

# First tier complaints report 2021-2022

February 2023

## *Why did we carry out this analysis?*

Solicitors have a duty to provide a good standard of service, as we set out in our mandatory Principles and as set out in the Legal Services Act.

Complaints are an important indicator of service quality. We ask firms to report annually to us on the number of complaints:

- they receive from their clients
- they resolve.

Publishing complaints data is part of our commitment to improve information about legal services.

Please note that, due to technical issues which impacted the quality of data available, we are unable to publish any information relating to 2020.

Sharing these findings will:

- benefit people by raising awareness about complaint handling
- help firms to use this information to improve their standards of service.

If properly contextualised, complaints data can be an important indicator of quality. This report is part of our wider work on quality indicators and we are carrying out further analysis to inform the development of our approach on this issue.

## *Complaints process*

When clients are dissatisfied with the service of a firm they can raise complaints. These are known as a 'first-tier complaint' (FTC). Law firms have eight weeks after receiving an FTC to provide their final written response.

The outcome can be:

- resolved - firm resolves the complaint to the satisfaction of the client
- unresolved - firm is unable to resolve the complaint.

When a firm is unable to resolve the complaint clients can contact the Legal Ombudsman (LeO).

Our report about maintaining standards of service and reducing complaints [<https://www.sra.org.uk/risk/risk-resources/standards-of-service/>] highlights the business benefits of getting feedback from clients. Firms can use these findings to improve their complaint handling processes.

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### *Number of complaints 2021 and 2022*

The number of FTCs received has generally increased over time, rising from 26,583 in 2012 to 33,715 in 2022.

Reasons for this increase may be the correlation between the growth of the solicitor practising population in the same period (rising from approximately 127,000 to almost 160,000). Another reason could be that over this time period consumers feel more comfortable to complain and challenge when not satisfied with the service they receive.

In 2018 we introduced our Transparency Rules. Under these rules, law firms must publish information on how they handle complaints, and details on how and when a complaint can be made to us and the Legal Ombudsman. This rule change could also have led to an increase in complaints.

The drop from 2019 to 2021 is likely to be because of the effects of the Covid pandemic and the subsequent lockdowns. As fewer transactions took place while law firms adjusted to the new socio-economic landscape during the pandemic, fewer complaints will have been made as a result.

Year Received	Amount
2012	26,583
2013	25,689
2014	27,900
2015	27,729
2016	27,672
2017	28,460
2018	28,254
2019	30,836
2020	No data available

2021	22,964
2022	33,715

### *Proportion of complaints received by size of firm 2021 and 2022*

Small, medium, and large firms receive proportionally more FTCs compared to their volume of work. Very large firms receive proportionally less FTCs compared to the volume of their work.

This is likely to be because very large firms generate most of their turnover from large corporate clients who would not use the same FTC process as individual clients as they have other routes to redress if there is poor service.

Size	Proportion of number of all firms 2021	Proportion of number of all firms 2022	Proportion of turnover of all firms 2021	Proportion of turnover of all firms 2022	Proportion of all FTCs received 2021	Proportion of all FTCs received 2022
Small	58%	59%	2%	2%	5%	6%
Medium	32%	31%	11%	11%	25%	24%
Large	9%	9%	28%	28%	59%	55%
Very large	1%	1%	59%	59%	11%	15%

### *Most common complaints*

The most common complaints received by firms in 2021 and 2022 were about:

- Delay (26% in 2021 and 26% in 2022)
- Failure to keep informed (10% in 2021 and 16% in 2022)
- Failure to advise (12% in 2021 and 10% in 2022).

This tends to have remained constant every year. Although 'other' complaints is one of the most common categories we have no information about these complaints and are, therefore, unable to draw any conclusions from the data.

### *Number of complaints received and resolved by year*

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Year	Received	Resolved
2012	26,583	19,102
2013	25,689	18,272
2014	27,900	20,265
2015	27,729	21,771
2016	27,672	21,964
2017	28,460	22,305
2018	28,254	22,847
2019	30,836	24,776
2020	No data available	No data available
2021	22,964	18,025
2022	33,715	27,354

### *Resolving complaints*

The number of complaints received and resolved is generally increasing. The number of resolved cases is increasing at a higher rate than the number of cases received. This suggests that a higher proportion of complaints are being resolved by law firms.

