

SRA BOARD

12 July 2017

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Update on the 2016-17 Research Programme

Purpose

- 1 This paper provides an update on the progress of the 2016-17 research programme.

Recommendation:

- 2 The Board is asked:
 - (a) to note the progress of the 2016-17 research programme.

If you have any questions about this paper please contact: Crispin Passmore, Executive Director of Policy, Crispin.passmore@sra.org.uk or 0121 329 6687 or 07834 856 564

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Update on the 2016-17 Research Programme

Introduction

- 3 The research team is a small specialist team which commissions, carries out, co-ordinates and manages internal and external research projects to support the SRA to meet its regulatory objectives by:
 - providing an evidence base for policy making and knowledge-based decisions
 - informing the ongoing process of regulatory reform and filling any evidence gaps
 - improving the evidence base on changes and experiences of those working in and using the legal services market.
- 4 This year's research programme covers a range of legal sectors from conveyancing to criminal advocacy. It includes two internal projects using insights from behavioural economics. There is also a greater focus on the experiences of consumers.
- 5 We are collaborating with the Legal Ombudsman (LeO) and the Bar Standards Board (BSB) on research exploring first tier complaints and the Judiciary's perspectives on the quality of criminal advocacy respectively. Both organisations have provided funding for the respective projects.
- 6 The proposed programme for 2016-17 was presented to the Board at its meeting in December 2016. There were no significant changes to the programme following that discussion.
- 7 Below is an update for each project stating the purpose of the research, how we will conduct the study and a progress update. A summary of the research programme is at annex 1.

Internal Research

Improvements to cost recovery letters

- 8 **Purpose:** A solicitor whose conduct has caused an investigation bears the cost of the SRA's work rather than it falling on the profession as a whole. Some of these costs are paid promptly but others prove difficult to recover and we are looking at ways of improving this
- 9 **Methods:** The research will identify appropriate amendments to costs recovery letters based on effective changes from previous behavioural economics

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research¹. We will use a randomised control trial (see Figure 1) to split debtors into two groups. We will send one half a letter using the standard template asking them to repay the money owed. We will send the other half the same letter, but with the inclusion of a message about the implications of non-payment such as the potential damage this could cause to trust in the profession.

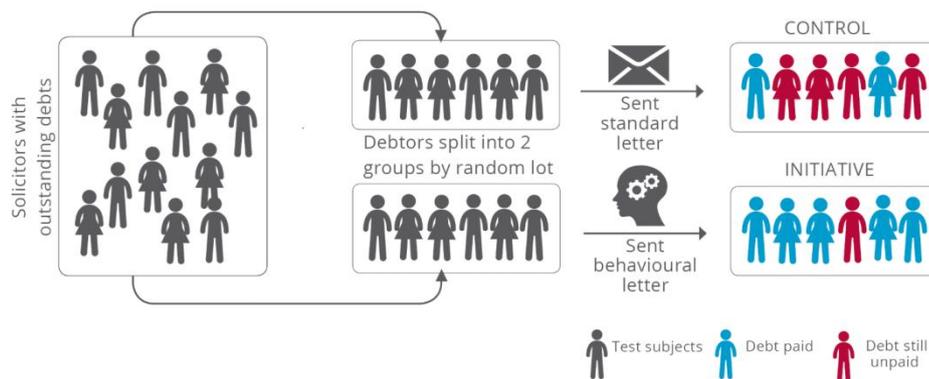


Figure 1: Randomised controlled trial to amend cost recovery letters

- 10 This will allow us to see how effective the use of the behaviourally informed messages are at increasing the number of solicitors that pay their outstanding debts and; increase the number of solicitors that contact us about these debts.
- 11 **Progress:** Letters will be sent to debtors during June. The report will be completed in early Autumn.

