

CILEx Regulation: CMA transparency action plan

Introduction:

Our regulated community includes regulated firms, authorised individuals and other CILEx members. Chartered Legal Executives and CILEx Practitioners are authorised persons under the Legal Services Act 2007. The other grades of CILEx membership are regulated through their membership CILEx.

Many of our regulated individuals work in law firms, often regulated at firm level by other regulators. Some deliver legal services to the types of consumers and in the areas of practice mentioned in the CMA recommendations. Others work in commercial settings, in-house or in local government.

We started regulating at firm level in 2015 and expect that aspect of our remit to grow as CILEx members take the opportunity to gain independent practice rights and set up their own businesses. The approach we have taken to delivering the recommendations is proportionate to the number of firms we regulate and our wider regulated community.

We have set out plans to enable our regulated firms to deliver the transparency requirements. Consistency of consumer information across the sector is essential. So, we recognise that to enable our firms to do this we must work with other regulators, particularly to understand findings from consumer testing. We see this as key to the development of a uniform approach to what information is available to consumers and how it is provided.

We believe that a consistent and iterative approach to rolling out the programme of transparency provision across the sector is vital. In this way consumer understanding of information can be supported, third party intermediaries can develop and unintended consequences can be identified and addressed.

Given that around 4,000 Chartered Legal Executives work in firms regulated by the SRA we are working with them to understand their operational approach so that we can ensure the work we carry out dovetails with theirs where appropriate.

LSB high-level outcome	Current and planned actions by the frontline regulator	Timings for each action with key milestones	Review date
<p>Action to deliver a step change in standards of transparency to help consumers (i) to understand the price and service they will receive, what redress is available and the regulatory status of their provider and (ii) to compare providers</p>	<p>Description of current and planned actions, including scope of action (i.e. types of provider/ consumer/ services affected)</p> <p>Regulated firms</p> <ol style="list-style-type: none"> 1. We have engaged with regulated firms to raise awareness of CMA transparency requirements. We surveyed regulated firms to raise awareness and understand their initial views (88% response). 2. We have provided guidance on our website for our regulated community on Client Care Letters (CCLs) together with a series of Journal articles to raise awareness and promote use of key principles to prepare CCLs. 3. We will develop a Transparency Communications Plan (through web based comms outlet '<i>Regulation Matters</i>', social media, e-shots) to raise awareness of our consultation on transparency provisions. 4. We consider that our regulated firms should provide information on price, service, redress and regulatory status on their websites, other social media if no website, or on request if they have neither. Such provision will make information available to consumers at the time they are choosing legal services. We will consult on publication of such information by our regulated firms providing services to clients in relevant areas of law. These will initially include transactional legal services such as conveyancing and wills. We will collaborate with other regulators in determining the initial relevant areas of law to roll out the transparency requirements to. We will develop a matrix to indicate visually which services provided by our firms benefit from access to PII/compensation arrangements. 5. Our development of transparency provisions for regulated firms, including the planned matrix, will be informed by consumer testing and the information gathered through our consultation. Our work will take account of the nine principles developed by the Legal Services Consumer Panel for successful development of information remedies where they apply. We will develop guidance with worked best practice examples. Consumers will benefit from consistency of delivery of readily recognisable information that is easy to use. While developing our transparency provisions, we will work collaboratively with other regulators to develop a consistent approach to transparency across the market, so that consumers can compare like for like. 6. We will develop a regulator logo, or graphic representation that indicates a firm is regulated by us. We will continue our dialogue with other regulators to understand their approach to developing these to indicate such factors as regulation, PII and compensation arrangements. We will take this into account in our work with the aim of achieving consistency for consumers. 	<p>Feb 2017</p> <p>2016/Q1 2017</p> <p>From July /Aug 2017</p> <p>Consultation: to September 2017 Board, published end of Sept 2017</p> <p>Guidance developed not before end 2018</p> <p>Logo developed not before end 2018,</p>	<p>Board reviews Sept, Nov 2017 and quarterly until end 2020</p>

