



Solicitors
Regulation
Authority

**Consumer views and their experiences on using
solicitor services and their awareness of the Solicitors
Regulation Authority**

Baseline research report for the Solicitors Regulation
Authority

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1. EXECUTIVE SUMMARY

The Solicitors Regulation Authority (SRA) is the independent regulator of more than 100,000 solicitors in England and Wales. Our primary purpose is to protect consumers by ensuring that solicitors meet high standards of conduct and that we take appropriate action where risks are identified.

As a relatively new regulatory body, operating in an area where there is significant legislative and regulatory change underway, the SRA has been keen to engage with and understand the concerns of legal service consumers. In order to get a better feel for the risks that might exist in the current regulatory landscape and to help us decide how most effectively to engage with consumers and improve confidence in legal services, the SRA commissioned targeted qualitative and quantitative research in August 2007.

In addition to providing some baseline information on consumer attitudes to the provision of legal services and the SRA as a regulator, the research was designed to explore the specific policy issue of referrals to gain an understanding of consumer attitudes and views on referral arrangements. This is an area where the SRA had already identified the potential for regulatory risk and where we were keen to improve our understanding of consumer awareness and sensitivities.

1.1 Research Approach

The research took the form of an omnibus survey of almost 1000 adults in England and Wales, all of whom had used a solicitor within the last 5 years, and a series of focus groups held across the UK. The outcomes of the research raised a number of issues for the SRA and will inform our regulatory approach over the coming year. The research also raised a number of issues of interest for the Law Society and the Legal Complaints Service. The SRA has shared the conclusions with both organisations, and will be involving them in addressing some of the findings.

1.2 Key research findings

The research covered three broad areas:

- Consumer experience of solicitor services, with a particular focus on conduct, complaints and satisfaction
- Understanding and expectations of the SRA as a regulator of the solicitors profession
- Understanding and attitudes towards the specific issue of referral arrangements

The full research findings can be found in Appendix 1

a) Consumer experience

Overall, the research found that 65% of consumers were satisfied with the services that they had received from solicitors. However this level of satisfaction was balanced by 19% of consumers who were dissatisfied with the service they had received.

Looking in more detail at the drivers of dissatisfaction amongst consumers, it became clear that dissatisfaction was felt most strongly by those consumers who had used solicitors to deal with matrimonial and personal injury cases.

Apart from unhappiness about the outcome of a case, there were three key areas where concerns were expressed:

- **Communications** – Consumers felt alienated by the use of jargon, were confused by the volume of paper that they were asked to deal with by solicitors and felt frustration and a loss of control from not being kept up to date on progress.
- **Cost** – There was a strong sense of dissatisfaction about the level of fees charged by solicitors, which was exacerbated by the fact that consumers felt there was a lack of transparency around charging structures and no cap to overall costs. These concerns fed into a general feeling that solicitors had incentives to delay cases unnecessarily.
- **Delays** – Linked to cost concerns was a suspicion amongst consumers that cases were unnecessarily delayed in order to increase solicitors' fees. There was also concern at the fact that there was very little transparency about the length of time that a case was likely to take and a general sense that simple tasks took too long to perform.

In addition to these core points, the qualitative research in particular highlighted a broader sense amongst consumers that solicitors failed to deliver sufficient support and personalised service to their clients. This issue was accentuated by the fact that consumers often engaged solicitors at times of vulnerability and emotional stress.

b) Regulation and the SRA

In focusing on the role of the SRA and regulation, consumers did not make an easy distinction between what was a conduct issue and what might be a service complaint. They expressed a need to be able to access the right people when things went wrong in their relationship with their solicitors.

The research highlighted a high level of confusion amongst consumers about the bodies that they might usefully turn to and the sort of issue that might merit complaint. Interestingly, many consumers identified the Citizens Advice Bureau as their first point of contact when raising a complaint about their solicitor.

Overall the research showed a perception amongst consumers that the legal profession is under-regulated, which tied into limited awareness of the existence and respective roles of the Legal Complaints Service and the SRA. Whilst there was some awareness of the Law Society as a body responsible for solicitors, consumers indicated that they felt that this was a body that represented the interests of lawyers and as such was unlikely to give any complaint a fair hearing.

Perhaps unsurprisingly, given the SRA was only launched in January 2007, there is currently a very low awareness of the organisation. However, when asked what consumers thought a body with this title would do, then they were quick to identify its role as managing standards within the profession.

c) Referrals

Turning to the specific policy issue of referral arrangements, the research indicated widespread ignorance of the practice (68%) and 39% of respondents said that they would have concerns about the independence of advice that they received if they knew that they were part of such an arrangement.

In light of these clear concerns, the focus group research was used to probe in more detail precisely what it was that gave consumers cause for concern about referral arrangements. This more detailed investigation revealed that transparency was seen to be the main issue and that consumers were comfortable with the concept of referral arrangements as long as their existence was made clear and there was full disclosure of the fee involved.

1.3 Conclusions and future work

This first tranche of consumer research for the SRA has been valuable in creating a clear benchmark against which we can measure the success of our future consumer engagement strategy. It has also been valuable in highlighting some important areas where the SRA needs to focus its efforts in the short term, if one of our key objectives of building consumer confidence in the profession is going to be met.

Building on the lessons learnt from this exercise, the SRA is developing a comprehensive strategy for consumer engagement going forward. The initial work to progress the consumer engagement agenda will include:

- Consumer empowerment through targeted provision of information and education initiatives
- Adaptation of solicitor training to take on board learnings from the research programme
- A series of events designed at promoting the role of the SRA to consumers and building confidence in the regulation of legal services

- Building effective partnerships with key consumer groups and other organisations to share and collaborate wherever possible on consumer engagement projects.

2. INTRODUCTION

The Solicitors Regulation Authority (SRA) is an independent body, operating as part of the Law Society but separated from the representative body, and regulating over 100,000 solicitors in England and Wales. It operates in the interests of the public to uphold solicitor standards and the industry code of conduct.

Our purpose is to protect the public

- by ensuring that solicitors meet high standards
- by acting when risks are identified

The solicitors' profession includes single-solicitor practices and huge firms with a global presence and thousands of lawyers. Solicitors also work in the justice system, in government and within companies. All solicitors follow the same professional principles and code of conduct. We provide advice to help them do so.

Established in January 2007, our strategy is to set, promote and secure in the public interest standards of behaviour and professional performance necessary to ensure that clients receive a good service and that the rule of law is upheld.

In delivering against that goal we will:

- promote equality and diversity
- act independently of, but in consultation with, our stakeholders including consumers, the profession and its representative bodies, the judiciary and government
- operate in accordance with Good Regulation principles adopting a risk-based approach to regulation
- be open and accountable
- demonstrate value for money

Our key objectives include:

- Setting the standards for the profession and enhancing competence, performance and ethical conduct of solicitors
- Monitoring compliance with standards and providing support and advice to solicitors in how best to meet the standards

- To protect consumers by ensuring effective professional indemnity and compensation fund arrangements and tackling unacceptable behaviours
- To promote choice, innovation and accessibility in the provision of legal services through various types of business structure
- To provide information to help consumers to make decisions about legal services and to understand the standards they are entitled to expect

2.1 Background

In delivering against the objectives outlined, there is a clear need for the SRA to have a strong understanding of what consumers expect from solicitors and where they may currently have concerns about the standard of service that they experience. As no research on this specific issue existed, it was clear to the SRA Board that consumer research would need to be carried out in order to benchmark consumer attitudes and inform the focus of the SRA's regulatory activity in future.

The objectives of the research were therefore driven by the SRA's need to inform work on its own regulatory objectives, in particular those associated with setting appropriate professional standards and furthering consumer choice and awareness.

We were also interested in using research to identify consumer attitude and views around the specific issue of referrals as a method for solicitors to acquire clients. This issue had been identified by the SRA Board as a key area of policy where concerns and risks had been identified and as such there was a desire to understand whether consumers supported the principle of referral arrangements and their views on the practice.

Overall, the research brief developed for the SRA was focused on two broad areas:

- I. Broaden the Solicitors Regulation Authority's understanding of the consumer experience of solicitor services
- II. Explore consumer awareness and understanding of the SRA
- III. Broaden the SRA's understanding on how consumers could add value and contribute to key areas of regulatory policy and decision making.
- IV. Explore ways of engaging consumers through research

3. RESEARCH APPROACH

The aim of consumer research is to better understand the attitudes and behaviours of consumers. It can be used for any number of reasons: understanding the decision making process, brand preference, communications development, new product development, and so on.

Often companies and organisations commission primary research to explore specific issues relevant to their objectives and category in order to find relevant and unique insights. On occasions, secondary research can be used to bring together and assess data published previously in order to draw conclusions based on a combination of sources.

There are two main consumer research methodologies - qualitative and quantitative.

Qualitative research

- Commonly associated with the term 'focus groups', qualitative research is often used as exploratory research, to understand motivations, identify problems, probe values and beliefs of specific individuals.
- It can take the form of either single depth interviews, with one or two respondents, or with a bigger group of between six and eight people, which is the more conventional focus group structure.
- The strength of qualitative research is its ability to uncover hidden issues and connect with the more subtle, complex and emotional dimensions of peoples' attitudes. It is not very good however, at providing conclusive answers as sample sizes are often small and should not be simply extrapolated.

Quantitative research

- Quantitative research is the method commonly associated with opinion polls, and is used by companies or organisations when they are looking to sample large groups of people.
- Because of its larger sample size, quantitative research offers statistically sound findings and is good at providing a snapshot of the 'big picture' of aggregated group behaviour. However, unlike qualitative research, it does not provide any nuanced insight into motivations or behaviour of individuals.

Because of the different strengths and weaknesses of these two research methodologies, they are often used in tandem. Quantitative research allows the commissioning body to understand the 'big picture' into 'what' is happening and to 'whom', whilst qualitative research focuses on understanding 'why' certain issues are arising.

3.1 Research approach for the SRA

The specific research approach for the SRA was built around some key assumptions about the outputs that were required and the audience which the SRA wanted to reach.

Critically, it was felt important that the respondents for the research were consumers, as opposed to consumer groups, in order that we could get unmediated findings, straight from consumers.

It was also felt important to conduct primary research, as opposed to secondary research. This was for a number of reasons, including: the absence of readily available data in this category; the need to conduct research that was reliable, valid and relevant now, as opposed to several years old and potentially outdated; and finally, so we could explore in detail, specific questions unique to the SRA.

Since this was the first piece of consumer research targeted at legal services and their regulation, it was felt imperative that we understand the 'big picture', i.e. who is using solicitor services, how many, how often, how satisfied are they and so on. This requirement drove the inclusion of a significant element of quantitative research.

A qualitative element was also introduced in order to further explore consumer perceptions and gain a better understanding of their behaviour and attitudes to solicitors. Qualitative research allowed us to probe some of the findings that the quantitative research had suggested, giving a more complete picture of consumer behaviour. The qualitative research also enabled us to further explore the area of referrals with consumers' arrangements to inform our own discussions and decision on a key policy area of concern.

3.2 Quantitative – survey

The methodology employed for the quantitative research was a telephone omnibus survey. The survey, conducted in the summer of 2007, was based on a nationally representative sample drawn from England and Wales only (the SRA does not regulate solicitors in Scotland or Northern Ireland).

The survey was designed to explore the following, at definite quantitative levels:

- Number of people who have used solicitor services in the last 5 years
- Usage (broken down across different solicitor service types)
- Absolute levels of satisfaction
- Number of consumers who have made complaints
- Consumer awareness of which organisations they can take their complaints to

By using an omnibus survey, we could cross reference all the findings by demographic indicators such as age, region and working status. This allowed us to explore differences in findings, if any, across these different demographic breaks. A limitation of this research was that it was not inclusive in relation to ethnicity and disability. To understand whether there were differences or correlations in the views of individuals from the diverse groups was also not possible during this research. However, the SRA is committed to inclusive consumer engagement and is exploring ways of engaging in the future with the diverse range of consumers who use solicitor services.

3.3 Qualitative – focus groups

Given the research was designed as a preliminary and exploratory tool, qualitative methodologies were chosen as a secondary research tool.

The research was therefore conducted in two parts – first the quantitative and then the qualitative. Analysing the demographic breakdowns of the quantitative research findings meant that we were able to make more informed decisions about which consumers to sample in the qualitative research.