Friday Afternoon Fraud

- 12 **Purpose:** Between 2013 to 2015 £2.3 billion was lost by global businesses due to email modification fraud. For example, a criminal duping an employee to send client money to their bank account rather than the client's account. Such instances of fraud in the conveyancing sector often occur on Friday afternoon as it allows fraudsters to move the proceeds over the weekend.
- 11 **Methods:** As we can identify when firms are likely to be targeted, we will send timely communications to conveyancing firms highlighting the importance of checking the identity of the people that they are in correspondence with. Sending emails on a Friday morning, rather than earlier in the week, will be more effective in reducing the number of successful cyber attacks. The person

¹ Behavioural Insights Team (2012). Applying behavioural insights to reduce fraud, error and debt. Cabinet Office.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/60539/BIT_FraudErrorDebt_accessible.pdf

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who is targeted will be more likely to remember the information they received at the point that they are targeted.

- 12 Using a randomised control trial we will split 7,600 conveyancing firms into three groups. We will send:
- a third of firms the communication email on a Wednesday,
 - a third the communication on a Friday,
 - whilst the final third will not receive an email.
- 13 **Progress:** The trial will last six weeks. The first email was sent to firms during the week commencing 15 May. Firms will receive and email each week until the week commencing 19 June. The report will be completed in early Autumn.

External Research

First tier complaints with LeO

- 14 **Purpose:** We are collaborating with the Legal Ombudsman (LeO) to conduct research on understand the role and effectiveness of the first tier complaints process in ensuring proper standards of service for consumers. Previous research by the Legal Services Consumer Panel (LSCP), LeO and the Competition and Markets Authority (CMA) has highlighted issues associated with consumers being able or willing to make a complaint and the ability of firms to implement formal processes to effectively address complaints.
- 15 **Methods:** Firms have been surveyed to understand the approaches they take to deal with complaints and understand any barriers firms face in complying with SRA and Legal Ombudsman guidance on handling first tier complaints.
- 16 Consumers will be surveyed to explore their: expectations and experiences of solicitor firm complaints processes; any perceived and actual barriers to complaining and the appropriateness and effectiveness of remedies offered by firms.
- 17 **Progress:** This research is being carried out by London Economics in partnership with YouGov. Over 500 firms have now completed the survey. Members of You Gov's legal services consumer panel are being surveyed in June along with premature complainants² identified by LeO. At the time of writing, over 1,500 consumers have completed the survey. Follow up in-depth interviews with firms, consumers and stakeholder groups working with vulnerable consumers will take place during the summer. The report will be completed in early Autumn.

² Premature complainants are consumers who contact LeO before making a formal complaint to their legal services provider.

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Transparency of legal costs

- 18 **Purpose:** The Legal Services Board (LSB), LSCP and CMA have focused on how consumers can better compare providers, particularly on costs, to drive competition in the market, leading to better quality and lower prices. This research will seek to understand what consumers and law firms think about cost transparency and legal comparison sites – including barriers preventing firms from providing up front costs information.
- 19 **Methods:** Using surveys and interviews with consumers and solicitors, we will incorporate these findings into the design and promotion of our Registry of Data. We will also conduct a randomised control trial with consumers to understand how consumer choice is affected by pricing information and identify which pricing formats help consumers to make better choices.
- 20 **Progress:** Surveys will be sent to firms in July. We are currently procuring a specialist behavioural insights organisation with experience of consumer testing to conduct the randomised control trial with consumers. The report will be completed in early Autumn.

Conveyancing

- 21 **Purpose:** Much of our enforcement is targeted at the conveyancing market, particularly in relation to solicitor competence and the risk of cybercrime. However, there is limited research that explores the experiences of consumers when selling or purchasing residential property. There is also limited understanding of the prevalence of poor service and the impact this has on consumers.
- 22 **Methods:** We will survey and conduct in-depth interviews with consumers who have recently used conveyancing legal services to explore:
- the role of estate agents, referrals and comparison websites in influencing a consumer's choice of legal representative
 - perceptions of the quality of service received and the competence of their legal representative
 - views on the transparency of legal costs and the use of fixed fees in paying for services
 - perceptions and experiences of cybercrime in the conveyancing market.
- 23 **Progress:** We have appointed IFF which has begun field work with consumers in June. The report will be completed in early Autumn. Any issues of regulatory concern will be explored in a companion piece of thematic research with conveyancing firms later in the year.

