

Legal Ombudsman

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Sir Mike Pitt
Chairman
Legal Services Board
One Kemble Street
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29 July 2016

Dear Mike,

We are pleased to submit our first quarterly report under Section 120 of the Legal Services Act 2007. Whilst we have sought to follow the format of your requirements, the contents of this letter are in line with our narrative when we met with you and your colleagues earlier this week.

During the preceding quarter, performance on timeliness has progressed more or less in line with the expectations of the OLC Board. Previously reported staff shortages have now largely been made good, new staff are making steady progress towards full productivity but residual consequences of the shortages still require concentrated management action.

The OLC Board's attention has been particularly focussed on backlogs in work at key points of the case management process and the management actions being taken to remedy these backlogs are detailed below.

The OLC Board were encouraged by the continued improvement in combined and complainant satisfaction levels. They were also pleased with the opportunities afforded by the new surveys conducted at interim points in investigations and are developing their thinking on target setting for the latter half of the year.

The overall cost of the scheme is within this year's budget.

Finally, the OLC Board welcomed the increasing activity designed both to feed back learning from casework and to help to improve complaint handling across the

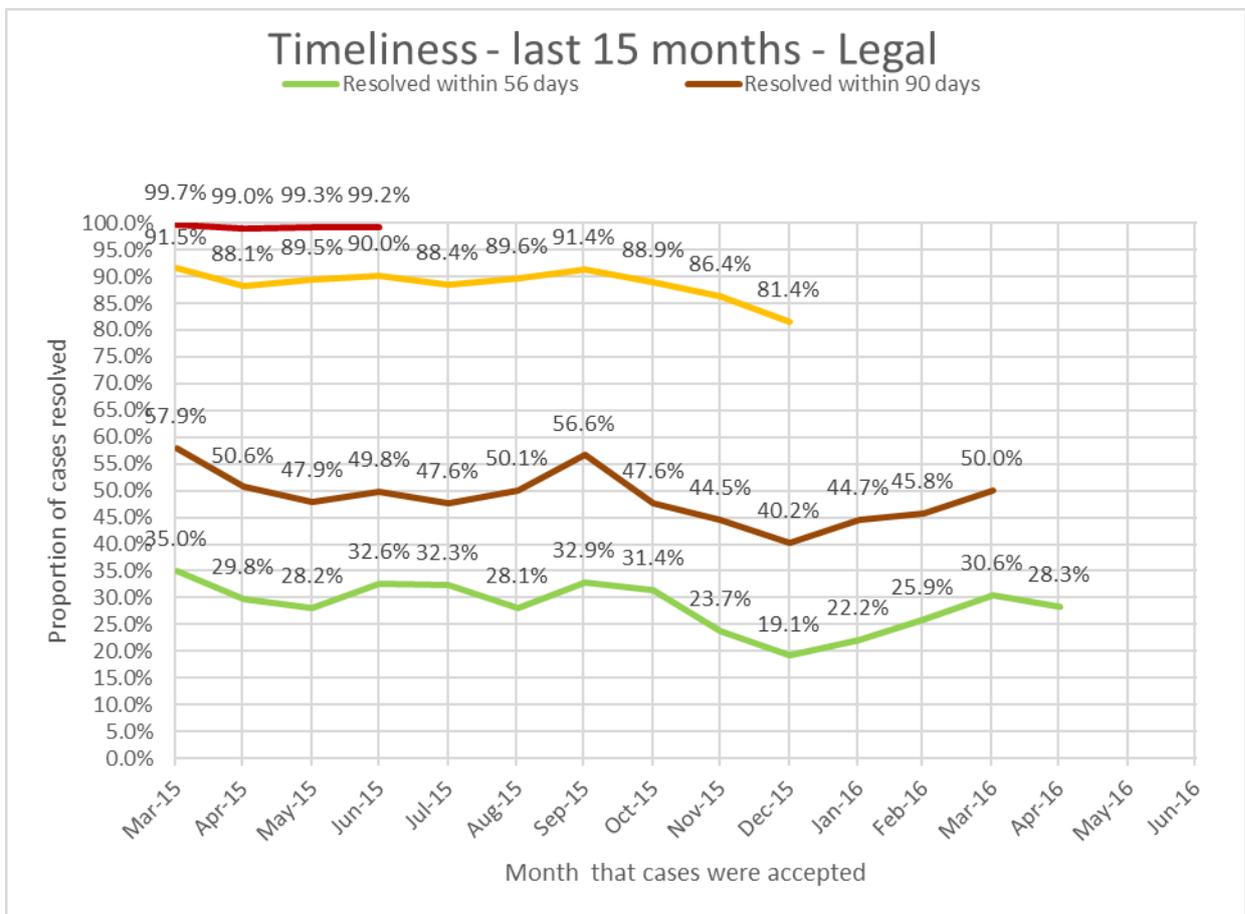
The logo for the Legal Ombudsman, featuring the word "LEGAL" in a stylized, pink, cursive font above the word "OMBUDSMAN" in a bold, black, sans-serif font.

