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Dear Jane

The development of information remedies in legal services

The Board welcomes the Panel's advice on the effectiveness of current information remedies in legal services regulation and how these could be improved.

We agree with the Panel's view that information remedies which are designed with due care and consideration have the potential to provide real benefits for consumers.

We anticipate that the report as a whole, and the 'criteria for success' in particular, will prove a useful resource not only for us, but for the frontline regulators as well. The report is very timely given the Competition and Markets Authority (CMA) Market Study report which recommended a number of information remedies. In addition to informing the sector-wide response to the CMA report, the Panel's advice will also inform our assessment of rule change applications and regulatory performance work, as well as when we deploy information remedies ourselves.

The Panel's report makes a series of very sound points. These include the difficulty in predicting how consumers' may respond to information remedies and that, linked to this, there is a responsibility on regulators to ensure that the needs of specific groups are met. The importance of assuring effective compliance is also rightly highlighted. We also agree with the Panel about the need for regulators to consider carefully the effectiveness of information remedies, by investing in consumer research, testing, evaluation, monitoring and learning from other sectors. Similarly, we agree that regulators should take account of insights from behavioural science, both in relation to consumers and providers. In supporting the need for these considerations to be taken into account, we recognise that smaller regulators in particular face resource constraints. We would encourage continued collaborative working by the regulators and use of other cost-effective techniques, for example engagement with consumer advisors and third sector organisations, to help design effective remedies within available means.

It is also helpful that the report has highlighted the importance of publicity, clarity, timing and the prominence of information as significant factors in the success of information remedies. The reference to the client care letters research is useful in illustrating this point. As you know, the research suggested that, while there should be a clear reference to the complaints procedure in the client care letter, consideration should be given to delivery of further information. For example, whether more detailed coverage is better delivered in separate leaflets, or whether reminders could be sent later on in the legal process.

As you will be aware, the LSB's first-tier complaint handling requirements and the accompanying guidance for regulators are one of the areas in which the LSB itself deploys information remedies. These requirements were reviewed by the Board in May 2016 and in light of the client care letter research, we again considered those requirements. We noted as set out above that the research findings concluded that client care letters should contain a clear reference to the complaints procedure. In our view, the issue highlighted in the research relates to the need for front line regulators and providers to continue to consider how best to signpost to complaints procedures in addition to the reference in client care letters.

On behalf of the LSB, I thank the Panel for its considered advice.

Yours sincerely,

A handwritten signature in black ink that reads "Helen Phillips". The signature is written in a cursive, flowing style.

Dr Helen Phillips
Interim Chair