Drawing on these findings from the quantitative research, the sample for the qualitative research was devised as follows:

- All to have used solicitor services in the last 5 years
- Mixed across different social grades
- Experience of a range of solicitor services, with at least 1 each of the following in each group: conveyancing, wills, matrimonial and personal injury
- Some ethnic representation for diversity purposes
- 2 x groups 25-44 years old, 2 x groups 45-64 years old
- 2 groups conducted in London, 2 groups conducted in Leeds

The qualitative research through the focus groups provided the opportunity for the SRA to explore in more depth key areas and issues arising from the quantitative research, including the referral arrangement issue.

4. RESEARCH FINDINGS

The overall outcomes of the quantitative and qualitative research provided useful baseline insights into some of the current gaps in consumer knowledge, as well as highlighting areas where SRA engagement around consumer education and focused work to improve solicitor standards would be most effective.

In general terms, the outputs of the research focused on the following key areas:

- Overall levels of consumer satisfaction with solicitor services
- Consumer expectations of solicitors
- Key areas of concern / dissatisfaction
- Awareness of complaint mechanisms
- Profile of the SRA

In addition, there were focused outputs around the specific issue of referrals.

4.1 Consumer Satisfaction

- **65% of consumers indicated that they were satisfied with the service they received from their solicitors**
- **19% said that they were dissatisfied**
- **Matrimonial and personal injury cases were the key areas that consumers expressed dissatisfaction**

As part of the quantitative research, we asked consumers how satisfied they were with their experience of solicitors. Overall, 65% of consumers indicated that they were satisfied with the service they received, whilst 19% of people said that they were dissatisfied.

The results we achieved were also usefully broken down solicitor service type, with matrimonial and personal injury cases being those where consumers expressed the least amount of satisfaction. Whilst the research did not investigate this finding any further, it is possible that these lower levels of satisfaction might be the result of unfavourable outcomes in such cases.

Building on this, the qualitative research allowed us to further probe levels of satisfaction among consumers. It revealed levels of negative sentiment against solicitors that went further than that which was indicated by the quantitative, with respondents commenting, for example, that dealing with solicitors could be “absolutely impossible”. The research went on to explore these findings, investigating what the most common reasons for complaint were.

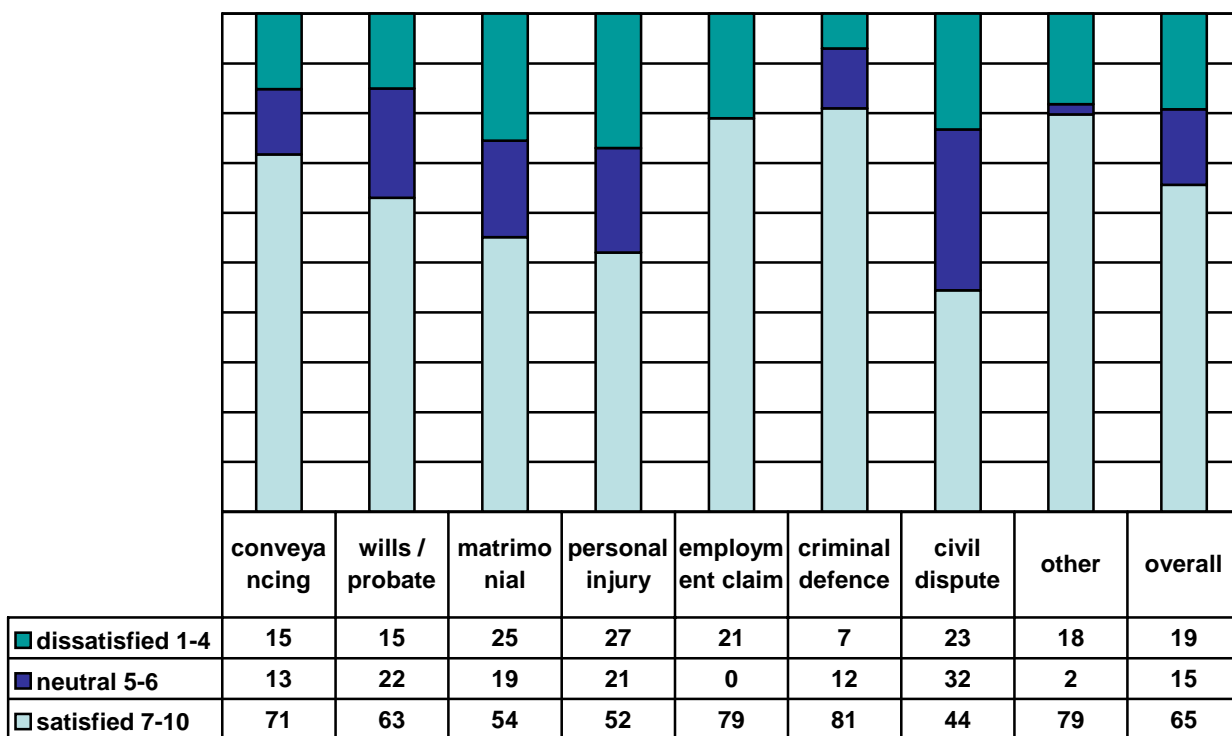


Chart 1: Consumer satisfaction with solicitor services, broken down by service type

4.2 Key areas for complaint

The research found that there were three key reasons that led to consumer complaints about their solicitor. These related to poor communication, delays and costs.

- 38% of respondents indicated that the time taken to perform solicitor services was their main cause for complaint
- 29% cited lack of communication on the part of solicitors
- 16% said costs being insufficiently explained gave them cause for complaint

The quantitative research revealed that there were three main causes for complaint, as indicated in Chart 1. Frustration with the time taken to perform solicitor services was the most common cause for complaint, with 38% of respondents citing this reason. A lack of communication on the part of solicitors and failure to sufficiently explain costs were the next most common reasons, cited by 29% and 16% of respondents respectively.

These three most common causes for complaint were followed by complaints around receiving poor advice (13% of respondents) and customers believing a solicitor had acted unethically (9% of respondents). Though not the main concerns of complaint, these additional findings were not insignificant in terms of the numbers of people who indicated them. That 9% of consumers

indicated cause for complaint around unethical behaviour of solicitors was particularly interesting for the SRA as a regulator. Later in this report we go on to discuss more detailed research findings around this issue, and particularly the separation of service and conduct issues in the minds of consumers.

Issues such as these – seeking the delivery of services within a reasonable amount of time, based on robust advice and with reasonable levels of communication between the service provider and recipient – are categorised as rational needs. Rational needs are the foundation and the basis of the service that consumers expect to receive. They are also the issues that consumers are most likely to readily articulate when exploring satisfaction levels.

Examining these issues qualitatively allowed us to add more depth to our understanding of the importance of rational needs. The three most common areas highlighted by the quantitative research, associated with time, communication and value for money, also came out as key issues in the qualitative research.

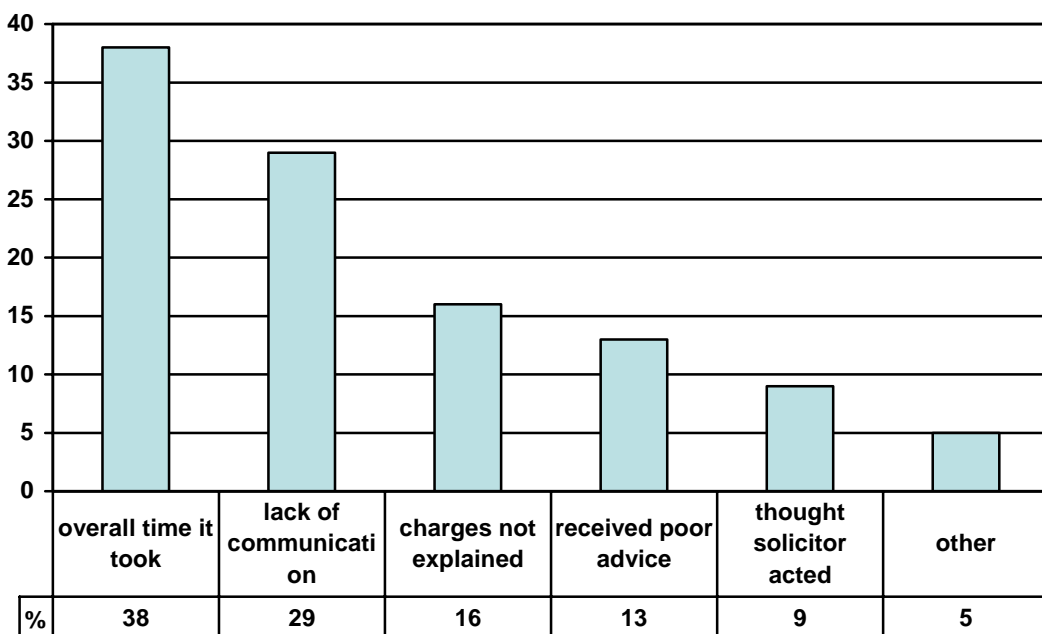


Chart 2: Reasons consumers identified as cause for complaint

a) Time

Concerns related to time played out in a number of different ways:

- The time it took to achieve a resolution.
- The perception that the amount of time a case is likely to take is not properly explained upfront. One respondent commented: “they don’t

prepare you for how long the process is. Knowledge is power and if you had an idea, at least you'd know".

- The perception that time is not an issue for the solicitor, and of a lack of urgency.
- A suspicion that, on occasions, solicitors will stall time deliberately in order to be able to secure greater fees. One respondent commented: "the case drags on so they can make more money out of you".

Our research suggested that, in most cases, it was a combination of the issues identified that gave rise to complaints and furthermore that these were conflated together into larger issues.

b) Value

The quantitative research showed that 16% of people felt cause for complaint because charges were not properly explained. This concern, and its relation to that around achieving value, was supported by the qualitative research.

Although there were some concerns about "extortionate fees" and the occasional example of consumers feeling that they were being deliberately over-charged and misled, in the main these were not significant problems and there was very little sense that consumers were being wilfully ripped-off or cheated.

The research suggested that the reason value remained a genuine concern was, in fact, as a result of the uncertainty that surrounds fees in solicitor services. For consumers who are trained to expect fixed fees - "why can't they have a set fee, like with bank charges" - there is no plausible justification given for solicitors not being able to provide this.

The research suggests that this uncertainty generates suspicion. "The final fee could not be explained, that makes you nervous, and you end up feeling ripped-off". It is also the main driver for the popular perception that "being a solicitor is a licence to print money". The research showed that, in themselves, solicitors' charges are not seen as expensive, but the inability or unwillingness to be clear on the final cost is fuelling consumer concerns around value.

c) Communication

Poor communication on the part of solicitors was another recurring cause for concern that played out in a number of different ways:

- The reliance on traditional, slower forms of communication, like hard copy letters, frustrated consumers, and there was a general lack of understanding as to why it was not possible for solicitors to rely on other more modern forms of communication, such as email and phone.
- A perception that there is not enough clarity of communication. The feeling was that, whether on paper or on the phone, it is very difficult to

understand what is really being meant. A reliance on jargon and technical terms was also identified as problematic.

- Consumers expressed concerns that they were insufficiently informed about what was going on in their cases by solicitors, and as a result feel under-prepared and ill-informed.
- Finally, consumers felt that there is an overall lack of communication. Our research suggests that it is not that information is withheld, rather that it is not particularly forthcoming. A perception that the client that has to actively extract information which should be more readily shared was common, with communications felt to be too short, too rare and not clear enough.

4.3 Consumers' emotional contract with solicitors

In addition to findings around the particular nature of consumers' complaints about services, the qualitative research also highlighted a broader sense amongst consumers that solicitors failed to deliver sufficient support or personalised services to their clients.

Further exploration of this revealed a number of factors that combine to make solicitors' services 'high involvement' for consumers. As consumers come to solicitors at times of personal difficulty – often with a significant amount riding on the outcome and an urgent desire for a resolution, coupled with little or no experience of the situation before – they feel particularly vulnerable and emotionally stressed. This sentiment was not exclusive to any particular type of solicitor service or any particular demographic. Rather, it was characteristic of all solicitor services and demonstrated by all demographics of consumers.

4.4 What consumers expect from solicitors

a) Expected standards

The findings of the qualitative research suggested that there are a number of standards that consumers expect of solicitors, based on these 'emotional' needs, and that dissatisfaction with solicitor services is often based on the fact that these needs are not fulfilled.

