



LSB assessment of market transparency action plan

CILEx Regulation

Date action plan was published: 29 June 2017

The action plan is published [here](#).

LSB Assessment: SUFFICIENT.

1. CILEx Regulation's operating context is a key factor in our assessment. Most of the individuals regulated by CILEx Regulation work in law firms regulated by other regulators. CILEx Regulation only started regulating at firm level in 2015 and regulates a small number of firms currently, but some of these firms deliver legal services to the types of consumer and in the areas of practice that are the focus of the CMA's recommendations. In this context we are satisfied that the approach which CILEx Regulation is taking is proportionate and well-targeted.
2. In particular, we welcome CILEx Regulation's commitment to ongoing collaboration with the other regulators on joint initiatives, such as the development of Legal Choices and exploring the feasibility of creating a single digital register.
3. We welcome CILEx Regulation's focus on consistency with other regulators. We agree with the careful approach to piloting, consumer testing and learning from the experience of other regulators before potentially rolling out transparency provisions across the market.
4. We acknowledge the work done already to improve client care letters following the joint research with other regulators and LSCP. Although not in the plan, the new Regulation Matters website¹ is a welcome public legal education activity to raise consumer awareness. We welcome that CILEx Regulation has said it will take account of the nine principles developed by the Legal Services Consumer Panel for successful development of information remedies when developing its transparency proposals.
5. We highlight the following issues in relation to the action plan:

¹ <http://www.regulationmatters.uk/>

- We encourage CILEx Regulation to seek to understand current charging structures and existing levels of price transparency among the firms it regulates. The web sweeps carried out by some other regulators show how this can be achieved at little financial cost. Such a step would help CILEx Regulation to decide whether any regulatory measures are necessary and if so where these might most effectively be targeted.
- CILEx Regulation plans to produce voluntary guidance on transparency that supplements high-level outcomes in the existing code, rather than introduce mandatory requirements. Given the profile of CILEx Regulation's regulated community and the existing regulatory approach we consider this is proportionate, but we would ask CILEx Regulation to keep this under review.
- We welcome the inclusion of consideration of publication of data about enforcement action in the September consultation. However, the action plan is silent on whether CILEx Regulation is considering the publication of information on first-tier complaints. The CMA's recommendations envisage that such information might also be integrated into the published registers. As we set out in our document explaining how we will assess action plans, if this is not contemplated, we would ask CILEx Regulation to give reasons why action is not planned and explain the governance process used to reach this decision.
- We consider CILEx Regulation should explore whether the new transparency requirements and guidance around feedback platforms could be delivered before 2019 so that consumers do not have to wait this long to benefit from the proposed measures.