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	<p>7. We will expect our regulated firms providing legal services in relevant areas of law to provide transparency in line with our guidance. Our view is that our outcomes based Code of Conduct covers our planned provisions for transparency by our regulated firms. Principle 6 of our Code requires our regulated members to “<i>Treat everyone fairly and without prejudice.</i>” Our Code outcome explains that a regulated member must “<i>Ensure your business or your role within it, your business model, processes and practices adequately assist consumers and clients to access justice and the full range of legal services.</i>” Our guidance will explain the outcomes our firms will need to achieve for consumers with worked examples and relate this to the Code outcome within Principle 6. We will consult on the application of Principles 5 and 6, and the current outcomes under them, to the transparency we will expect of our regulated community. Consultation outcomes will inform our thinking about whether and how we may need to change our Code.</p> <p>8. We will monitor the adoption of transparency provisions by our regulated firms delivering services in the areas of law identified for initial roll out. We will do this at the point of new application by firms for regulation and annually. We will review our approach after Year 1.</p> <p>9. We will monitor and evaluate the effects of the transparency provisions in our regulated firms. We will continue our engagement with other regulators and stakeholders and take account of research and other available information to develop a wider understanding of the impact and consequences of the transparency provisions. We will evaluate this information when considering how, when and the potential impact of rolling out the transparency provisions in relation to additional areas of law. We will use this information to consider necessary amendments to our guidance to our regulated firms.</p> <p>Authorised individuals</p> <p>10. Substantial numbers of our regulated community are employed in firms regulated at firm level by other regulators, usually the SRA. We will work with other regulators and have opened dialogue with the SRA to understand their proposals. This will inform our approach to raising awareness amongst our regulated community working in SRA regulated firms.</p> <p>11. We will raise awareness of consultations and transparency guidance in our Communications Plan. We will engage with CILEx, the professional body, to achieve this, ideally through use of their member communication channels (including their branch network, social media outlets, CILEx Journal and special interest groups).</p>	<p>implemented Q1 2019</p> <p>Guidance published Q1 2019. Consultation published Sept 2017. If Code changes, lodge with LSB Q4 2018, implement Q1 2019</p> <p>Review Q2 2020</p> <p>2017 - 2020</p> <p>2017 - 2020</p> <p>2017 - 2020</p>	

LSB high-level outcome	Current and planned actions by the frontline regulator	Timings for each action with key milestones	Review date
<p>Promotion of the use of independent feedback platforms to help consumers to understand the quality of service offered by competing providers</p>	<p>Description of current and planned actions, including scope of action (i.e. types of provider/consumer/services affected)</p> <p>12. Our transparency guidance will include:</p> <ul style="list-style-type: none"> • how to encourage and increase client feedback; and • how to interact/engage with online reviews. <p>We will aim to engage with on-line review site providers to develop our guidance. Our Communications Plan will raise awareness of these elements in our guidance.</p> <p>13. We will continue to play an active editorial role in the Legal Choices website.</p>	<p>Guidance developed not before end 2018: implemented Q1 2019</p> <p>2017 onwards</p>	<p>2020</p> <p>2020</p>
<p>Facilitation of the development of a dynamic intermediary market through making data more accessible to comparison tools and other intermediaries</p>	<p>Description of current and planned actions, including scope of action (i.e. types of provider/consumer/services affected)</p> <p>14. Our Authorised Practitioner Directory includes disciplinary information. We will consult on publishing enforcement information. This may require changes to our Publication Policy.</p> <p>15. We currently publish data in a readily reusable format for regulated firms. We also publish the same for individuals who opt-in to publication. We will monitor developments in the sector and keep this under review.</p> <p>16. We will work with other regulators to develop collection of consistent data across the sector. This will facilitate sector wide consistency in data publication.</p> <p>17. We will continue to work with the other regulators to explore the development of a single digital register.</p>	<p>Consultation Sept 2017</p> <p>2017 and review annually</p> <p>2017 onwards</p> <p>2018/2019 onwards</p>	<p>2021</p>
<p>Making better information available to assist consumers when they are identifying their legal needs and the types of legal</p>	<p>Description of current and planned actions, including scope of action (i.e. types of provider /consumer/services affected)</p> <p>18. We will primarily seek to achieve this outcome through reviewing and developing the content of Legal Choices. We are working with the other regulators to develop the content of Legal Choices and refine how we market it and engage with consumers. In doing so, we will, amongst other things, consider the CMA's detailed recommendations about content development and digital marketing.</p>	<p>2017 onwards</p>	<p>2020</p>

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services providers (both regulated and unregulated) who can help them.	19. We will continue our work to support of the SRA's three-year development plan for Legal Choices through our place on the Editorial Panel and financial contribution to Legal Choices.		