

# "Legal services that everyone can access and trust"

### Making it happen – removing barriers to innovation

Legal Futures Innovation Conference 28 November 2019

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### **Caveat**



General election purdah

## Agenda



- LSB: who and why
- Confidence, capability, access (and innovation!): questions for debate
- LSB work in hand

### Who

- Oversight regulator for legal services regulation
- Established through Legal Services Act 2007
- Took on full responsibilities 2009: 10 years old
- 2019/20 budget £3.8m, 32 FTE approx.
- Funded through levy on regulators: no exchequer funding

# Why...

#### **Individual consumers**

On average, the equivalent of **7-8m** people experience a legal problem every year

- Sector had £35.2bn turnover in 2018 & growing
- Comprises 18% of UK service exports
- Employs 348k+ people

#### **Economy**

#### **Small businesses**

- 3 out of 10 small businesses faced a legal problem (2016/2017)
- £40bn estimated annual losses to small business due to legal problems

- The rule of law underpins our democracy and economy
- 1m individuals suffered ill health as a result of legal problems

Society and public interest



#### The vision



# "Legal services that everyone can access and trust"

# What does that mean from a consumer perspective?



- Public **confidence** in legal services
- Capability to engage with legal services
  - (including recognising when they might help)
- Access to high quality legal services that meet people's needs

# ...confidence, capability, access

## For example



- Public confidence in legal services
  - Regulatory standards that reflect public expectations. Consequences for not delivering. Clear redress mechanisms
  - Better information on quality and price which also drives competition
  - Improvements in equality and diversity: a legal profession that resembles the communities it serves builds confidence
  - Taking the public on the innovation journey...
- Capability to engage with legal services
  - Public legal education, better general consumer info
  - Delivering in ways that reflect day to day experience/preferences
- Access to relevant legal services
  - In theory: competition drives exploitation of tech and service innovation, reduces cost, increases access and diversity of provision

### Confidence



- Taking the public with us on the innovation journey
  - Transparency who (or what) am I talking to? Who has my interests at heart? Who takes responsibility when it goes wrong?
  - Testing does it work? <u>How</u> does it work? How do I <u>know</u> it works?
  - The "yuk" factor: even if I can answer the other questions, am I comfortable?
    - NB this goes beyond ethics and into taste cf slow acceptance of GM foods
    - And not confined by any stretch of the imagination to the legal sector

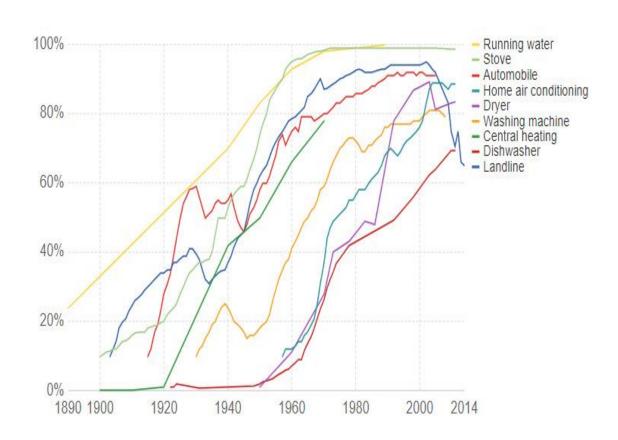
# Capability

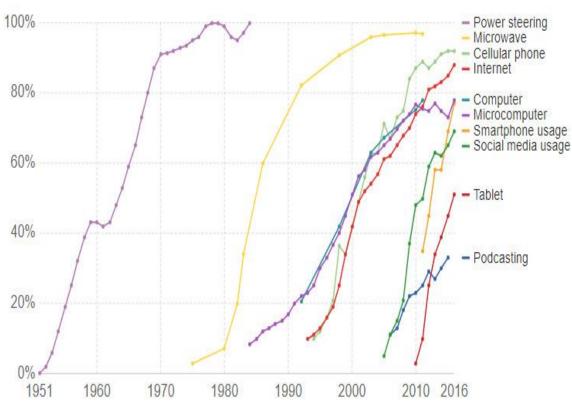


- Delivering in ways that reflect day-to-day experience/preferences
  - Does this look like something I recognise (from another context)?
  - Conversely, does it look different enough from something that might put me off legal services?
  - Can I work it?...or do I need a lawyer to walk me through it?
  - AND society has growing appetite for innovation...

