

Alan Kershaw
By email

8 May 2024

Dear Alan

I will shortly be sharing with you the latest VA letter, following the OLC's Board meeting last week. Whilst much of what is in this letter is either repeated in, or can be inferred from, the VA letter I of course wanted to respond personally to your letter of 11th April. Above all I wanted to formally thank you and the LSB for approving the OLC's budget application for 2024/25. In your letter you raise a number of valid points and questions, some of which I can answer now and some of which in this letter I will set out when I expect to be in a position to answer more fully.

It is an exciting year for the OLC and LeO and you are quite right to highlight the chance to look beyond incremental performance improvement. This is a key part of the OLC's new three-year Strategy for LeO and we are all of us committed to driving forward this part of our agenda. You highlight that part of LeO's longer term strategic future could involve the OLC applying for LeO to become an ADR entity as set out in the ADR regulations. We are due to discuss this as a full Board at our October Board meeting, having considered briefly at April's Board meeting. The decision not to pursue this path in 2015 was based on a careful assessment about what was in the best interests of LeO customers, given the compatibility of the regulations' requirements with LeO's legal framework, the nature of the complaints LeO handles and LeO's approach to resolution of these complaints. The transformation LeO has made to its process in the meantime brings additional considerations to this assessment. October will be an important opportunity to look at the previous discussions, at what has changed, and ensure we again make a clear, evidence-based decision on any timeframe that has full sight of unintended consequences and is above all in the best interests of LeO's customers. I wanted to assure you that these criteria will be foremost in our minds.

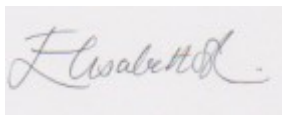
You also ask about any longer-term financial plans. As you know, the current budget process effectively pushes against this with its focus on annual financial planning but the value of longer-term planning is something that has been raised by the OLC Board. In our budget application, we acknowledged that there are a significant number of variables that will have a bearing on the costs of running LeO until the end of the Strategy – including the scope and pace of expanding LeO's work under its new impact objective; options for funding it; its effect on demand for LeO's service; and future changes to the Scheme Rules and Legal Service Act. While these uncertainties make forecasting challenging, the OLC and LeO are committed to ongoing engagement the LSB and legal sector about future resourcing.

You are also quite right Alan to emphasise the role of complaints in providing an essential tool to regulators in improving their services. As you know, Paul McFadden attended the LSB 'coalition of stakeholders' meeting on LSB's first-tier complaint handling consultation in February. He has continued separate discussions, including with Richard Orpin, both underlining LeO's commitment to this work and alignment with its own strategic aim to inform improvements to legal providers' complaints handling.

Finally, with regard to the role of transparency and publishing decisions we could not be more alert to this. At July's Board meeting we have scheduled a full Board discussion, ensuring we all have the opportunity to plan LeO's wider approach to transparency, that it is meaningful, and, in respect of publishing Ombudsman decisions, takes full account of advice received on the parameters set by the Legal Services Act and legal privilege. It is important that we consider all potential ways of enhancing transparency in the short to medium term, as we move along a trajectory to the publication of Ombudsman decisions. After this meeting I will of course share with the LSB the OLC's decisions and future plans.

I wanted to end where I started Alan – with my sincere thanks to all at the LSB for their ongoing support for the Legal Ombudsman scheme and for ensuring the OLC is constantly alert to the pressing value of change in potentially improving the customer experience, both of LeO and indeed of legal services more generally.

Best wishes

A handwritten signature in cursive script, appearing to read 'Elisabeth Davies', on a light-colored rectangular background.

Elisabeth Davies

Office for Legal Complaints, Chair