For example, as the client paying for the service, consumers want to feel in control of the relationship with their solicitor, but in reality often feel like they are the ones having to drive things forward, resulting in a perceived imbalance of power in the relationship.

Consumers also look to their solicitor for reassurances, particularly given the fact that they engage solicitors at a time of anxiety and with little personal knowledge of the complex processes they need to engage in. However, many consumers felt that in practice, the behaviour of solicitors, including

insufficient communication and inadequate transparency, provided anything but the reassurance they were seeking.

The research also showed that, because of the very personal nature of the issues they are looking for support with, consumers often look to solicitors for a personalised service, seeking qualities such as empathy and concern. Consumers also sought a real advocate for their case in their solicitor, but often felt that in reality they received an indifferent service.

To further develop our understanding of the standards that consumers expect from solicitors, as part of the qualitative research we examined how consumers conceived different professions, and on the basis of what characteristics they grouped them together. The research clearly shows that consumers divide professionals into two groups:

- **Commercial service providers:** characterised by transactional, clearly delineated services, purchased for set sums of money. Consumers classified financial advisers, estate agents, insurance brokers and bank managers as commercial services providers.
- **Personal service providers:** characterised by an ongoing level of physical and/or emotional support and a personalised service not tied to a single transaction. Only General Practitioners (GPs) were put into this group by consumers who fed into our research.

When asked to classify solicitors, the research showed that consumers perceive them as similar to others in the 'commercial service providers' classification, highlighting characteristics in common with financial advisers, estate agents and so on. However, when asked what they looked to the profession for in the receipt of services, consumers showed clearly that they were seeking a personal, trusted service, and the sort of emotional support that is commonly associated with GPs.

b) The Regulators Dilemma – Service vs. Conduct

As a regulator, the SRA's focus is matters of conduct, rather than complaints about service (the focus of the Legal Complaints Service). An associated aim of the research was therefore to examine consumer views on the important distinction between service and conduct.

As indicated in Chart 1, 9% of respondents in the quantitative research said that they had cause for complaint because they 'thought a solicitor acted unethically'. Exploring this further in the qualitative research, we were able to understand more accurately what consumers meant by this term. For most respondents, 'unethical' was a strong term, implying 'crooked', 'deliberately misleading' or 'immoral' behaviour. As such, consumers were hesitant to use the term, and were more likely to refer to aspects of a poor service culture, for example as 'unprofessional', 'uncommitted' or 'lazy'.

This was the case to the extent that, even in examples where consumers felt solicitors deliberately sent duplicate letters to charge double – i.e. in cases where there were clear examples of unethical conduct – consumers felt these to be examples of unethical practice rather than unethical solicitors. Overall, the research showed that the lines between ‘unethical conduct’, ‘poor service’ and ‘failing standards’ were blurry for consumers. Identified standards ranged from ‘honesty’ and ‘transparency’ (matters of conduct) to ‘empathy’ and ‘listening well’ (matters of service).

Because they struggle to distinguish between them, service elements very much form part of standards requirements for consumers. This has clear implications for the current structure of regulation in solicitor services, which clearly delineates between conduct and service. The research showed that consumers are not necessarily aware of this separation, and certainly that they do not make the distinction themselves in respect of solicitor services. If a member of the public receives poor advice, they are not always clear if it is a conduct or a service issue.

4.5 Complaints

Having explored the key motivations for consumer complaints about solicitor services, the research then went on to examine in more detail consumer views around the actual process of making a complaint.

The qualitative research showed that only 2% of respondents had complained in the last five years. This is in addition to the finding, highlighted earlier, that only 19% of consumers were actively dissatisfied with the service they received.

However, the research findings as discussed above have shown that there are clearly a number of respects in which consumers are dissatisfied, and feel that their needs as consumers of solicitor services are not being met. Using the qualitative research, we were able to explore why consumers most often did not, in the event, complain. The findings suggest that there are a number of barriers to complaining which bring about this result.

a) Barriers to complaining

The research showed that there was a series of issues that prevent consumers from more actively expressing their dissatisfaction in the form of a formal complaint:

- Uncertainty
- Fear
- An unwillingness or inability to expend further financial or emotional investment
- Defeatism
- Lack of awareness around who to complain to

- i. **Uncertainty:** The biggest obstacle, and the one that goes the furthest to explain why so few consumers in the quantitative research expressed their dissatisfaction, is that consumers do not know what constitutes cause for complaint about solicitor services. This is based on the fact that consumers, often because of a lack of experience, have little understanding of what to expect when dealing with solicitors. As an example, one respondent commented: “How do you know something is going wrong? You probably just accept what is being said.”
Coupled with the inherently complicated nature of the law, this means consumers tend to be unsure about themselves. The research also suggests that this matter is not helped by solicitors, as many consumers feel very little is communicated upfront about the standards they can expect and on what grounds they would be justified in complaining.
- ii. **Fear:** The research also identified a common perception among consumers that, even if they recognised that they were receiving an unsatisfactory service, complaining might make things worse. As a result of deference to solicitors as an authority figure, and a concern that airing any concerns might result in a less satisfactory outcome, consumers felt unable to voice their complaint.
- iii. **Financial investment:** Consumers also demonstrated an unwillingness to complain based on the financial investment they had made. There was a clear perception that making a complaint risked either escalating the issue to a more senior solicitor, with associated rising costs, or resulting in a need to start again with a new firm, which was felt to result in effectively losing the money invested to date.
- iv. **Emotional investment:** We have already identified that consumers use solicitor services at times of heightened emotional need. As well as the financial implications of starting again with a new firm, consumers demonstrated an unwillingness to risk having to invest again their personal time and efforts, should making a complaint result in them being required to start again elsewhere.
- v. **Defeatism:** The research also identified that consumers feel they are unlikely to successfully make a case against solicitors and this feeling creates a significant barrier to complaint. To a lesser extent, consumers also communicated the importance of the lack of case studies and empirical examples of solicitors being struck off formed to rectify mistakes. Without these, and given the underlying feeling of deference to solicitors, consumers do not have the confidence to make a complaint.
- vi. **Lack of information:** Even where consumers had overcome all the previously identified barriers to complaint - felt that they had valid grounds for complaint; were prepared for the situation to get worse

before it got better; were ready to invest financially and emotionally; and felt confident in being successful - they felt they would still be faced with not knowing who or where to complain to.

This is something that the research went on to investigate, in parallel with an exploration of awareness of the SRA itself.

b) Where to complain

As part of the research, we explored which organisations people would go to with their complaint about solicitor services, and the associated perception among consumers of regulation in the sector.

- 47% of respondents identified the Citizens Advice Bureau as the first organisation they would go to in order to complain
- 18% said the Law Society and 6% the solicitor firm where they had the problem
- 6% named the Legal Complaints Service and only 4% the SRA

The findings around different organisations that consumers identified are detailed below, but the implication of the fact that consumers, broadly speaking, did not know where they should go with a complaint is significant. Whereas in other sectors, consumers could point to what they perceived as organisations defending their interests, the lack of such an organisation with the solicitor services sector led consumers to be unsure as to whether one existed at all. This, in turn, created the perception that the sector is less well regulated than others, and that there was an absence of an organisation responsible for holding solicitors to account.

The quantitative research showed that:

- 47% of respondents said they would go to the Citizens Advice Bureau
- 18% would go to the Law Society
- 6% to the solicitors firm where they had a problem
- 6% to the Legal Complaints Service
- 4% to the SRA
- 4% to the local council (who were used as a control response)

The qualitative findings were consistent with this impression, demonstrating, on the whole, a very limited knowledge of which organisation to go to. This was the case to the extent that, unprompted, the majority of respondents struggled to suggest any bodies at all. Beyond this, based for example on the widespread brand recognition of the Citizens Advice Bureau, the findings were not surprising.

Whilst the Law Society had more recognition than other bodies specific to the legal sector, the qualitative research demonstrated a perception that it existed to protect the interests of lawyers and solicitors rather than consumers, and that it was likely to close ranks in the case of a complaint against one of its

own. Although the quantitative research indicated only 6% of respondents would complain to the relevant firm, the qualitative findings demonstrated that, for many consumers, the idea of trying to resolve complaints directly, tackling the problem at the source, was appealing. We might conclude, based on findings around barriers to complaint, that concerns around jeopardising the outcome are influential in this result.

As noted above, it is interesting to observe that the situation regarding making complaints in the legal sector is in stark contrast to other sectors. Elsewhere, consumers found it much easier to name what they perceived as the body that would defend their interests, for example ABTA in the travel sector, Ofcom in communications, the Financial Services Authority in financial services and energywatch for utilities. The qualitative research indicated that more consumers did not select the Legal Complaints Service because of a lack of awareness of the organisation or its 'brand'. This resulted in uncertainty as to whether it was a free or paid for service, whether it is independent and where, particularly since there is no recognition of it, it has any credibility or authority.

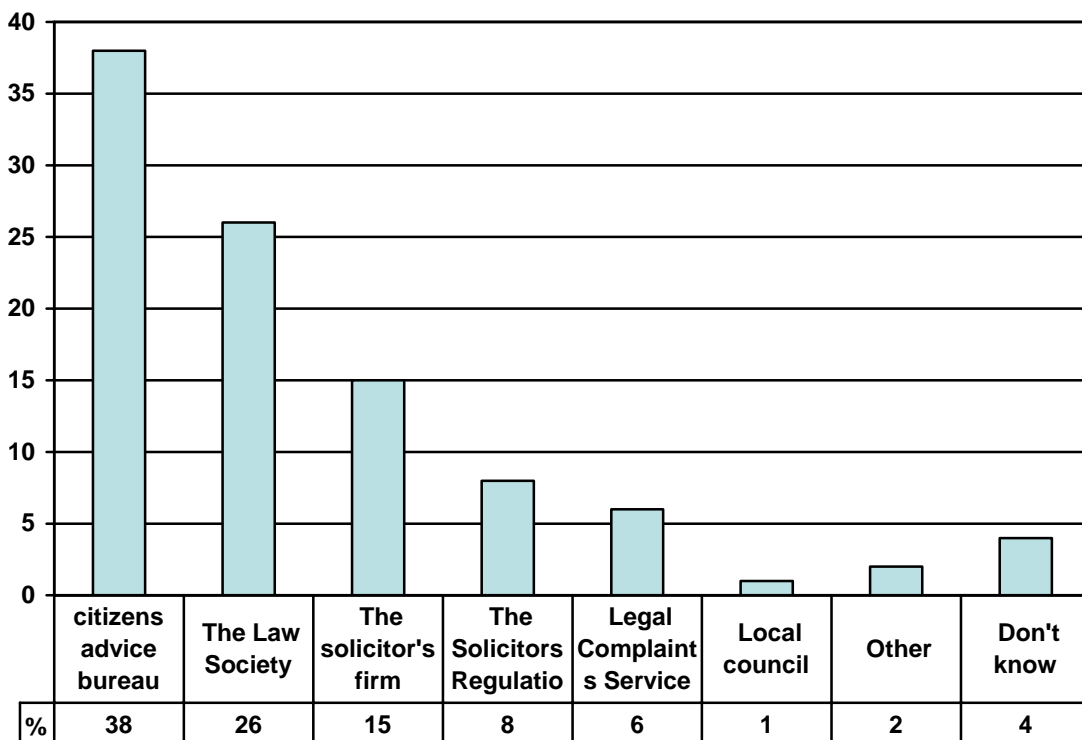


Chart 3: The organisations consumers would go to first, in the instance of making a complaint about the service received from a solicitor

c) Awareness of the SRA

As part of the quantitative research, we examined awareness of the SRA.

- 22% of respondents said they had either heard of the SRA or had had dealings with them
- 78% of respondents had not heard of the SRA

1% of respondents said they had heard of the SRA and had contacted them in the past and a further 21% said they had heard of the SRA but had not had any previous dealings with it. However, 78% of respondents had not heard of the SRA.

Whilst this low awareness amongst consumers is relatively unsurprising given that the SRA has only existed in its current form since January 2007, clearly it is also of interest to the SRA and something that we will look to build upon in the future.

We were however able to use the qualitative research to further explore consumers' perceptions of the SRA, based on a demonstration of its branding.

This qualitative examination showed that the SRA was perceived to set the standards and code of conduct for solicitors, as well as upholding regulations more broadly rather than just in association with individual cases - although consumers also perceived that the SRA struck off solicitors where necessary.

