

LSB assessment of market transparency action plan

Association of Chartered Certified Accountants (ACCA)

Date action plan was published: 31 May 2018

The action plan is saved [here](#).

ACCA became an active regulator of a reserved legal activity from 01 April 2018. We welcome that ACCA has published an action plan shortly after this date and is taking early action to improve transparency for consumers.

LSB Assessment: SUFFICIENT.

1. ACCA's operating context is a key factor in our assessment. ACCA is currently an approved regulator for the reserved legal activity of probate. It is currently receiving applications for probate licences and expects to authorise up to 250 individuals to offer probate services within ACCA firms. The majority of these individuals will serve individuals and small business consumers (for probate and other legal/non-legal services activities). There is a close alignment between the focus of the CMA's recommendations and the legal activity which ACCA regulates. The scale and focus of ACCA's activities in relation to legal services shape our expectations of its response to the CMA's recommendations.
2. We welcome ACCA's commitment to ongoing collaboration with the other regulators on joint initiatives, such as the development of Legal Choices and exploring the feasibility of creating a single digital register. We also welcome the planned programme of consultation and evidence gathering to understand current level of transparency and later on check the effectiveness of the proposals. We also welcome the commitment to develop remedies with regard to the LSCP's criteria for successful information remedies.
3. We highlight the following issues in relation to the action plan:
 - ACCA plans to produce voluntary guidance on transparency, rather than introduce mandatory requirements – at least initially. We note that voluntary guidance may not create strong enough incentives for providers to disclose the full range of information that consumers need. There is

also a need to consider consistency issues given multiple regulators regulate probate services. However, we are encouraged that ACCA plans an annual impact assessment of the success of changes to increase market transparency. If evidence shows that changes have not delivered the desired outcomes we would encourage ACCA to give serious consideration to mandatory requirements.

- ACCA has confirmed that it will initially restrict the scope of its guidance to probate services only. Where probate and other legal or non-legal services are provided as a package we encourage ACCA to include such bundled services within the scope of the guidance. We welcome that subject to evaluation ACCA will consider implementing transparency guidance for all its firms. This phased approach is sensible as it will enable ACCA to test its transparency arrangements in probate before rolling this out to other areas. We encourage ACCA to extend the scope of its arrangements to other legal services activities such as estate administration, which providers may offer alongside probate services. This is because the fixed list of six reserved activities in the Legal Services Act is not the result of any recent, evidence-based assessment of the benefits or risks created by those activities. Furthermore, it is uncertain whether consumers understand the distinction between the reserved and non-reserved activities.
- We encourage ACCA to consider whether to include the data on disciplinary findings, which is published elsewhere on ACCA's website, on the proposed new online register and making this register available to comparison tools.
- Finally, we have clarified that ACCA is fully committed to Legal Choices. It is important that the information available to consumers via Legal Choices reflects the full range of legal services providers in a balanced manner.