## Technological uptake (US)





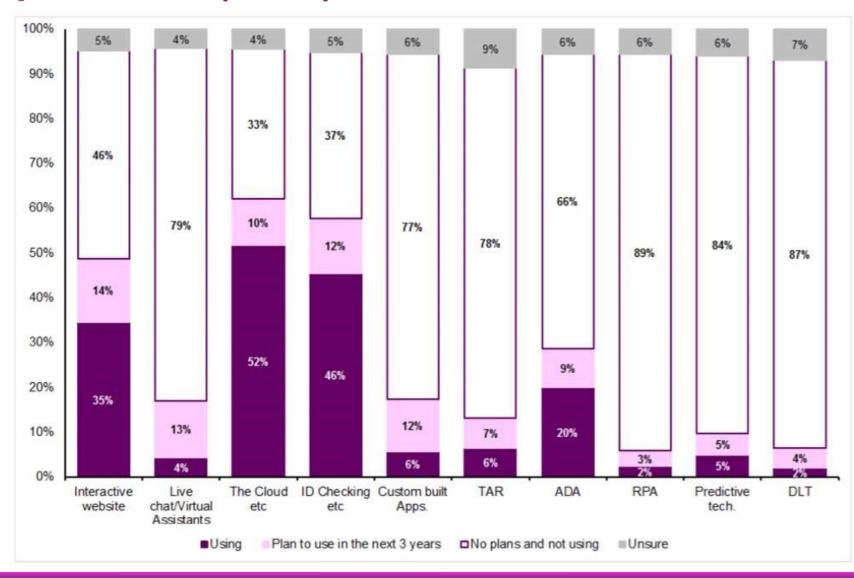


Source: Visual Capitalist 2018



In fact, it's possible appetite might be higher on the part of consumers than it is for providers...

# Levels of technology use by different groups of providers (2018)





### Access



- In theory: competition drives exploitation of tech and service innovation, reduces cost, increases access and diversity of provision.
  - But why isn't this happening?
    - Regulation seen as a barrier? Yes but decreasing in importance
    - Right environment for developments in place e.g. sandboxes?
    - Sufficient competitive pressure to change business models e.g. price/quality info?

## ...and...what does it mean for professions?



- Erosion of information monopoly?
- Mitigation of asymmetries
- Concept of "middle men/people" increasingly redundant eg through DLT, self serve, crowd-sourced advice
- What will it mean to be a lawyer in 2030, 2040, 2050?
- What will it mean for education & training, standards? (remember long lead-in times)
- What will it mean for relationship with client?

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#### Most searched:

Accountants and Auditors
Lawyers
Computer Programmers
Teachers and Instructors, All Other
Software Developers, Applications
Taxi Drivers and Chauffeurs
Graphic Designers
Software Developers, Systems Software
Engineers, All Other
Veterinarians

## Big questions, what is the LSB doing?



- Current Technology Project Developing approaches to regulating technology
  - Research papers and 'Talking Tech' podcast on Apple Podcasts, Android and Spotify
    - International approaches to LegalTech Alison Hook from Hook Tangaza
    - What can we learn from medicine and finance Professor Roger Brownsword, King's College London and Bournemouth University
    - Technology and the Legal Services Act 2007 Professor Noel Semple
    - Blockchain Dr Anna Donovan, Faculty of Laws, University College London
- https://www.legalservicesboard.org.uk/our-work/current-work/technology-and-regulation

# Big questions, what is the LSB doing?



#### The next few months

- January Further papers and podcasts, including one focusing on ethics and technology – Contributions welcome
- February 'Perspectives' papers with views from tech developers, law firms, regulators, consumer bodies and others on how regulation can support innovation that improves access to justice
- March 'Perspectives' event to get the views of stakeholders about how regulation can support innovation – Do get involved
- April LSB 'lessons learned' paper and next steps



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The future is already here – it's just not evenly distributed William Gibson, The Economist 4 Dec 2003