

FOR IMMEDIATE RELEASE:

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LSB agrees that continued simplification of the regulatory regime is needed

Today's OFT report on how changes to the regulation of legal services brought about by the Legal Services Act 2007, have improved the competitive environment is a welcome addition to the expanding knowledge base on legal services.

It reveals a changing and evolving legal services market, adjusting to meet the needs of consumers, but flags up the danger that regulation may not be moving at the same speed as the market.

Whilst the report highlights the welcome progress in complaints infrastructure - with the arrival on the scene of the Legal Ombudsman and new signposting rules – it confirms earlier LSB findings that there is more to do to ensure clear communication to consumers. This is one reason why the LSB has issued clear [regulator-by-regulator action plans](#) for improvements. This report add further justification for action and so we will also ask each regulator to reflect on the OFT's findings as they deliver the improvements needed.

The report also contains a more fundamental message about the need for continued simplification of the regulatory regime.

On both ABS approvals and education and training, it highlights concerns that regulatory requirements are over-elaborate and, potentially, getting in the way of innovation and growth. It also highlights the problems of regulatory inconsistency and complexity caused by the existence of reserved activities.

Chief Executive of the Legal Services Board, Chris Kenny, said:

“The OFT’s report is a timely reminder that much more needs to be done to modernise legal services market and make it more consumer friendly.

The fundamental issue which the report raises is one of the continued simplification of both the design and the operation of the regulatory regime.

This is an issue already identified by the LSB and we have signalled in our draft Business Plan for 2013/14 that we will be commencing work on the cost and complexity of regulation

generally. We will also be looking to hold regulators to account as they move towards regulating by clear outcomes rather than elaborately detailed rules.

It is also why we will be underlining the need for solutions which allow more diverse routes of entry to the legal services market as a whole - not just its current professions - through the education and training review.

It's that kind of simplification which will deliver more responsive services and more empowered consumers in the long-run. But that's no reason to go slow on activity in the short-term to tackle some of the issues identified in the report."

ENDS

For further information, please contact our Communications Manager, [Vincent McGovern](#), on 020 7271 0068.

Notes for editors:

1. The Legal Services Act ("The Act") created the Legal Services Board as a new regulator with responsibility for overseeing the regulation of legal services in England and Wales. The new regulatory regime became active on 1 January 2010.
2. The LSB oversees eight approved regulators, which in turn regulate individual lawyers. The approved regulators, designated under Part 1 of Schedule 4 of the 2007 Act, are the Law Society, the Bar Council, the Master of the Faculties, the Institute of Legal Executives, the Council for Licensed Conveyancers, the Chartered Institute of Patent Attorneys, the Institute of Trade Mark Attorneys and the Association of Costs Lawyers.
3. In addition, the Institute of Chartered Accountants in Scotland and the Association of Chartered Certified Accountants are listed as approved regulators in relation only to reserved probate activities.
4. The legal profession currently consists of 15,309 barristers, 119,641 solicitors and 12,145 individuals operating in other aspects of the legal profession such as conveyancing. The sector is currently valued at £25.49 billion per annum (total turnover in 2010).