

EMBARGOED until

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LSB outlines blueprint for deregulation

The **Legal Services Board** (LSB) publishes today a major set of proposals for the future of legal regulation. This fundamental review of the way in which the 2007 Legal Services Act is working has been submitted to the Ministry of Justice as the LSB's response to its review of the legal services regulatory framework.

The LSB argues that a next phase of reform is needed to:

- secure a liberalised market which offers greater innovation, choice and value and better supports domestic and export growth for legal services and in the wider economy, and
- tackle major risks to both public and consumer interest proportionately.

The LSB has therefore drafted a blueprint for incremental, but significant change. Specifically it proposes:

- immediate action by the LSB and existing regulators to target regulation at identified risks, rolling back rules where this justification does not exist
- simplification of the legislative framework for legal services significantly over the next 2-3 years
- rights for consumers of all legal services to access the Legal Ombudsman and new freedoms for the Office for Legal Complaints to develop its services, and
- development of timetabled and costed proposals for a new framework in which a single legal services regulator unrelated to any existing regulator, including the LSB should be the core model to be tested.

The LSB makes clear that greater independence is the crucial element in securing better regulation. A return to pure self-regulation by the professions alone is firmly dismissed. Practical experience has convincingly shown it to be a driver of cost and not to work in either the public, the consumer or the legal services sector's best interests.

Chairman of the Legal Services Board, **David Edmonds** said:

“The last five years have seen an unprecedented period of change, with improvements in regulation helping to foster a range of new businesses. The reforms in the Act have allowed new investment in, and non-lawyer management of legal firms. Regulators have increasingly started to express requirements in terms of outcomes, which can be met in many ways.

But success has shown that radical change is needed to simplify regulation further and target it more effectively. More could have been achieved, faster with a simpler statutory framework and bolder, more market sensitive, more independent and less risk averse regulators.

Our prescription does not turn the clock back. More not less change is needed in mechanisms for market entry; regulation needs to be further detached from the influence of the provider towards the consumer; and simplification at every level can be delivered.”

ENDS

For more information please contact the LSB’s Communications Manager [Vincent McGovern](#) on 020 7271 0068 / 0795 622 6562.

Notes for editors:

1. The Legal Services Board’s response to the Ministry of Justice’s review can be found [here](#).
2. The Legal Services Act 2007 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.
3. The LSB oversees eight approved regulators, which in turn regulate individual lawyers and organisations. The eight 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 Chartered 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 Law Costs Draftsmen.

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. As of 1 April 2013, the legal profession comprised 126,624 solicitors, 15,335 barristers, 7,947 chartered legal executives and 4,184 other individuals operating in other areas of the legal profession such as conveyancing. The sector is valued at £25.49 billion per annum (total turnover in 2010).