There was however a perception that the SRA is made up of solicitors regulating other solicitors, and was a body mainly 'for' solicitors rather than the general public. Another point of interest was the view that the SRA 'oversees' the work of the Legal Complaints Service, in the sense that larger problems are passed up the chain towards the SRA.

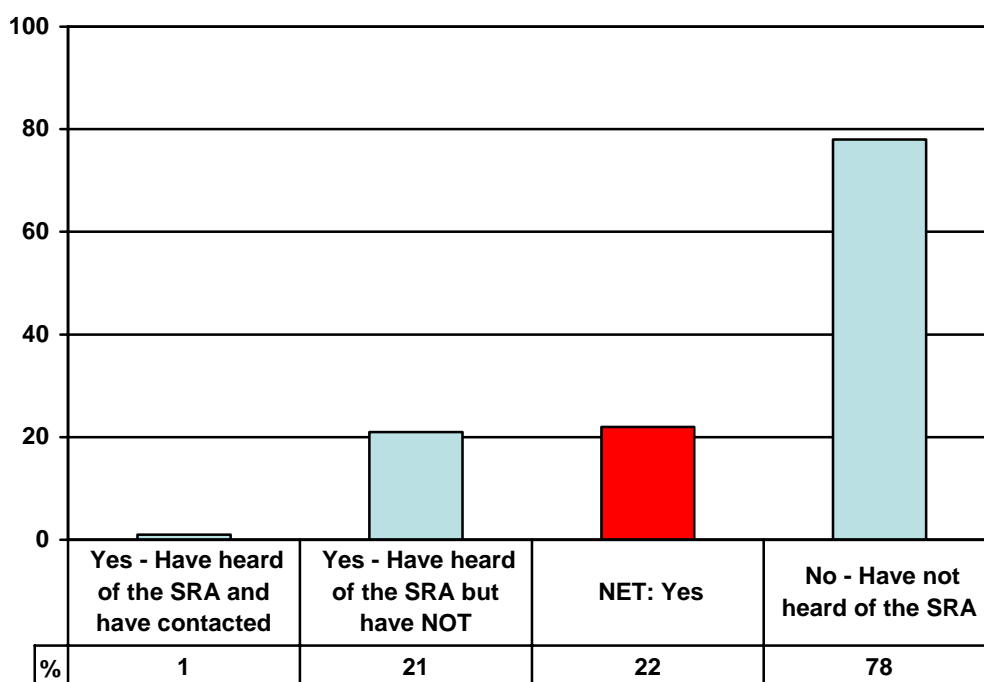


Chart 4: Consumer awareness of the SRA

4.6 Referrals

The practice of referral arrangements was a key policy area of concern to the SRA and the research provided the opportunity to gain consumer views on the principles of the referral fee arrangements. A referral arrangement is where a solicitor pays a fee to an estate agent or insurance company for referring a client. The areas where this practice is common is in conveyancing and in personal injury.

Whilst there is an acknowledgement that the practice has existed for a number of years, only recently has a new policy and code of conduct been implemented. In December 2007, the SRA Board undertook a high level review of policy in this area. Quantitative and qualitative consumer research was therefore undertaken to engage with consumers around the referrals issue and inform the Board's decision making process. This allowed us to assess not only levels of awareness among consumers of the practice of referrals, but to explore in further detail consumers' attitudes to the practice and any concerns they might have.

a) Awareness of practice

The quantitative research revealed a relatively high awareness of the practice of referrals amongst consumers. 5% of consumers said they had been involved in a referral arrangement and a further 35% said they had heard of it.

The research also examined whether awareness levels varied across different solicitor services. The findings show that awareness of the practice was highest among consumers of personal injury and conveyancing services, which was not surprising given the practice is most common in these areas.

- 40% of respondents said they had either been involved in a referral arrangement or had heard of the practice
- Awareness was highest amongst consumers of personal injury and conveyancing services

Based on these findings, we further explored consumer awareness of the practice of referrals as part of the qualitative research. This more detailed examination painted a different picture, with limited awareness of the practice, even amongst those who later went on to realise that they had in fact previously been involved in a referral arrangement. Only 12% of respondents indicated that they felt 'well informed' about the practice of referrals and this low level of understanding might be an indicator of the disparate findings around awareness levels.

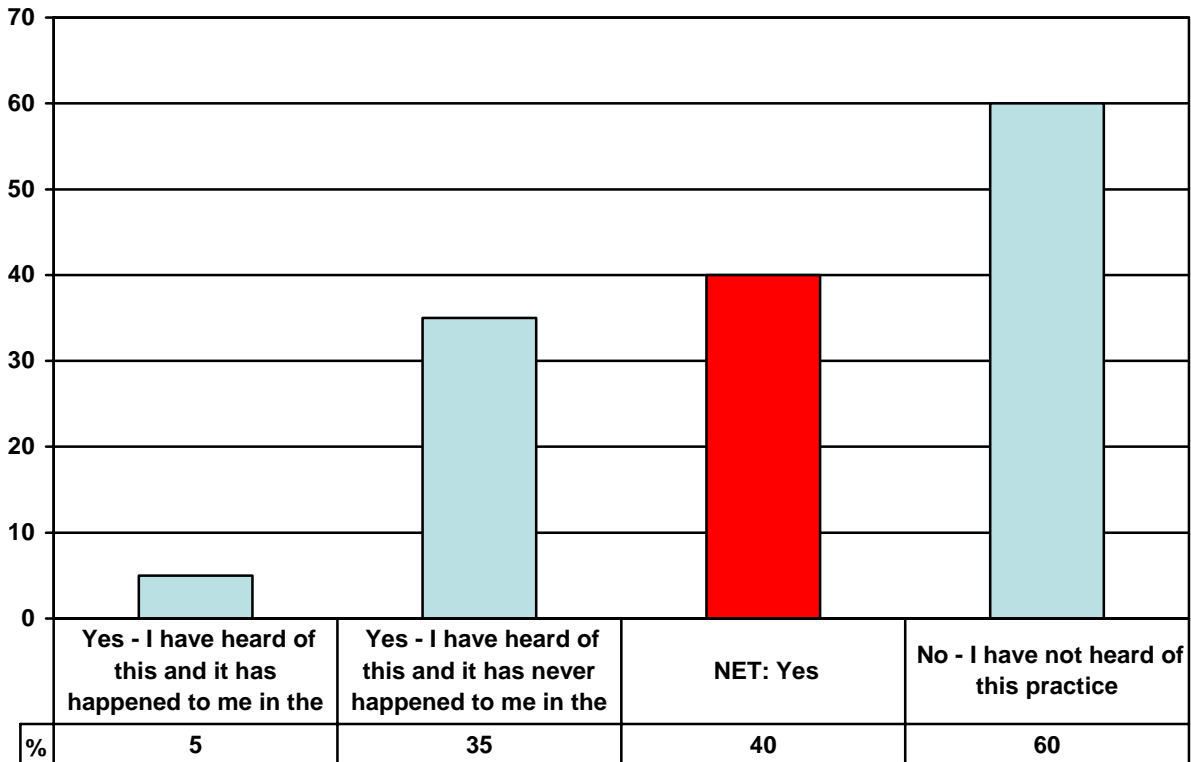


Chart 5: Awareness among consumers of the practice of referrals

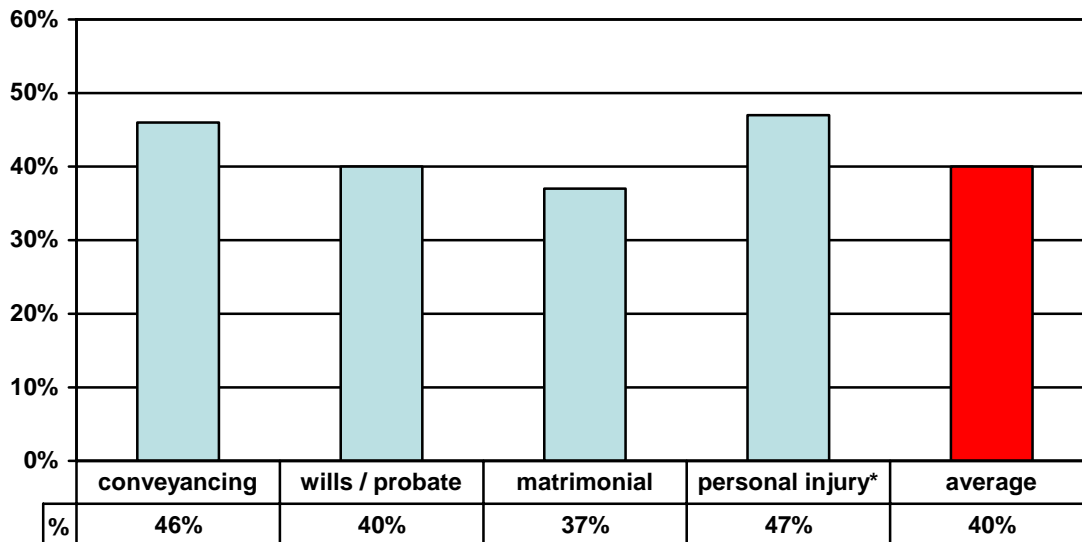


Chart 6: Awareness of the practice of referral arrangements by solicitor service type

b) Attitudes to the practice

In order to understand consumer attitudes to the practice of referrals, we explored attitudes across a range of areas, including confidence, independence, quality and price.

- 39% of respondents said they would worry about the independence of a solicitor's advice if they knew a referral arrangement was in place
- 30% said they would not worry about the independence of a solicitor's advice and 29% were neutral
- 41% of respondents said they would be concerned even if the arrangements did not cost them extra
- 35% said they would not be concerned in this instance and 21% were neutral

By examining whether respondents agreed, disagreed or were neutral about a number of key statements, the quantitative research showed a clear polarisation of attitudes among consumers.

For example, while 39% of respondents said they would worry about the independence of a solicitor's advice if they knew a referral arrangement was involved, 30% disagreed with this statement, and 29% felt neutral about it. Similarly whilst 41% of respondents felt that referral arrangement would undermine their confidence that a solicitor was acting in their best interest, 30% were not concerned in this respect, and 26% felt neutral about it.

Examination of these and other attitudinal statements showed clearly the polarisation of views amongst consumers to the practice of referrals. Whilst it appeared that approximately 40% of respondents felt consistently negative about referral arrangements, further analysis showed that this was not a single group of people, suggesting therefore a wider pool of people feel anxious about some or all of the possible impacts of referral arrangements.

Exploring these findings as part of the qualitative research was very helpful in better understanding consumer feelings. The overriding impression was that consumers were unsure what to think about the practice, which goes some way to explaining the polarisation of opinions that the quantitative research showed as it is a common result in situations where consumers lack certainty.

This lack of understanding is also important in informing what opinions were held, with consumers most commonly demonstrating suspicion of the practice as a result of uncertainty. Commenting, for example, "you wonder why they didn't mention it...", the lack of understanding led consumers to feel they might have been deliberately kept in the dark about the practice, which fuelled anxieties about its possible implications.

In order to explore consumer attitudes to the practice on the basis of an accurate understanding of the nature of referral arrangements, as part of the qualitative research process we took the opportunity to explain the policy and to answer any questions. The results showed that, once they had gained a better understanding of the practice, consumers demonstrated much less anxiety in their attitudes to referrals. This change was associated with an understanding that the practice was transparent, had no associated cost and no impact on the independence of the service.

It was also associated with a wider acceptance of the practice in other industries, for example finance arrangements associated with new vehicles and mortgage lenders linked to life insurance providers. Consumers perceived that, for example, where they resulted in quicker transactions because of established working relationships, the practice of referrals could be of particular benefit.

The qualitative research therefore revealed that the prevailing view amongst consumers was that, as long as policies relating to transparency, cost and independence were adhered to, the practice of referrals was acceptable.

5. CONCLUSIONS

Taken together, the quantitative and qualitative research demonstrated a significant level of dissatisfaction with solicitor services among consumers. The causes of this were varied, but fell broadly into two categories:

- A failure on the part of solicitors to deliver against consumers' expectations, for example in relation to the time taken to perform a service and transparency around costs.
- A key failure on the part of the solicitor to communicate effectively and in plain language with the consumer
- A feeling that the reality of solicitor services does not meet the standards that consumers expect from them, for example in respect of a personalised service and support at a time of emotional strain.