The rate of resolution of complaints has risen from 72% in 2012 to 81% in 2022.

### *Proportion of complaints resolved*

Year	Proportion Resolved (%)
2012	72%
2013	71%
2014	73%
2015	78%
2016	79%
2017	78%

2018	81%
2019	80%
2021	78%
2022	81%

The proportion of complaints that are resolved within a firm varies by complaint type. For example, in 2021, 57% of complaints about a failure to investigate a complaint were resolved compared to 91% of complaints about criminal activity.

*Proportion of complaints resolved by firms by complaint type*

Renewal complaint category	FTC received 2021	FTC resolved 2021	Resolved 2021 (%)	FTC received 2022	FTC resolved 2022	Resolved 2022 (%)
Conduct	1,939	1,491	77%	2,529	1,880	74%
Costs excessive	1,996	1,443	72%	2,669	1,938	73%
Costs information deficient	645	512	79%	865	645	75%
Criminal activity	11	10	91%	11	8	73%
Data protection/breach of confidentiality	375	312	83%	606	471	78%
Delay	5,941	4,905	83%	8,579	7,132	83%
Discrimination	69	49	71%	71	49	69%
Failure to advise	2,797	2,025	72%	3,574	2,589	72%
Failure to comply with agreed remedy	40	33	83%	96	79	82%
Failure to follow instructions	1,214	903	74%	1,684	1,329	79%
Failure to investigate complaint internally	352	199	57%	105	76	72%
Failure to keep informed	2,326	1,925	83%	5,463	4,914	90%

Failure to keep papers safe	179	140	78%	259	212	82%
Failure to progress	1,933	1,583	82%	3,239	2,725	84%
Other	3,197	2,509	78%	4,160	3,461	83%

### *Firm size and location*

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Larger firms are more likely to resolve a complaint. This is likely to be because larger firms have dedicated resources to handle complaints.

Size	Received 2021	Resolved 2021	Proportion resolved 2021	Received 2022	Resolved 2022	Proportion resolved 2022
Small	1,205	828	69%	2,167	1,840	85%
Medium	5,651	4,353	77%	8,197	6,258	76%
Large	13,646	10,975	80%	18,366	14,939	81%
Very large	2,462	1,869	76%	4,985	4,317	87%

There is no relationship between the location of the firm and the number or types of complaints resolved.

### *Conclusion*

Over the past 10 years firms have received an increasing number of FTCs. As mentioned, this could be due to a number of factors. These include the growth of the UK legal market and population.

From December 2018 firms must publish details of how and when consumers can make a complaint and this may have also contributed to the change. The exception to this was the number of complaints firms received in 2021. As previously mentioned, this is likely to be because of the pandemic, the subsequent lockdown, and a fall in the number of legal transactions taking place in that period.

However, firms' reports to us show that they are also resolving a higher proportion of the complaints. In 2022, the proportion of resolved complaints was nine percentage points higher than in 2012, despite having received a higher number of complaints.

When comparing 2022 to 2019, firms have seen an approximate 10% increase in both the number of complaints they received and resolved. The proportion of complaints that are resolved internally has remained fairly constant, increasing a small amount from 80% to 81%. This matches the longer term trend of firms receiving and dealing with more complaints.

Firms can use this information to:

- Help improve their standards of service by encouraging an open culture of complaints within their businesses which can improve the way complaints are handled and how individuals learn from complaints.
- Benchmark themselves against this aggregate data and take action to improve their service and complaints process where needed.

Our Risk Outlook [\[sra/research-publications/risk-outlook-202122/\]](#) and report about Maintaining standards of service and reducing complaints [\[https://www.sra.org.uk/risk/risk-resources/standards-of-service/\]](https://www.sra.org.uk/risk/risk-resources/standards-of-service/) give more information about the risk of a poor standard of service and the benefits of improving these standards. [\[sra/research-publications/better-information-legal-services-market/\]](#)

Our one year evaluation of the Transparency Rules [\[solicitors/standards-regulations/transparency-rules/\]](#) also provides a wider evaluation of the rules' introduction.