again, existing data from the Legal Ombudsman, regulatory disciplinary outcomes and firm complaints are helpful. LeO has committed to providing its information to Legal Choices. Positive about Legal Choices.
14. Our DCT pilot has so far focused on customer reviews as a mechanism for providing information to consumers on the quality of a firm's customer service. As part of this, we developed a standard customer review template, containing five questions based on the customer service themes identified by our research. We also included a question asking: 'would you recommend this firm to a friend', which was one of the areas suggested by the CMA. We have asked DCTs taking part in the pilot to look at incorporating these questions within their current customer review offering and made the template available to firms to use if they are reluctant to engage with DCTs. Our aim is to test how useful the response to these questions are to consumers comparing legal services providers in practice. This will further contribute to the evidence base on which aspects of customer service should be our priority to ensure comparable information is readily available to consumers.

Outcomes

15. Meeting a consumer's needs is clearly important for those using legal services. However, the '*desired outcome of casework*', as it is articulated in your proposed framework, may present real difficulties in light of both the complexity of legal work – much of which is a process of negotiation and therefore compromise – and the regulatory objective to support the rule of law and the role of solicitors in the administration of justice.

² SRA (2020), SRA Transparency Rules: Year One Evaluation

16. This means that a solicitor may quite properly be involved in bringing about an outcome that could differ from that sought by their client – and indeed may be precluded from pursuing a ‘desired outcome’ that would conflict with their commitment to the rule of law and their role in the administration of justice.
17. We would be happy to discuss this and success rates further.

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?

18. In collaboration with the other regulators, we developed our quality indicators pilot based on the Legal Services Consumer Panel’s three-tier framework for quality indicators, which broadly correlate with your proposals. In accordance with our pilot approach and the recommendations of the CMA, and as set out above, we plan to test this framework with consumers to help us consider whether these are the right types of information to reliably signal quality in the legal services market and whether there are any others we should include.
19. It is also important to make sure that quality indicators do not make it problematic for new entrants to enter the market, or for existing firms to move with relative ease into new areas of the legal services market, or indeed impose disproportionate and costly burdens on providers.

Objective data

20. Information from external trusted and verifiable sources may be able to provide consumers with objective information that can help with making choices. There are of course challenges, for example identifying objective data categories that consumers would use and the organisations that can provide the data, contextualising the data and, finally, making it easily accessible to consumers in ways that allow them to use it for comparative purposes.
21. Our quality indicators pilot has indicated that HM Land Registry is identifiable as a source of objective data about law firms and lawyers in the conveyancing sector. However, in other areas of the legal services market it is less clear where this type of objective data could come from.
22. A key focus of our pilot work will be testing the type of contextualisation that is meaningful and useful to consumers. For example, as set out in paragraph 14 above, Legal Ombudsman data may be helpful in relation to service, and we are working with the Ombudsman to consider how best to do this.

Consumer feedback

23. Our independent evaluation of our Transparency Rules asked individual consumers about information that would help with understanding the potential quality of the service. Of more than 1,000 responses, the most cited quality indicator was customer reviews.
24. The same research showed that personal recommendations was the third most cited indicator of quality. For many consumers, legal services are relatively infrequent or indeed one-off purchases, so word of mouth recommendations

may have limitations. This emphasises the timeliness of work to support the development of consumer reviews in the legal services market.

25. The growth of international brands, such as Trustpilot, and the existing legal service-specific platforms are good indicators of the ways in which consumer feedback can be hosted independently and accessed easily and quickly by consumers at the point of need to support their decision-making process.
26. We are mindful of concerns about the legitimacy and integrity of online reviews in some sectors. We are also aware of the work of the Competition and Markets Authority, Which? and others in investigating these concerns and advocating for improvements. These are clearly important considerations, and during the quality indicators pilot we will be exploring how these concerns could be alleviated or managed going forwards, in the context of the legal services market, including what role we, as a regulator, should play.
27. Exploring ways to encourage more consumers to leave reviews and consider reviews when comparing law firms is a key focus of the first phase of our quality indicators pilot. In our Transparency Rules: One Year Evaluation research, consumers were split fairly evenly between those who said they would leave a review on a comparison website and those who said they would not. This resonates with the views of your Public Panel and appear to reflect a general approach to leaving customer reviews, rather than being specifically about legal services. More than half of consumers told us they could be encouraged to post a review if more sites were available.