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CLASSIFICATION – PUBLIC***Quality of criminal advocacy with BSB***

- 24 **Purpose:** The Jeffrey Review (2013)³ argued that standards for both barristers and solicitor advocates had declined and that advocates were often operating beyond their level of competence. High quality advocacy is crucial if clients are to receive appropriate and just outcomes to their cases in court.
- 25 In collaboration with the Bar Standards Board this research will help us address perceptions and any issues of regulatory concern and can be used as a benchmark to evaluate the quality of criminal advocacy. It will also help us set the required competences for the advocacy training of solicitors and for the Solicitors Qualifying Examination.
- 26 **Methods:** In-depth interviews will be conducted with the judiciary to understand their views on the quality of solicitor advocates and barristers across the required competencies.
- 27 **Progress:** We have appointed Dr Jessica Jacobson at the Institute for Criminal Policy Research, Birkbeck, University of London to conduct this research. The list of interview questions has been approved by the Judicial Office. Fieldwork with High Court and circuit judges began in June. We have requested that the sample reflect the diversity of the judiciary and include at least 20 female judges and ten judges from BAME backgrounds. The report will be completed in the Autumn.

Diversity in the legal profession: Career progression

- 28 **Purpose:** It is well established that the legal sector needs to improve representation of certain groups entering the profession, as well as their progression to senior management. Ultimately, a more diverse profession is a more competitive profession. There is a dearth of research using quantitative data that can provide deeper insights and understanding on diversity in the legal profession.
- 29 **Methods:** We gave access to our diversity data set to a group of researchers at the Centre for Employment Relations, Innovation and Change at Leeds University Business School. Using multivariate statistics they analysed the changes in the diversity of the profession since 1970 and the extent to which characteristics associated with social privilege and disadvantage affect the career progression of different groups.
- 30 **Progress:** Final amendments are being made to the report. It will be published later this year alongside a piece of thematic research which looks at schemes firms have implemented to encourage progression in underrepresented groups.

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/310712/jeffrey-review-criminal-advocacy.pdf

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Impact assessment of regulatory changes

- 31 **Purpose:** Impact evaluations are important to articulate the reasons why a particular reform is necessary by defining the problem to be addressed; identifying all of the possible policy responses to the problem; and exploring the potential impacts of the policy on different stakeholders and sectors of the market.
- 32 **Methods:** We appointed the Centre for Strategy and Evaluation Services and Dr Chris Decker, Oxford University to develop an impact evaluation framework to apply a standardised and systematic approach to assessing the impacts of our proposed reforms on firms, consumers and the market. The framework will also measure the effects of change on people with protected characteristics. They also evaluated our previous policy changes around the introduction of Alternative Business Structures, the separate business rule and multi-disciplinary practices. They have held focus groups and interviews with consumers, over 20 legal service providers, the Sole Practitioners Group and LSCP.
- 33 **Progress:** The evaluation framework⁴ was published in June alongside the Looking to the Future consultation response. The report evaluating previous policy changes will be published in the Summer.

Next steps

- 34 A further update on the research programme will be given to the Board in December.

Recommendation: the Board is asked

- (d) **to note the progress of the 2016-17 research programme.**

⁴ <http://www.sra.org.uk/documents/SRA/consultations/ltf-cses.pdf>

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Supporting information

Links to the Strategic Plan and / or Business Plan

- 35 The research programme links directly to all four of the strategic objectives as it may encompass any type of project covering:
- reforming our regulation to enable growth and innovation in the market and to strike the right balance between reducing regulatory burdens and ensuring consumer protection
 - working with solicitors and firms to raise standards and uphold core professional principles
 - improving our operational performance and make fair and justifiable decisions promptly, effectively and efficiently
 - working with our stakeholders to improve the quality of our services and their experience when using them.