Despite the apparent levels of frustration, the research also found that consumers were unlikely to complain, as a result of a number of barriers to doing so:

- Uncertainty as to whether a complaint is justified
- Fear as to whether making a complaint will worsen the situation
- An unwillingness or inability to make the required financial and emotional investment associated with making a complaint
- A sense of defeatism about the likelihood of success
- A lack of awareness as to who to complain to

No single organisation was seen to have the profile, independence or authority expected of a body that consumers would approach with their complaint. Ultimately, this led to a sense among consumers that solicitors were under-regulated.

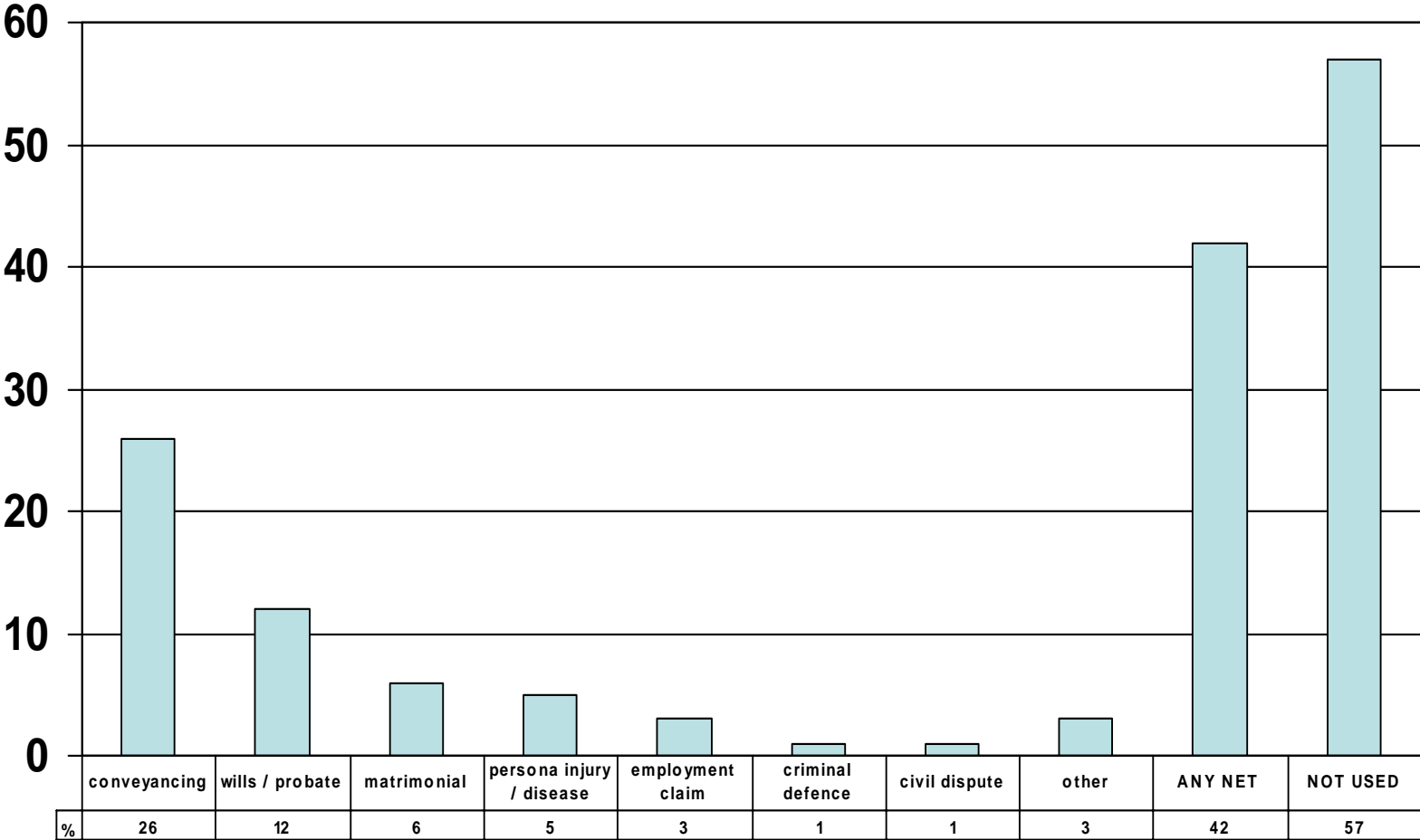
6. THE WAY FORWARD FOR THE SRA

As a result of this research, there are a number of areas where the SRA will be able to take action to address the identified consumer concerns.

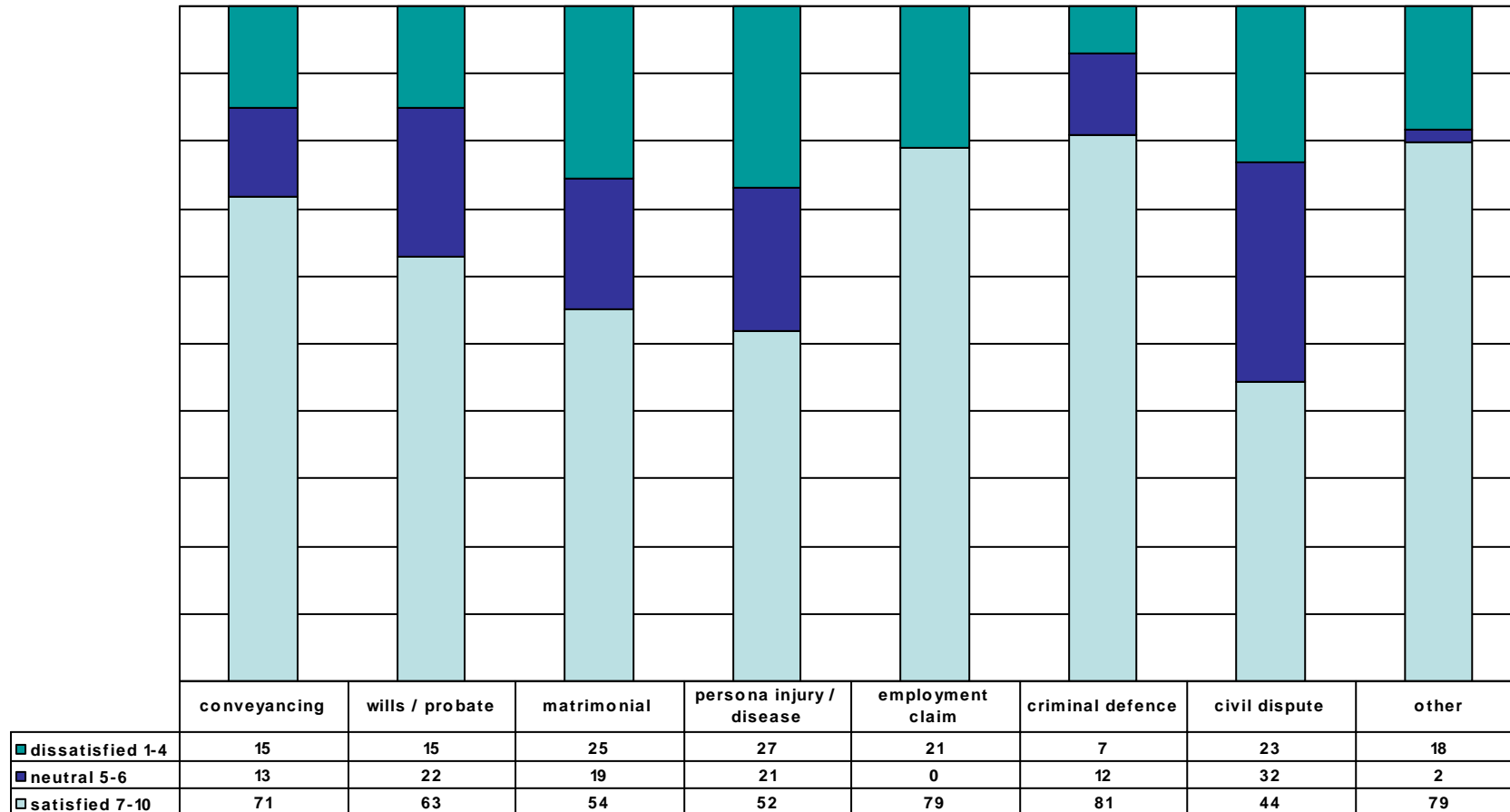
1. Helping solicitors to meet the needs of consumers: review of training of solicitors to reflect findings around expectations/standards/rational needs.
2. Helping consumers to understand what they can expect of solicitors: greater communication around code of conduct and associated implications for standards consumers can expect. Facilitating peer-to-peer technology, e.g. online forums.
3. Removing some of the identified barriers to complaint: exposing poor practice and publishing decisions online to help address defeatism and arm consumers with examples; greater brand awareness and improved visibility for the SRA.
4. Regarding referral arrangements, the focus should remain on education of the profession and the consumer and on the monitoring of the rules. A return to a complete ban on referral arrangements is not appropriate at the moment and further consideration should be given to whether the rules and guidance need greater clarity. Consideration should also be given to establishing a mechanism whereby solicitors might be approved or accredited for the purposes of entering into referral arrangements.

7. APPENDIX 1: DETAILED RESEARCH FINDINGS

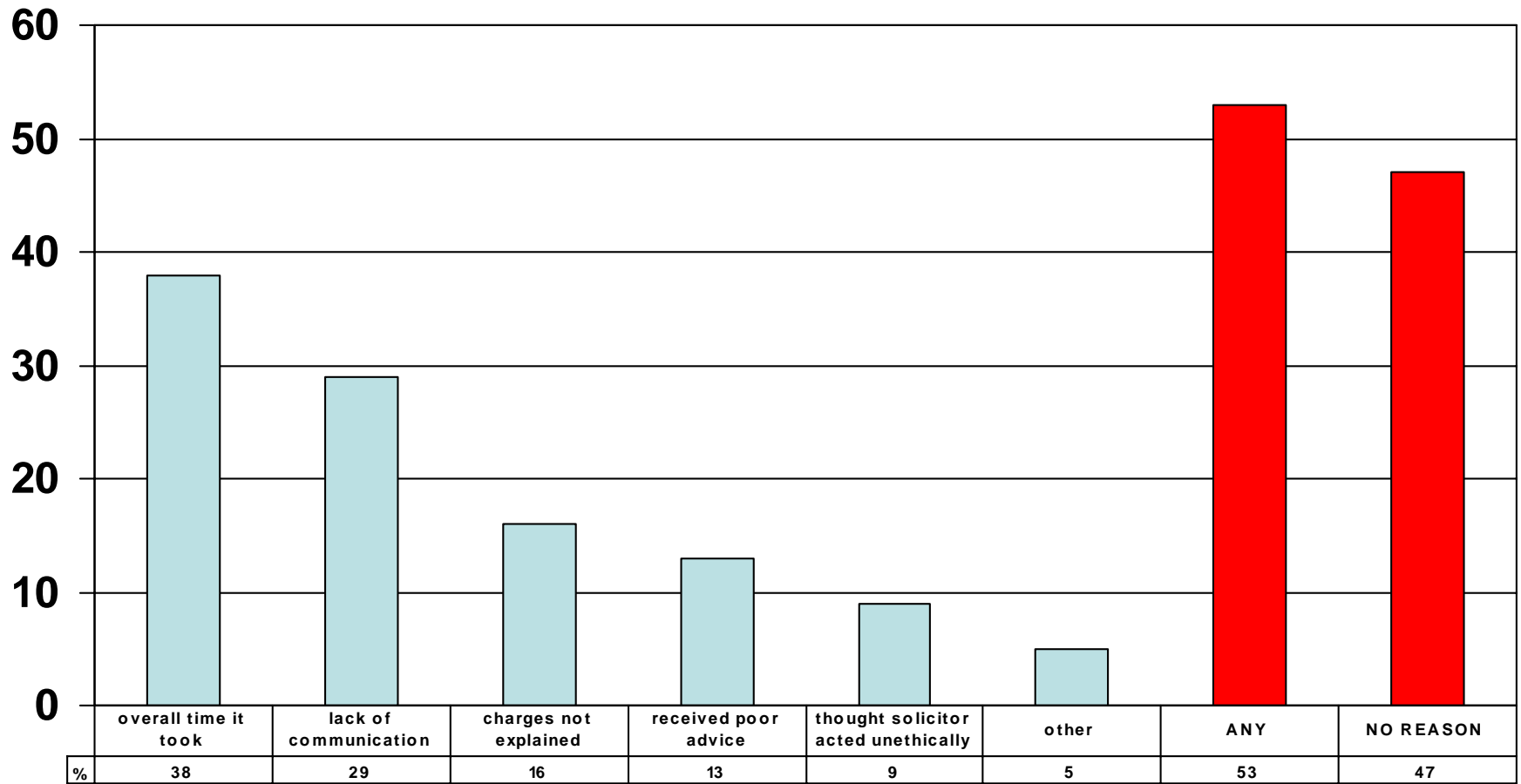
Q1 Which of the following solicitor services, if any, have you used in the last five years?