General information

28. This area is also an important focus. Our Transparency Rules already mandate that SRA-regulated providers must publish a range of general information, including about their services and their personnel.
29. In our evaluation of more than 1,000 consumer responses, individuals' experience was the second most cited indicator of quality. We require firms to publish information about their personnel and many law firms routinely communicate this information in their marketing materials and on their website.
30. We were interested in your suggestion that the age of a law firm may be an indicator of quality. We are not aware of information suggesting that newer firms provide a poorer quality service, and firm age does not relate to the experience of those working in the firm. Equating age of firm with quality may also create a barrier for new entrants to the market, with the potential to stifle competition and innovation.
31. On accreditations and quality marks, we note your concerns about the robustness and the lack of universal coverage of these schemes across the entirety of the regulated legal services market. We decided against including the publication of accreditation schemes and quality marks in our Transparency Rules due to similar concerns.

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

32. We agree that regulatory interventions in this area should be targeted at legal services providers who deliver services to individual consumers and small

businesses. This reflects the broader understanding of where unmet legal need is at its greatest and the groups that would benefit most from increased opportunities to compare and choose between different providers.

33. Individual consumers and small businesses are however not homogenous groups, so any one solution is unlikely to meet the needs of all, and different solutions may be more suitable for different legal services. We agree with the suggestion made by the CMA that segmentation within these groups is necessary to maximise the potential benefits. We aim to gather some helpful evidence to further our understanding of the varied requirements during our quality indicator pilot.
34. Digital exclusion means that some people and communities cannot directly benefit from improved online information but may, for example, need to be supported by intermediaries. We are engaging with consumer representative organisations on the challenges and will look at this further in our consumer research and testing.

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?

35. We agree that there should be a base level of transparency on quality across the legal services market. The existing frontline legal regulators' information transparency requirements currently provide a sound foundation across the sector. Our own arrangements target specific commonly used services, meeting the need for enhanced information in priority areas.
36. Disciplinary outcomes are also part of the picture and traffic to our Solicitors Register, and feedback through our Transparency Rules One Year Evaluation, indicates that this service is well used.
37. Given that we already have these quality indicators in place, we consider that there should be clear evidence that additional indicators would be used by consumers and would help them to make good choices, before considering including them as part of a mandatory base level.

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?

38. Please see our comments under question two.

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?

Success rates

39. We have significant reservations about the use of success rates as a quality indicator, particularly in contentious cases. As you have acknowledged, in legal services the outcome of a matter may not be consistent with a particular client's wishes but might still be the best that could be reasonably achieved, and/or an appropriate outcome in light of the issues under consideration.

40. Publishing data on success rates may also have unintended consequences, including potentially dissuading firms from, for example, representing a particular client or taking on a particularly complex, challenging or 'harder to win' case. This could negatively impact on access to justice for some consumers. It may even create a perverse incentive for firms to pursue litigation rather than trying to reach an early resolution to try to achieve a 'success' in court.
41. While a consumer is legitimately concerned about the outcome for them as an individual when they are choosing a law firm, pursuing success rates as a quality indicator requires very careful consideration, consumer research and testing to make sure there are no unintended consequences that negatively impact on access to justice and the rule of law.

Complaints data

42. We already publish annual aggregated information about first-tier complaints received by SRA-regulated law firms.
43. We continue to have concerns about publishing first-tier complaints data on a firm-by-firm basis. Firstly, we are concerned that publishing this data may change cultures within firms from welcoming complaints as an opportunity to learn lessons, to a culture where staff avoid recording an issue as a complaint for fear it will negatively impact on the firm's image. Contextualising the data for consumers would be complex and may require us to collect additional data from firms, increasing the administrative burden on them. Finally, we are also uneasy about publishing the complaints data we collect from firms, in the expectation that consumers would rely on it being accurate and robust, when we do not undertake any verification of the data.
44. However, as we have explained at paragraph 14, we are working closely with the Legal Ombudsman as part of our quality indicators pilot to explore ways in which its data could provide consumers with information about complaints that is robust and contextualised, and that does not unduly place additional burdens on firms.

Other areas of data

45. We have begun to consider other quantitative data that we think could be helpful as indicators of quality to consider. These include: error rates; time to complete a matter; volume of transactions; and value of transactions. We plan to explore the feasibility of obtaining this data in conveyancing and employment law as part of our quality indicator pilot and test any data we are able to obtain with consumers.

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?

Law firm websites

46. In a competitive and increasingly digital-led market, law firm websites are one of the primary vehicles for solicitors and their businesses to communicate to prospective clients about their offer. Our year one evaluation process for the SRA Transparency Rules showed significant progress amongst SRA-regulated

firms. This was not just on price and service information, but also by hosting our clickable logo on their websites and publishing important regulatory information about complaints processes and redress options.

47. The evaluation found the majority of both individual and small business consumers looked at a firm's website before instructing them. If consumers want to compare firms, or do not have specific firms in mind, channels are needed to help them find potential providers.

