



Elisabeth Davies

The Office of Legal Complaints

OLCChair@legalombudsman.org.uk

(By email only)

3rd Floor, The Rookery
2 Dyott Street
London
WC1A 1DE

T 020 7271 0084

www.legalservicesboard.org.uk

28 March 2025

Dear Elisabeth,

Approval of OLC Budget for 2025/26

Thank you to you and Paul for attending the LSB Board meeting on 25 March 2025 for our consideration of the OLC's budget application for 2025/26.

I am writing to confirm approval of the OLC Budget for 2025/26 of £20,000,679.

This is less than the £20,345,679 sought in your budget application. The proposed budget of £345,000 (this figure is referred to on page 21 of your response to the Budget Acceptance Criteria, includes operational costs and was confirmed in separate correspondence) which you considered was needed to publish ombudsman decision summaries, has not been approved. We set out our reasons for this below.

Approved OLC Budget

The Board recognised that the Legal Ombudsman (LeO) has faced increasing demand in recent years for its core services, those complaints which require the attention of your investigators and ombudsmen. While we note that approximately 45% of complaints are dealt with in 90 days or fewer by LeO's early resolution team, the uplift in work has meant that complaints which require in-depth investigation have been added to LeO's casework backlog at a greater rate than was originally forecast. In practice this means that the queue of complainants waiting for an investigator has now been at approximately 3,400 people since late 2023, and this is a concern for all of us.

At the core of the budget that has been approved by the LSB is a proposal for significantly more investigative staff (and relevant support roles) to meet with in the increasing demand, while also making progress on reducing the queue. We were pleased to see that you had taken on board the point made in various working level conversations this year that resource cannot follow rising demand in perpetuity. We were therefore glad to note that a proportion of that additional investigative resource is dedicated to insight and engagement work that seeks to suppress demand over the longer term. In line with the recommendation in the Board paper, we are accordingly approving this staffing increase portion of your budget, and I know that you have plans to move this forward at pace.

It will be important that we are kept abreast of progress against the performance forecasts you have set out by way of your assurance letters.

Proportion of OLC budget the Board has not approved

As set out above, the Board has not approved your proposed budget of £345,000 for taking forward the publication of ombudsman decision summaries. While this is an area we asked you to progress at the time we approved your previous budget in 2024, the Board's view on this part of the proposal, which has changed little since we saw the draft proposals in November 2024, is that the proposed set-up and recurring costs are simply too high. The Board considers that these costs do not offer value for money in the way required by the budget acceptance criteria and as such, the Board has determined that those criteria have not been met for this part of your budget proposal. The Board consider that progress can be made in this area without the significant and recurring IT and staffing costs that your proposal envisages.

We discussed this issue in depth at our meeting on 25 March. I am grateful to you for your subsequent letter setting out how you believe you can take steps to materially improve transparency over the year ahead – including through the publication of 30-50 high impact public interest decisions by utilising the core staffing increase portion of the budget that the LSB has approved. These steps represent far better value for money than your original proposal and we are excited to see you set out and implement concrete steps towards real transparency, generating some momentum in this area that you can build on further in future years. Your assurance letters provide the appropriate vehicle for updates on progress, and we will look forward to discussing this issue at our next Board-to-Board meeting.

I look forward to us continuing to work together in the coming year.

Yours Sincerely,

A handwritten signature in brown ink that reads "Catherine Brown" followed by a horizontal line.

Catherine Brown

Interim Chair