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profession. Notably, it has been pleased by the careful preparation and promising beginning to a scheme to conduct ‘outreach work’ to assist law firms in improving their complaint handling.

Set out below is our narrative, including identification of trends, underlying reasons and proposed actions.

Timeliness:



90 day performance: Performance has consistently improved over the quarter rising to 50% in June as a result of a renewed focus on case progression, a new unallocated

case initiative and the above mentioned recruitment of additional staffing (although not yet to full capacity due to induction and training).

180 day performance: Performance has reduced over the quarter to 81.4% in June, but this can be seen as the 'tail end' of the fall in performance against 56 and 90 day measures from the work allocated in quarter 3 2015/16 (as seen in the above graph).

Actions:

A number of initiatives are detailed in the LeO business plan which are designed to positively impact upon timeliness. Priority is, however, being given to the following activities:

A small team has been established to review the backlog of cases within the Resolution Centre. This team are assessing the quality of the information we have received to ensure that the case is ready for investigation, the complexity of the case and then identifying and subsequently attempt to resolve the less complex cases immediately by informal resolution. This project will run for a period of three months and the findings will inform our wider business process review and, ultimately, our transformation programme.

It has been identified that the use of the telephone in the resolution of complaints has hitherto been limited. There is now a clear expectation that telephone communication should be the primary method to communicate with our customers, unless specified otherwise. This change has been communicated to staff and should impact positively on timeliness performance in the next quarter as a result of increased informal resolutions.

Ombudsman work in progress is again rising. During the quarter under report, changes have been made to the more senior ombudsman grades. The recently appointed Senior Ombudsman is developing a plan to achieve greater productivity and efficiency of the ombudsman resource. At the time of writing this letter he has been in post for less than two weeks. Once the plan is complete, it will be shared with the LSB.