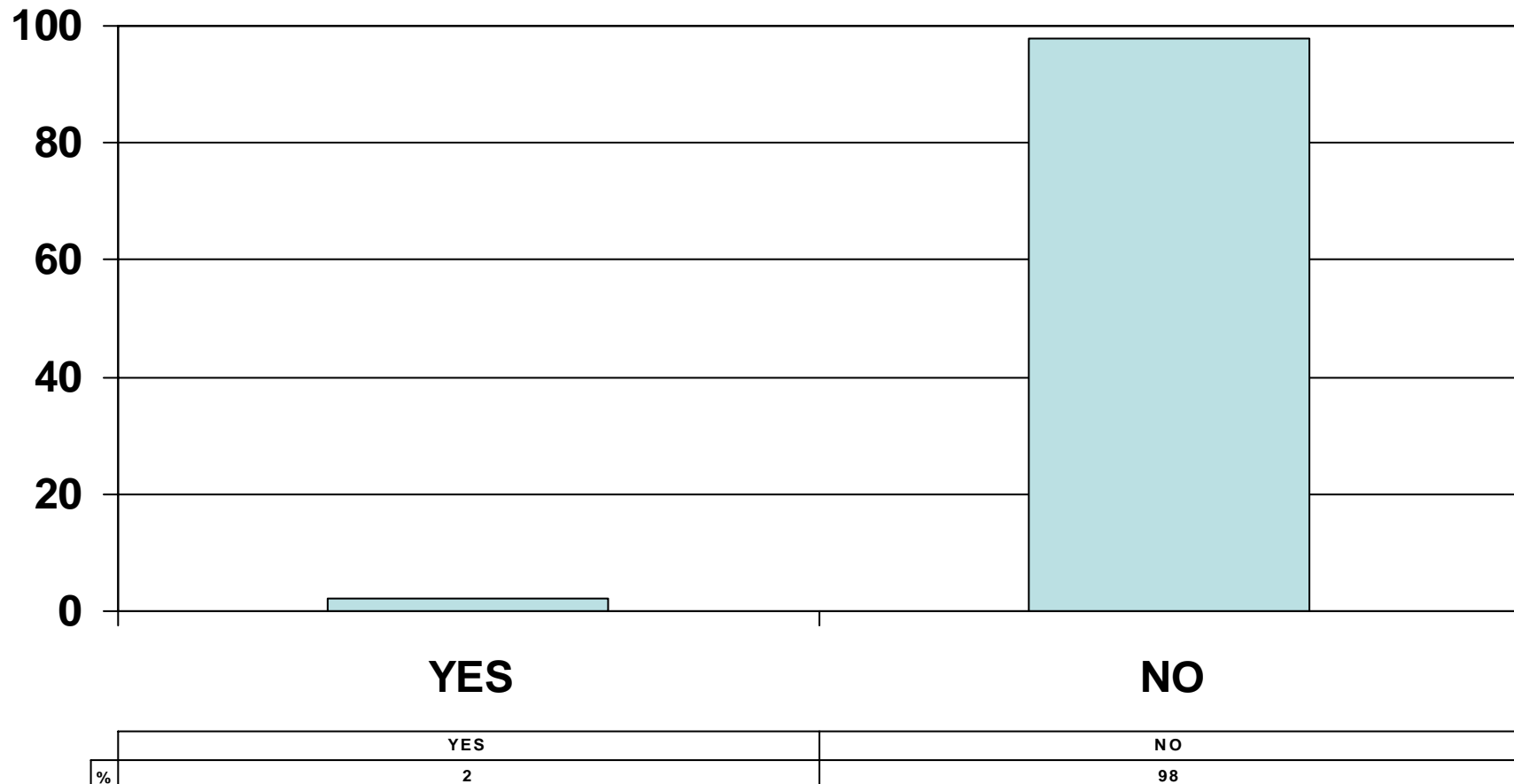
Q2 How satisfied were you with the service you received when you used a solicitor for each?



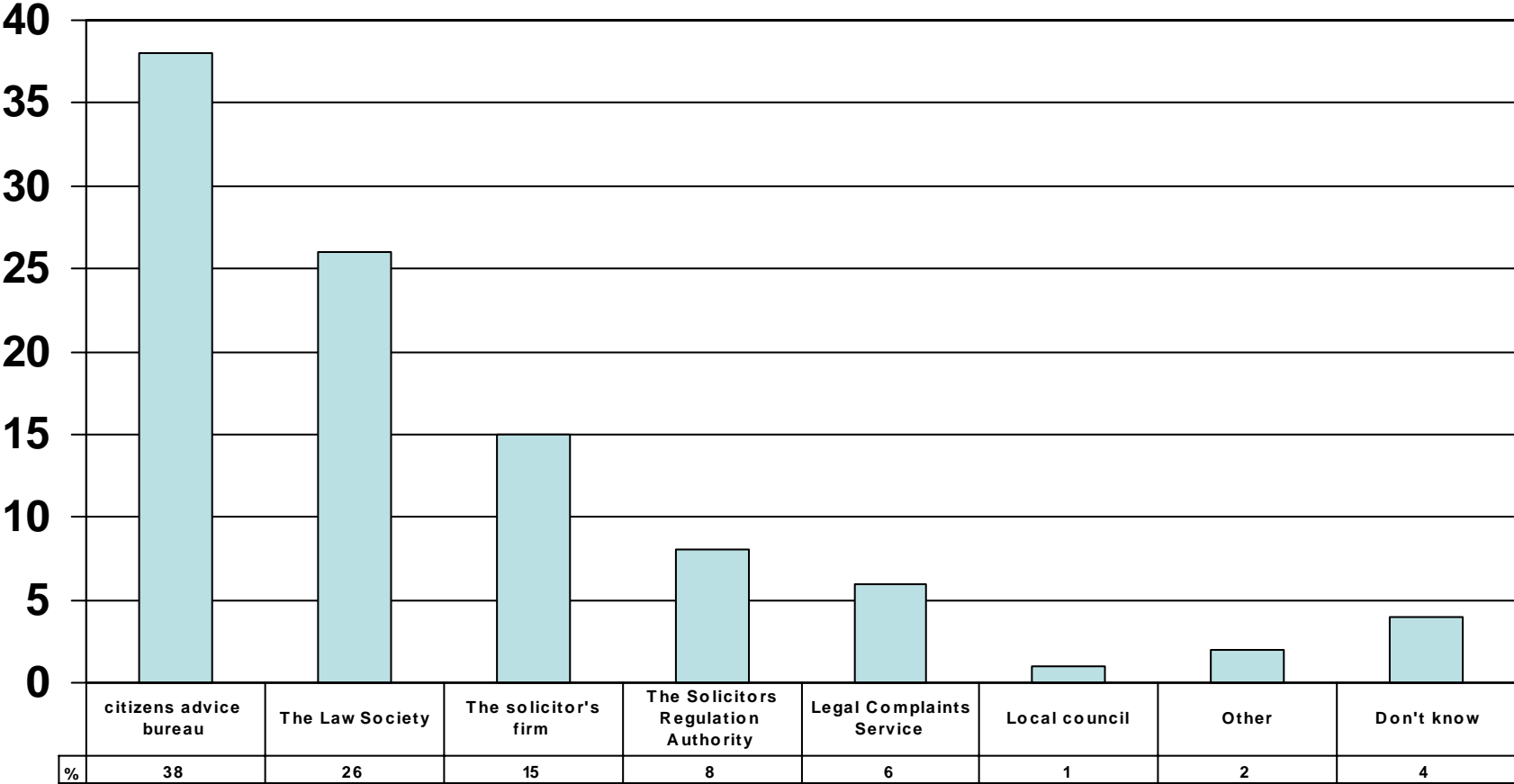
Q3 If you had cause for complaint, what were the reasons?



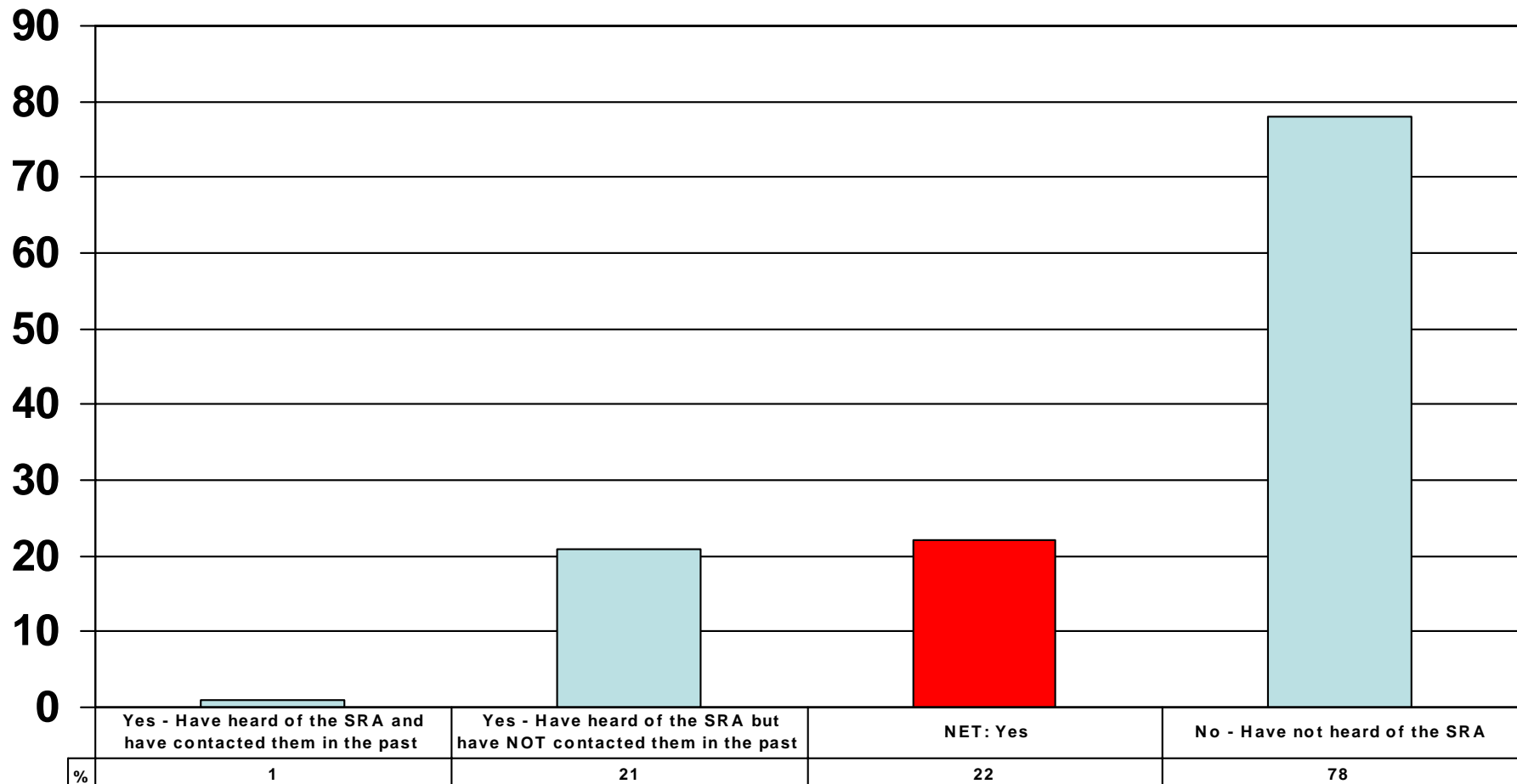
Q4 Have you ever formally complained about a solicitor in the last five years?



