

SENT BY EMAIL

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Dear Andrea

Review of the legal services market study in England and Wales

In December, the CMA published a review of its 2016 market study of the legal services sector in England and Wales. I am writing to formally set out the LSB's response to your review on behalf of our Board.

We welcome the findings and recommendations of the CMA's review and consider these are consistent with our own analysis, including that in our State of Legal Services 2020 report. We consider the recommendation that the LSB coordinate activity across the regulators and broker collaboration is a good fit with our role as oversight regulator. Our sector-wide strategy for reshaping legal services, published in March, identifies the need to empower consumers as a key challenge to address. At its March meeting, our Board formally agreed in principle to coordinate, monitor and lead work on the recommendations made by the CMA.

Earlier in the year, we issued a discussion paper on quality indicators in legal services, a specific area where the CMA recommended the LSB should lead policy development. We provided evidence and analysis of what information about quality consumers would find helpful, the best channels for conveying this information and potential policy interventions. We sought stakeholder views and published a response to this paper in July.

This week, we have launched a consultation on a draft statutory statement of policy setting out the LSB's position on how to empower consumers and improve market transparency. The statement sets expectations of what the legal services regulators should be doing to ensure the provision of useful information to consumers that best

enables effective choice. The draft statement reflects the findings and recommendations of the CMA's 2016 and 2020 reports.

We have also established a new forum to monitor and oversee progress by the regulatory bodies on these issues. The LSB is chairing the Market Transparency Co-ordination and Oversight Group (MTCOG), which is attended by the regulatory bodies and the Legal Services Consumer Panel and intends to meet quarterly. The CMA will be welcome to attend meetings of this group where appropriate. Meanwhile, we are considering the potential scope a single digital register of regulated providers and we will continue to engage with the Ministry of Justice, including on any proposals for regulatory reform and consumer redress.

I hope you will agree that these strands together provide a comprehensive framework to allow us to monitor and oversee progress by the regulatory bodies in meeting the CMA's recommendations.

I would like to thank the CMA for its work to support consumers in the legal services sector and look forward to maintaining a constructive, positive working relationship in future.

Yours sincerely

A handwritten signature in blue ink, consisting of a large, stylized 'M' followed by a horizontal line that tapers to the right.

Matthew Hill
Chief Executive