

## **SRA response**

### **Legal Services Consumer Panel's draft three year strategy and work programme**

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#### **Consultation response**

Thank you for your letter of 9 February 2018 and your invitation to feedback on the Panel's draft strategy and work plan.

I should start by emphasising how valuable the Panel's work has been to the SRA since your inception in 2009. As an independent champion for consumers you have challenged the sector to aim high and supported regulators to access the tools and expertise needed to do so. Your input has helped us to shape our regulatory reform agenda and to make sure our efforts are fully focused on improving consumer experiences.

You refer on page 1 of the draft strategy to the agenda set by the Competition and Market Authority's (CMA's) 2016 report. This has of course focused efforts across the sector on achieving greater information transparency alongside carefully balanced regulation. This will lead to better-empowered consumers and improved experiences. I welcome the Panel's fresh take on the strategic priorities and activities that might best support these efforts.

#### **The Panel's future focus**

You will know that change is afoot. We are moving ahead with a reform package that prioritises greater flexibility for practitioners and more choice for consumers. This will be underpinned by appropriate consumer protection and better information being made readily available to members of the public and businesses about legal services. The market itself is also evolving. Our 'SRA Innovate' programme has been supporting creative approaches to service delivery and new consumer-focused business models.

These changes are essential to provide more choice and opportunity for people and small businesses to access legal services. The current lack of access is the biggest cause of consumer detriment in this sector.

We agree that you are right to target your draft strategic aims towards improving transparency in the market, and towards consumer protection that can keep pace with market changes. As our new regulatory framework moves towards fruition and consumers start to have more information placed at their fingertips I will welcome the Panel's insight and challenge in these key areas.

#### **Draft achievements 2018-21**

The achievements and measures of success that you propose seem to be a good fit against current regulatory reform programmes. I note that they seem flexible enough to allow you to direct your resources where they may most be needed as regulatory processes evolve.

The three-year period to 2021 will see changes emerge in information transparency for consumers. Market conditions are expected to shift towards greater commercial flexibility for providers to offer services that increasingly match consumer demand and expectation. The Panel's critique and scrutiny will therefore continue to be ever-important as we move ahead.

I particularly welcome your focus on supporting regulators to understand how to tackle difficulties faced by vulnerable consumers, and making sure services meet their varying needs. Providing services to people who are vulnerable is a key risk area in our regulatory framework.

The Panel and the SRA have collaborated in past times on this subject, with highlights including our joint work looking at the accessibility of the market to people who experience hearing loss, and more recently as part of the joint research work on client care letters. We have provided resources to support those we regulate to effectively serve vulnerable clients as well as reminding them of their regulatory obligations in this area. I note from page 7 of your draft strategy that you are keen to work with partner organisations. We would be happy to explore further opportunities for collaboration with you.

## Work programme 2018-19

In terms of the activities set out in your draft work programme, the commitment to continue supporting work to implement the CMA's remedies is particularly helpful. I thank you for the Panel's participation in the Legal Choices Steering Group, which is of course a central focus of the CMA's recommendations.

The Panel's annual Tracker Survey and the Consumer Impact Report informs many different aspects of our work and our policy development. I agree you are right to look at opportunities to refocus them so they continue to provide the most useful insight on the risks faced by consumers.

Your proposal to explore benefits and risks of technology in legal services is also important. Our latest [Risk Outlook](https://www.sra.org.uk/archive/risk/risk-outlook/) [https://www.sra.org.uk/archive/risk/risk-outlook/] sets out some of our thoughts on risks that may be associated with new technology, including the protection of client money and links with cybercrime and frauds. We're happy to provide information and our perspectives to you. It may be interesting to consider re-visiting some of the trends identified in your [2020 Legal Services](http://www.legalservicesconsumerpanel.org.uk/publications/research_and_reports/documents/2020consumerchallenge.pdf) [http://www.legalservicesconsumerpanel.org.uk/publications/research\_and\_reports/documents/2020consumerchallenge.pdf] report as part of this.

On a final note, your plans to work with regulators on consumer segmentation and to offer vulnerability training are welcome.

I look forward to reviewing the final version of your strategy and action plan.

Yours sincerely

Crispin Passmore

Executive Director, Policy