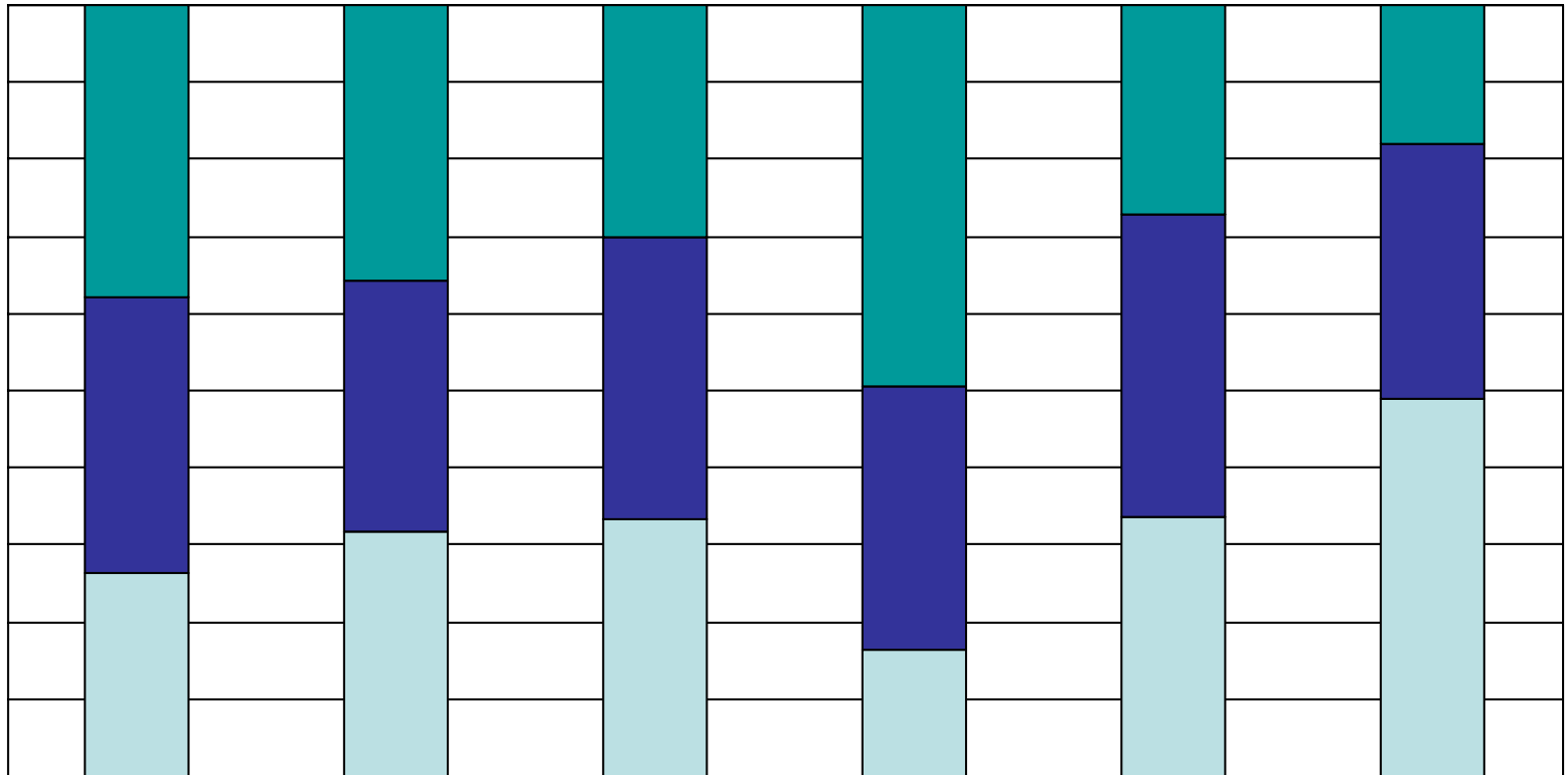
Q5 If you were to make a complaint about the service you received from a solicitor, what organisation would you go to first?



Q6 Have you heard of the Solicitors Regulation Authority - otherwise known as the SRA?

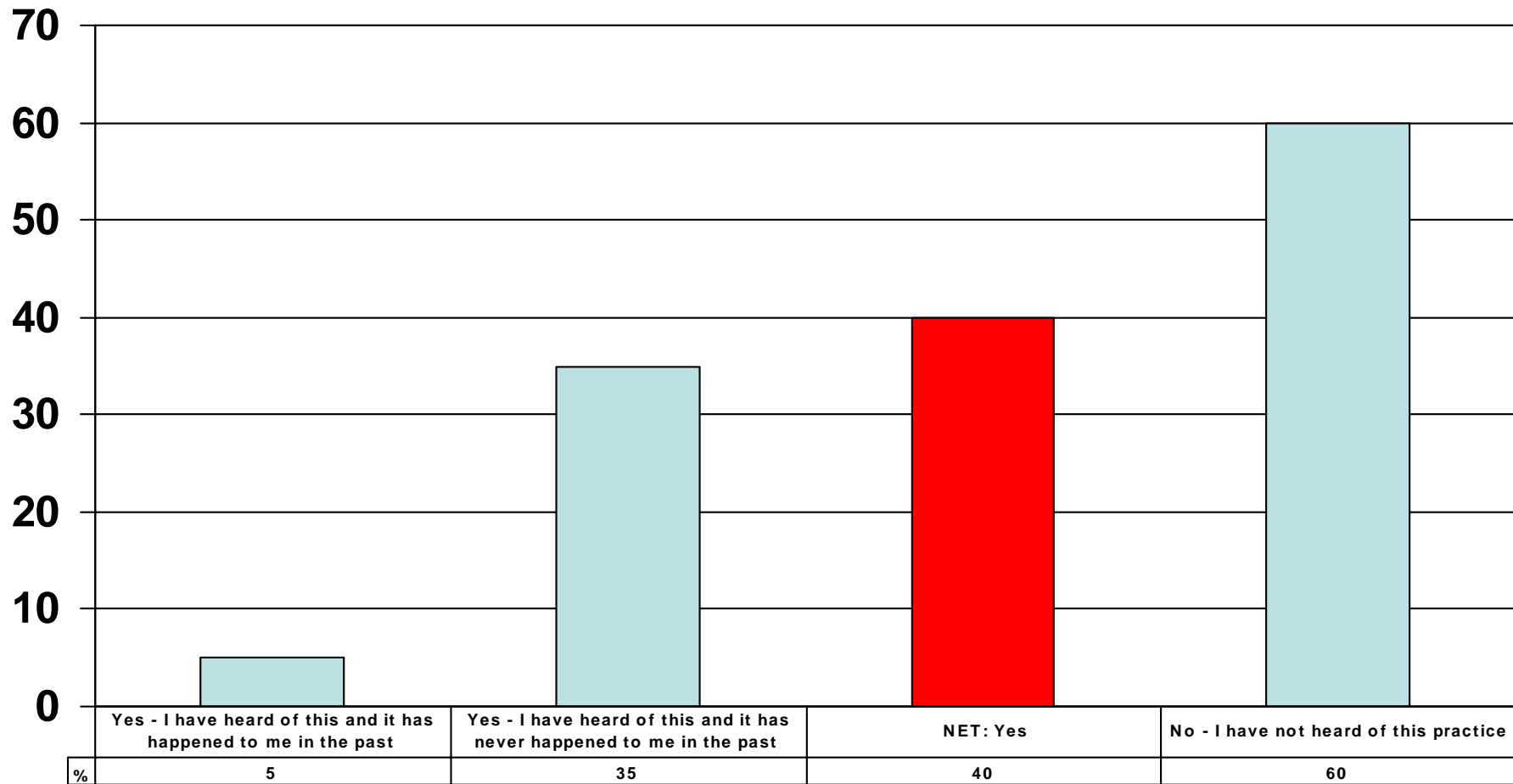


Q7 How well do you think the following service providers serve the public interest?

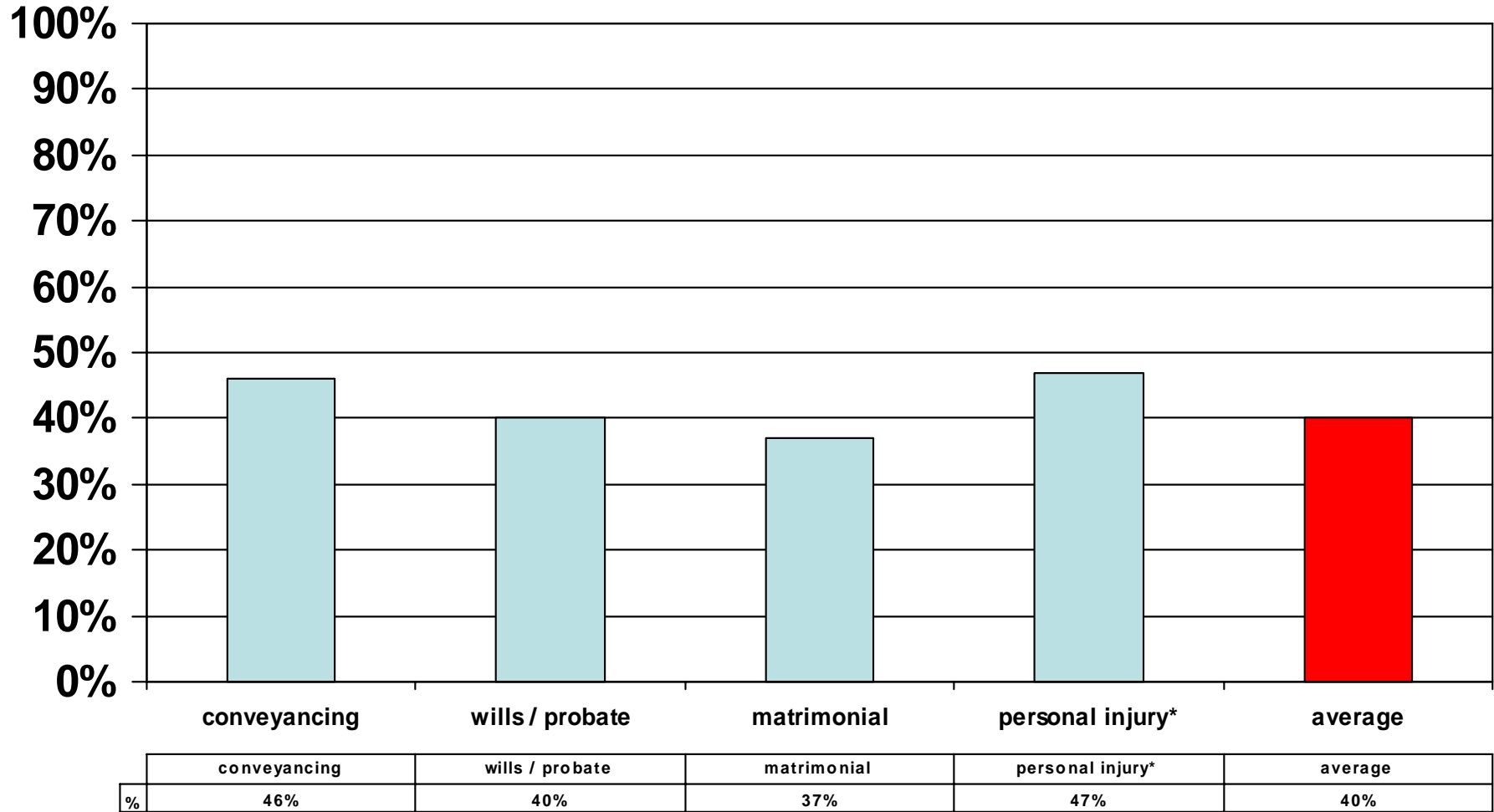


	SOLICITORS	BANKS	INSURERS	CHARITIES	FINANCIAL ADVISORS	ESTATE AGENTS
very well 7-10	36	35	29	48	25	17
neutral 5-6	34	32	35	33	36	31
not well 1-4	25	31	32	16	31	46

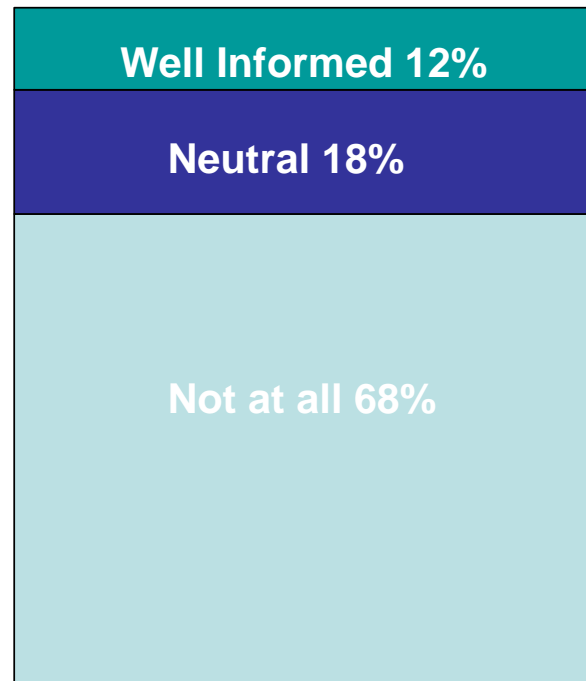
Q8 On occasions, solicitors pay a fee for a case being passed on to them. For instance, a solicitor could pay an estate agent for recommending them, or a solicitor may pay a fee to get the details of a personal injury case. Are you aware of this practice?



