

LSB assessment of market transparency action plan

Council for Licensed Conveyancers (CLC)

Date action plan was published: 29 June 2017

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

LSB assessment: SUFFICIENT.

1. CLC's operating context is a key factor in our assessment. CLC is a specialist legal regulator. CLC regulates at both firm and individual level. Many of the customers using licensed conveyancers are individual or small business consumers requiring transactional services. The CMA's recommendations were focused primarily on the domestic retail market which means that this area of law is well suited for the information remedies proposed by the CMA. Against this background we are satisfied with the plan as published by the CLC.
2. In particular, we welcome the CLC'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 are pleased to note that the CLC, CILEx Regulation and the SRA are working together to generate a quote generator for conveyancing. We commend the leadership the CLC is providing through its Chief Executive chairing the Remedies Programme Implementation Group.
3. We commend the CLC for its work in developing a badge which regulated firms must display on their webpage and which links back to the firm's registered details on the CLC webpage. We encourage the CLC to share its expertise in this area with other regulators.
4. We highlight the following issues in relation to the action plan:
 - While this information was not included in the action plan CLC has clarified that they have undertaken work to look at charging structures and approaches over the last few years through their Annual Regulatory Returns. These have looked in detail at how firms set about determining their charges. CLC has also undertaken a trawl of quote generators on

conveyancers' websites to inform the work it is leading to develop a template for the entire sector.

- Compared to some other regulators, the action plan contains limited details on the transparency proposals, although we acknowledge the action plan commits to consulting across all four areas identified by the CMA: price, quality, redress and regulation. We have clarified with the CLC that it will publish a substantive consultation with a series of concrete proposals on price and quality transparency.
- CLC has clarified with us that the consultation will consider the correct mix of mandate, guidance, encouragement and support to achieve the desired outcomes for consumers while giving firms flexibility. In relation to this issue, 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 conveyancing services. If the CLC decides to rely on voluntary guidance we would ask it to evidence that this approach is already working in its sector in relation to similar matters and to actively review and evidence (in due course) that providers are sufficiently transparent.
- Our suggested template asked regulators to provide information against a number of areas. The action plan is silent on the area of consumer testing. We acknowledge that CLC has limited resources for such activity, but encourage it to work with other regulators if possible or, as a minimum, seek to learn lessons from research carried out by others. Related to this, although not explicitly addressed in the action plan, CLC has assured us that the LSCP principles regarding information remedies will be considered when developing the forthcoming consultation. These principles highlight areas to be aware of when developing information remedies which are helpful to consumers.
- The action plan is unclear about what options the CLC is considering to enhance transparency around the quality of services provided by licensed conveyancers. We have clarified with CLC that it is considering a number of transparency options including proposals on first-tier complaints and disciplinary information as well as broader work around what indicators consumers would find most useful. The CMA's recommendations envisage that quality information might also be integrated into the published register of licensed conveyancers on the CLC's website. As we set out in our document explaining how we will assess action plans, if no action is contemplated, we would ask the CLC to give reasons why action

is not planned and explain the governance process used to reach this decision.

- We recognise work is underway to encourage providers to use feedback platforms via mechanisms other than guidance. The CLC has clarified that it will provide guidance in this area, as recommended by the CMA. The action plan highlights 'scope' for regulators to do this and discusses a role for representative bodies. We consider there should be more information on this in future documents.