How the issues support the regulatory objectives and best regulatory practice

- 36 A summary of how each research project links to the regulatory objectives can be found in annex 1. Research in the current programme informs the SRA's work on professional standards, consumer protection, promote competition in the provision of services and encourage an independent, strong, diverse and effective legal profession. The better regulation principles of transparency, targeted, effective, efficient and accountable apply to conducting research and using the research findings.

Public and consumer impact

- 37 The research projects examining first tier complaints, conveyancing and transparency of legal costs will involve engagement with consumers to explore their views, perceptions and experiences. This research will be used to improve consumer experiences of legal services and help them make more informed choices.

Communication and engagement methods

- 38 The engagement approach is varied and dependent on the specific research project. For research involving participation from firms we write a letter of engagement to firms specialising the relevant area/s of the market inviting them to participate in the study. A press release is then issued and information provided to the Contact Centre so that it is able to field any queries.

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Equality and diversity

- 39 All research projects are scoped to take into consideration any equality and diversity issues. In addition, any issues that might prevent specific groups from participating in the research are identified and adjustments made such as providing the option of a telephone interview for consumers who do not have access to the internet to answer an online questionnaire. If the research involves contacting firms or individuals that we regulate, a sampling frame based on the demographics of the relevant area of the market is used to make sure a representative sample of participants is recruited.

How the work will be evaluated

- 40 Each research project will be evaluated against the original research objectives and project managed in line with the appropriate research governance. The impact of any research findings can be measured and evaluated by looking to the number of times a report is cited and the number of hits each report receives on our website.
- 41 As part of the Research and Analysis Team's project management methods we hold a post-project review with the team following the completion of all projects to discuss what went well and what could be improved.

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Annexes

Annex 1: Summary of Research Programme 2016-17

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Summary of Research Programme 2016-17

Research Project	Description	Links to SRA's strategic aims	Due to be completed
Improvements to cost recovery letters	To adapt our costs recovery letters to more effectively recover costs, using insights from behavioural economics.	Improve operational performance and make fair and justifiable decisions promptly, effectively and efficiently	Autumn 2017
Friday Afternoon Fraud	To trial targeted email communications aimed at reducing the number of successful cyber attacks in the conveyancing market	Raise standards and uphold core professional principles	Autumn 2017
Reviews of prior regulatory changes	To conduct a review of the impact of removal of minimum salary for trainees	Reform of regulation to enable growth and innovation in the market whilst ensuring consumer protection	COMPLETED
First Tier Complaints	To investigate the role and effectiveness of the first tier complaints process in ensuring proper standards of service for consumers.	Reform of regulation to enable growth and innovation in the market whilst ensuring consumer protection. Raise standards and uphold core professional principles	Autumn 2017
Transparency of legal costs	To understand what consumers and law firms think about cost transparency and legal comparison sites – including barriers preventing firms from providing up front costs information.	Reform of regulation to enable growth and innovation in the market whilst ensuring consumer protection	Autumn 2017

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Conveyancing	To explore the experiences of consumers using conveyancing legal services and their perceptions and experiences of cybercrime in that sector.	Reform of regulation to enable growth and innovation in the market whilst ensuring consumer protection; Raise standards and uphold core professional principles	Autumn 2017
Quality of criminal advocacy	Research with judges to learn more about the quality of solicitor advocacy in the courts.	Raise standards and uphold core professional principles	Autumn 2017
Diversity in the legal profession: Career progression	To stimulate an external quantitative data project to investigate progression trends through the legal profession by individuals protected characteristics.	Raise standards and uphold core professional principles	Spring 2017
Economic impact assessment of regulatory changes	Development of a framework to evaluate the possible impacts of changes to the Handbook on consumers, solicitors, regulated providers, and firms who provide non reserved activities through non-solicitors.	Reform of regulation to enable growth and innovation in the market whilst ensuring consumer protection	COMPLETED
Total 2016-17 budget			