Digital Comparison Tools (DCTs)

48. Comparison websites and review websites publish information about multiple law firms (some covering the whole of the regulated market), and therefore can be an effective way of helping consumers to compare information about potential providers. Our pilot experience to date is that DCTs can change and adapt quickly to both consumer and provider demand, in a way that is difficult for regulators or other non-commercial organisations.
49. The provision of core register data to DCTs, as we have been doing for many years, can usefully underpin the accuracy of the information they use. Regulators do not have statutory powers to require DCTs to present or contextualise data in any particular way, but voluntary codes of conduct - such as the one we have in place for the current DCT pilot - or robust accreditation schemes, can be a powerful way of making sure that consumers are accessing good quality information.

Single digital register

50. Our experience suggests that a single digital register for the sector will require significant investment and development work. The data analysis across the regulators that we undertook in 2017 showed that some regulators may also need to collect or present data in different ways. Your discussion paper rightly says that consumer needs would require careful consideration. Our own Register development was based on work with consumers and user centred design principles. We would be happy to share that material.
51. We agree with the proposition in the discussion paper that the first step would be to focus on core information and regulatory data. As we say in paragraphs seven to nine above, a single register is not a prerequisite for the development of an effective commercial DCT market, and work will be needed to scope out what a register development programme would entail and how it could be resourced.

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?

52. Initial evidence from our quality indicators pilot shows that they are already making a difference, with Trustpilot reporting a 25% increase in legal firms engaging with them. This suggests that there may well be sufficient interest to make a step change in the legal sector use of DCTs without mandatory requirements.

53. Our Transparency Rules One Year Evaluation, which predates the pilot work, found that 41% of individual consumers and 55% of SME consumers are aware of legal services price comparison sites, while 51% of individual consumers and 57% of SME consumers are aware of websites with consumer reviews and/or ratings. However, usage was found to be lower with 13% of individual consumers and 22% of SME consumers saying they had used legal price comparison sites and 21% and 26% respectively having used legal review sites.
54. Achieving a critical mass of consumers routinely engaging with DCTs in the legal services sector will of course take resource and commitment. Through the quality indicators pilot we are testing promotion through online channels, including the Legal Choices website, and we will target messaging and calls to action towards people who need legal support in specific areas of law. We are also trialling a 'shop around' message on the verification page of our clickable logo and have begun work to develop messaging for our Solicitors Register. Similarly, we think opportunities to encourage legal service clients to leave a review following the conclusion of their legal matter, or at a suitable juncture, are worth exploring.
55. We think that the initial focus should be on developing a successful commercial DCT market in the legal sector, supporting both consumers and law firms to engage.

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

56. As above, growing numbers of legal service consumers and legal services providers are already engaging with DCTs.
57. That said, we know that legal services providers and consumers continue to have concerns about, for example, the risk of fake reviews, or of some firms buying an unfair advantage, or indeed legal action in relation to comments posted.
58. A key feature of our quality indicator pilot is the voluntary code of conduct for DCTs that was published in February 2021, setting out our expectations of the DCTs taking part in the pilot. We have begun to gather feedback about how this is working in practice and may seek to refine it as the pilot progresses. We note that in other sectors some regulators operate accreditation schemes for DCTs. This is something we may want to consider in the future.
59. There are also steps that all legal regulators can take to provide guidance and resources for legal services providers and consumers regarding interactions with DCTs. In February 2021 we published new guidance for solicitors and their firms about engaging with comparison websites, updated our existing information about engaging with online reviews, and held a webinar for firms. These resources have provided guidance to firms on things such as their regulatory responsibilities and on dealing with negative reviews. We will continue to promote these resources through our communications activities with law firms and solicitors. We have also published guidance for consumers on our website and through Legal Choices.

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

61. As we say above, we think that a single digital register should focus on core regulatory data. For example, our Register covers both individuals and firms and includes contact details, office and website information, firm type, employer information for individuals, authorisation status (for instance 'SRA-regulated solicitor | Conditions apply'), published disciplinary and regulatory outcomes, and date of admission. Our Register also includes information on which organisation regulates an individual.

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

62. A market-led approach to the development and adoption of quality indicators offers significant advantages over a centralised regulator-led approach, as your discussion paper suggests.
63. DCTs operating in this market have the resources and expertise to present information to consumers in the most useful and accessible way at speed. DCTs are already established in this market and their consumer base is growing. In contrast, a regulator-led approach will take significantly longer to deliver anything tangible for consumers, may not be as successful in presenting information in an accessible way and may be more costly for the profession and therefore consumers.
64. We do not think these are mutually exclusive options, rather that it is matter of timing, with the regulator-led option potentially following the market-led approach if it does not provide the help that consumers are looking for.

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

65. In our view, an evidence-based approach should be the priority, so that we can both understand and meet the needs of consumers. Research and piloting already show we can move quickly and adapt our approach as we learn from what we are hearing.