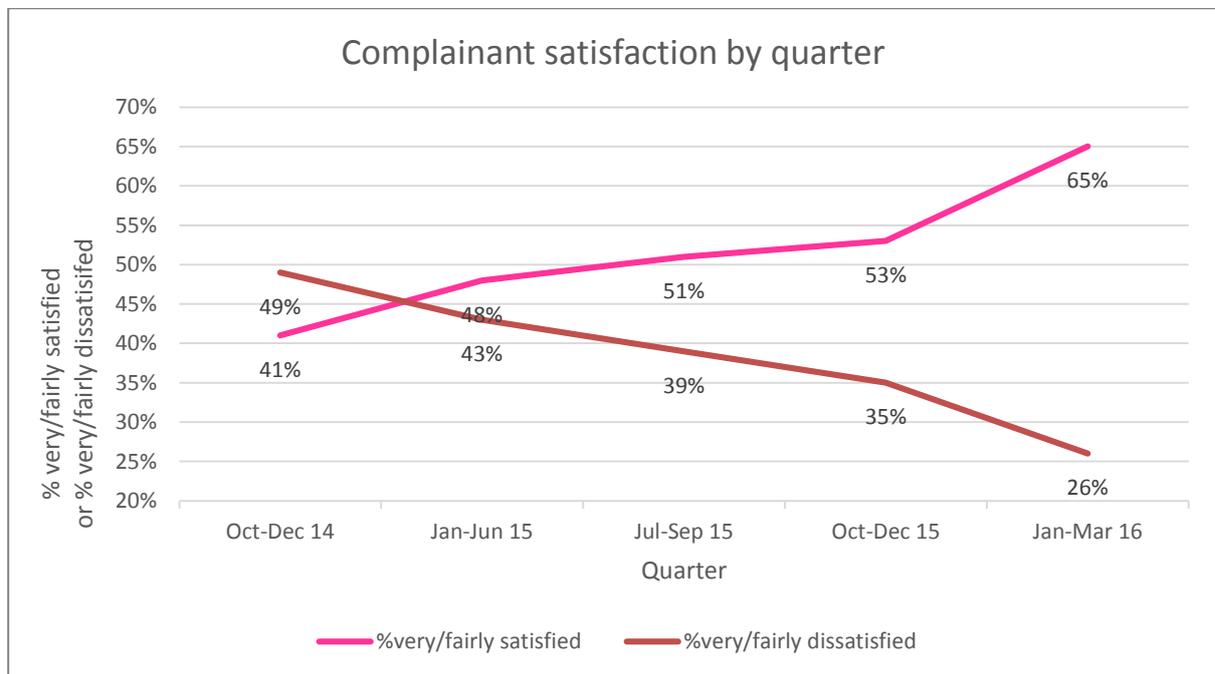
Progress against these initiatives will be reviewed by the OLC Board at their September Board meeting.

Costs:

In this quarter we have introduced new measures for costs so that we are able to measure the actual cost of handling the complaint within our Assessment Centre and at the investigation stage of the process. The cost of complaints (the work in the Assessment Centre) is in line with budget forecast, and this is anticipated to continue. The cost of investigation is higher than the budget for the quarter as a result of the low number of cases resolved compared to budgeted numbers. It is anticipated that this measure will fall within target once the backlog of cases has been reduced and no other corrective action is proposed at this time.

Quality:

The results for the final quarter of the last financial year show that a combined 66% of complainants and lawyers were satisfied with the service we provided. This is a significant improvement on previous quarters, notably for consumer satisfaction, which has risen over the year from 48% to 65% being very or fairly satisfied as seen in the graph below.



This improvement follows the introduction of a new approach to quality processes within the organisation with a greater focus on the customer experience. We have built on this further by developing and implementing customer service principles, which provide both LeO and the OLC Board with an evidence based understanding of the needs and expectations of all of our customers.

During this quarter we have also introduced additional customer surveys at key points of the customer journey; namely the initial contact and investigation stage of the process. This allows us to understand the complainant's experience of the service we provide regardless of outcome. Response rates to these surveys are in line with industry standards at 16% for the quarter. Initial results indicate very high levels of satisfaction when complainants first access our service at the initial contact stage but somewhat less so once an investigation has commenced. The results of these surveys will continue to be collated and analysed with a view to the OLC Board setting targets for the second half of the performance year. No corrective action is required at this time.

In conclusion, whilst it would be unwise to predict a completely unbroken pattern of improvement from this point onwards, there is optimism among the OLC Board that the outlook is promising. The OLC Board believes that the strategic approach it has taken to performance improvement is now bearing fruit and the progress being made by the new leadership of the organisation is certainly impressive.

If you require any further information on any aspect of this report then please let me know.

Yours sincerely,



Steve Green
Chair
Office for Legal Complaints