NET Yes heard of it vs. solicitor service used



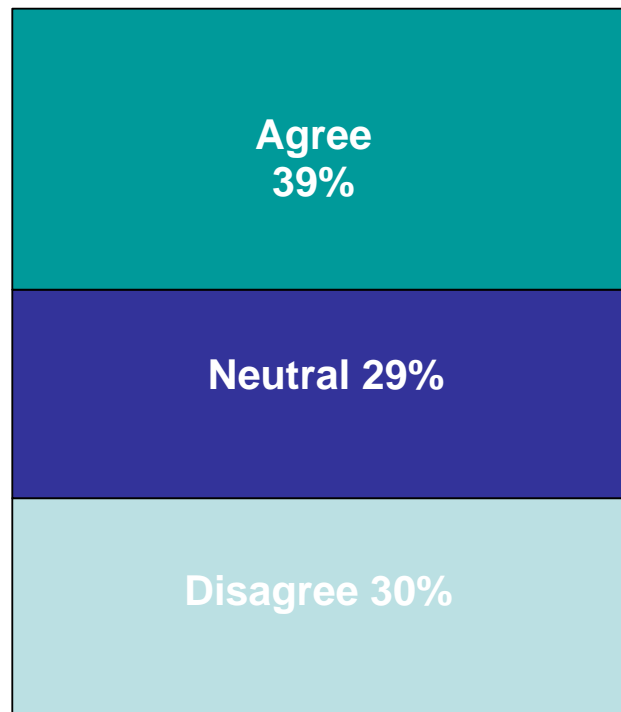
Q9 How informed would you say you are about the practice of solicitors paying to get details of cases?



How Informed?

Q10 To what extent would you agree or disagree with the following statements, if you knew that a solicitor paid to get details of your case?

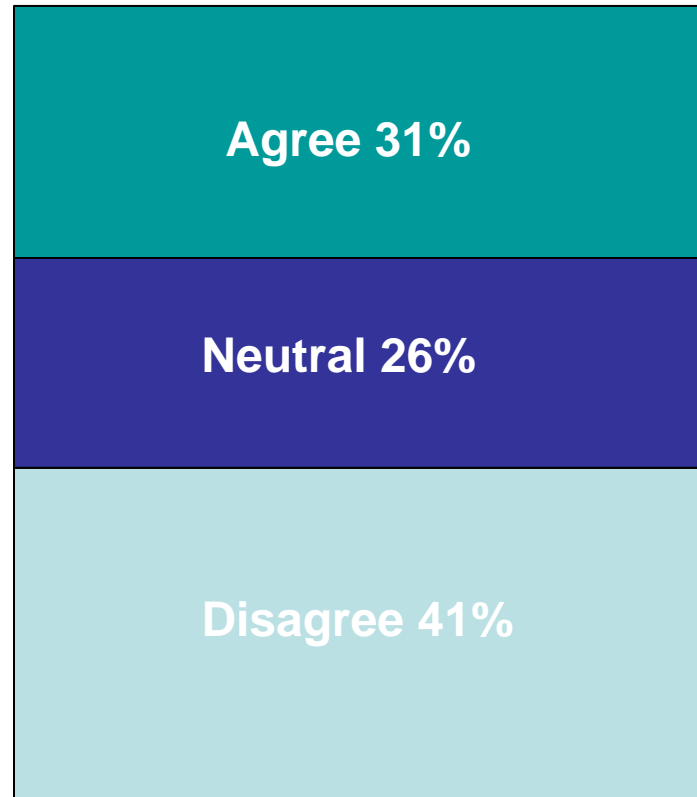
□ disagree 1-4 ■ neutral 5-6 ■ agree 7-10



I would worry about the independence of the solicitor's advice

Q10 To what extent would you agree or disagree with the following statements, if you knew that a solicitor paid to get details of your case?

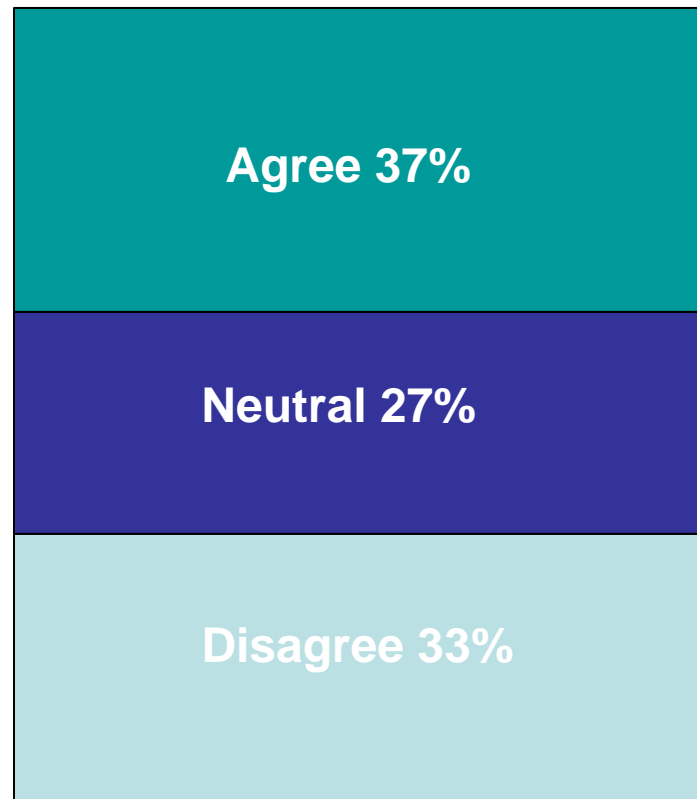
□ disagree 1-4 ■ neutral 5-6 ■ agree 7-10



It would be fine as long as I knew about the fact that they had paid a fee to get my case details

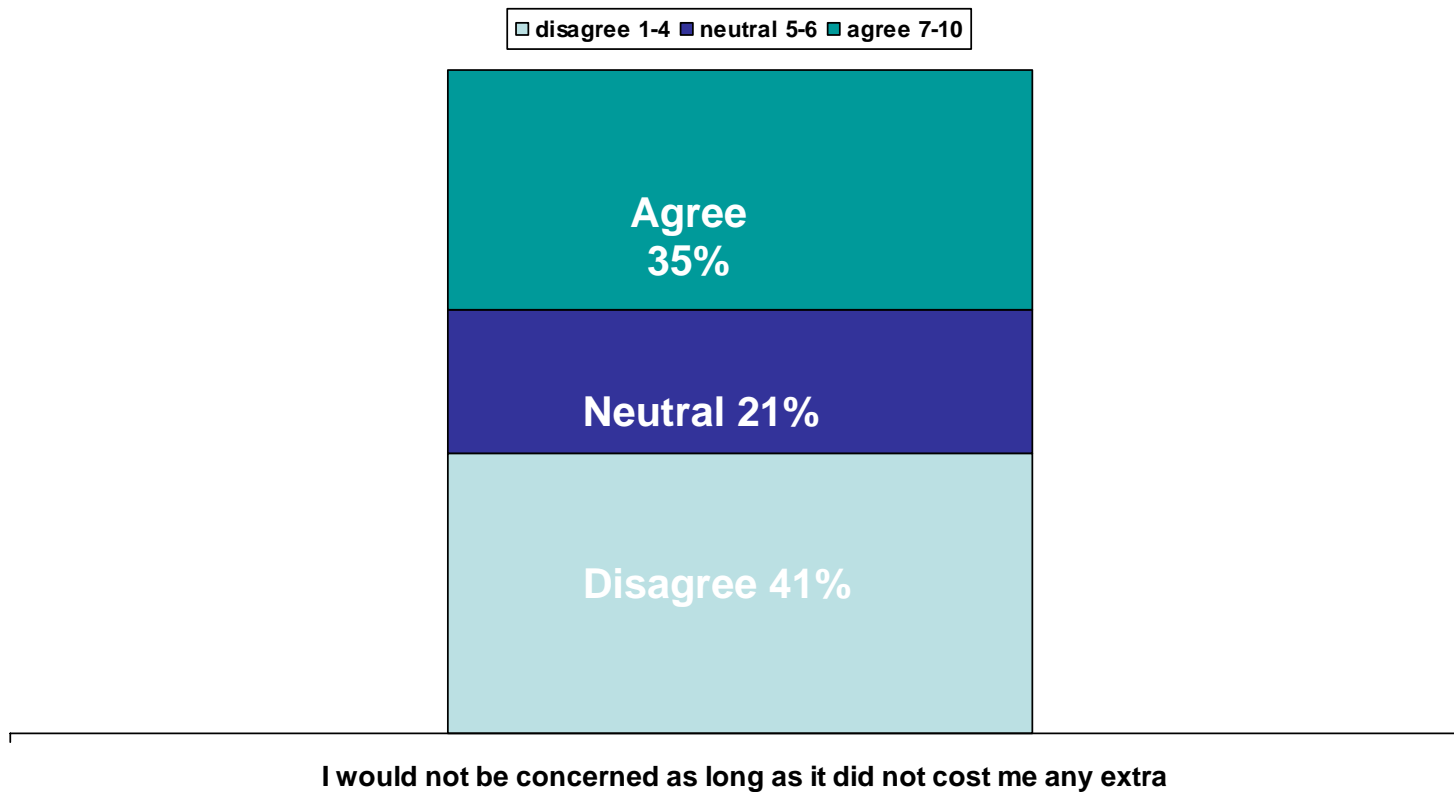
Q10 To what extent would you agree or disagree with the following statements, if you knew that a solicitor paid to get details of your case?

□ disagree 1-4 ■ neutral 5-6 ■ agree 7-10



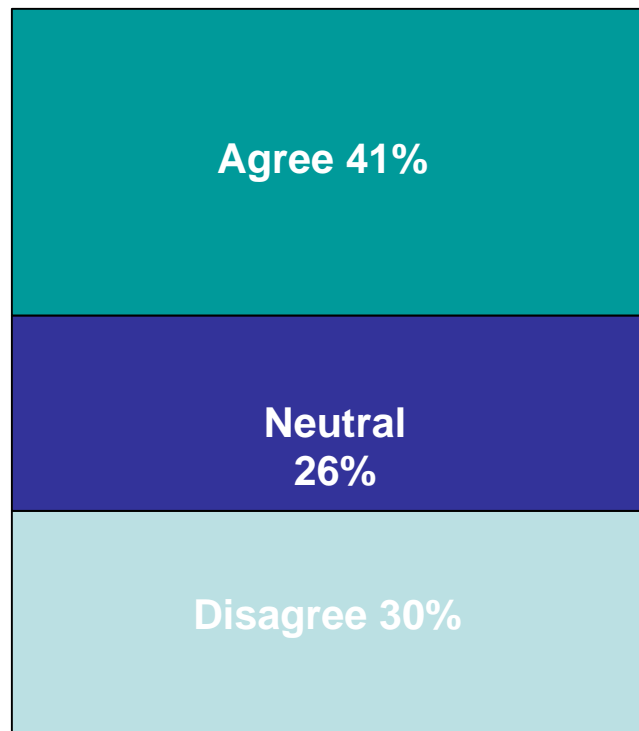
I would worry about the quality of the service

Q10 To what extent would you agree or disagree with the following statements, if you knew that a solicitor paid to get details of your case?



Q10 To what extent would you agree or disagree with the following statements, if you knew that a solicitor paid to get details of your case?

□ disagree 1-4 ■ neutral 5-6 ■ agree 7-10



It would undermine my confidence that my solicitor was acting in my best interest

Q10 To what extent would you agree or disagree with the following statements, if you knew that a solicitor paid to get details of your case?

