



**Zahida Manzoor CBE**  
Commissioner



INVESTORS IN PEOPLE

# **THE LAW SOCIETY'S PERFORMANCE & PROGRESS AGAINST THE TARGETS & PLAN DURING THE PERIOD 1 APRIL 2006 TO 31 MARCH 2007**

## **SUMMARY OF PERFORMANCE UP TO DECEMBER 2006**

• Impartiality • Transparency • Efficiency • Effective remedy •

Appointed under the Access to Justice Act 1999 as an independent regulator working with the Law Society on behalf of the consumer to improve standards in complaints handling

## **AIM OF THE LEGAL SERVICES COMPLAINTS COMMISSIONER**

The aim of the Legal Services Complaints Commissioner (the Commissioner) is to regulate the complaints handling arm of the Law Society to help ensure that it handles complaints about its members effectively and efficiently. The Commissioner's website address is [www.ol SCC.gov.uk](http://www.ol SCC.gov.uk)

## **APPROACH TO SETTING TARGETS**

In order to focus the Law Society on key areas for improvement, the Commissioner requested that it provide a complaints handling Plan (the Plan) showing how it would deliver performance improvements in its complaints handling system and processes over the period 1 April 2006 to 31 March 2007. In relation to the Law Society's performance, she also set targets in three key areas:

- **Timeliness** – to improve the speed with which complaints are handled by the Law Society;
- **Quality of decisions** – to improve the quality and consistency of complaints handling by the Law Society; and
- **Delivery of the Plan** – to implement the agreed plan for complaints handling.

The targets set by the Commissioner included areas where, if performance was improved, the Law Society could move closer towards delivering an effective and efficient complaints handling service.

The Law Society agreed to the targets set by the Commissioner and included these within its Plan for the period 1 April 2006 to 31 March 2007. A full copy of this Plan can be found on the Law Society's website [www.lawsociety.org.uk/documents/downloads/CCS\\_ComplaintsPlan.pdf](http://www.lawsociety.org.uk/documents/downloads/CCS_ComplaintsPlan.pdf)

In setting the targets the Commissioner took into account the Law Society's performance and what it could realistically aim to achieve. The Commissioner considered a range of information, including monthly performance information from the Law Society, the results of a benchmarking study conducted by her Office of other complaints handling organisations, and the findings of audits undertaken by her Office in 2005. This information demonstrated that the Law Society needed to take further action to improve its systems and processes, including the consistent application of its own policies and procedures when dealing with complaints.

At the end of the year, 31 March 2007, the Commissioner will assess whether the Law Society has handled complaints in accordance with its Plan. If she decides that it has not, the Commissioner can levy a penalty on the Law Society of up to one million pounds.

## **LAW SOCIETY'S COMPLAINTS HANDLING OPERATION**

The Law Society handles complaints about solicitors concerning service or conduct issues, from consumers of legal services. For the purpose of this report, "complaints" includes both complaints in which solicitors' clients seek redress, and complaints about solicitors' conduct, whether made by solicitors' clients or by third parties. The term "complaint" does not include enquiries, (where the Law Society provides information, clarification, or an explanation of jurisdiction), these are counted separately.

The Consumer Complaints Service (CCS) is the part of the Law Society responsible for handling the majority of client related redress complaints made against solicitors in England and Wales. The work of the CCS is delivered through two business units, Customer Service and Service Excellence. CCS will be known as the Legal Complaints Service (LCS) from January 2007.

The Conduct, Assessment & Investigation Unit (CAI) is the part of the Law Society responsible for dealing with client and non-client conduct complaints. CAI will be known as the Solicitors Regulation Authority (SRA) from January 2007.

Further details of the Law Society's complaints handling organisation can be found on the following websites

[www.lawsociety.org.uk](http://www.lawsociety.org.uk)

[www.legalcomplaints.org.uk/home.page](http://www.legalcomplaints.org.uk/home.page)

[www.sra.org.uk](http://www.sra.org.uk)

### **MONITORING THE LAW SOCIETY'S PROGRESS AGAINST THE TARGETS**

This summary report provides information to show how the Law Society is performing against each of the target areas included within its Complaints Handling Plan for the period 1 April 2006 to 31 December 2006.

Performance against the timeliness target areas, the Legal Services Ombudsman's satisfaction rating, and delivery of the Plan is monitored via monthly management information reports provided by the Law Society.

Progress and performance against some of the quality targets can only be measured by the Commissioner's Office undertaking an audit of case files. This summary report, following the first such audit, gives an overview of performance against these quality targets at this point of the Plan year. It should be noted however, that the results should only be taken as an indication of the potential performance for the Plan year, as performance against the targets needs to be measured by assessing cases from throughout the year. The final performance will be measured by the year end audit conducted by the Commissioner's Office.

Throughout the remainder of the year the Commissioner will continue to closely monitor the Law Society's performance to see whether it has handled complaints in accordance with its Plan and assess the level of improvement made for the consumer and the profession.

### **FINAL ASSESSMENT OF THE LAW SOCIETY'S PERFORMANCE AGAINST ITS PLAN**

The work outlined in the Plan is aimed at bringing the Law Society's complaints handling service closer to an effective and efficient level of performance and achieving the targets set by the Commissioner.

The Commissioner has the power to levy a penalty against the Law Society if it fails to handle complaints in accordance with its Plan. In determining whether the Law Society has handled complaints in accordance with its Plan, the Commissioner will take the following factors into account at the end of the Plan year, March 2007:

- all factors relevant at the time;
- how many targets are missed, how close the Law Society is to achieving them and how it has performed on the other targets;

- the volume and nature of cases that the Law Society has dealt with compared to the numbers projected in the Plan;
- progress made in implementing the improvement initiatives in the Plan and any recommendations made by the Commissioner;
- whether the resources envisaged in the Plan have actually been deployed.
- whether there is any evidence that the Society is making all reasonable efforts to carry out the Plan in a committed and positive way; and
- any representations made by the Society.

These points will be addressed through the critical analysis of Management Information, Key Performance Indicators, audit findings, meetings with the Law Society, written correspondence and the outcomes of any visits to the Law Society.

## Summary of Law Society performance and progress against its targets and Plan during the period 1 April 2006 to 31 December 2006

Current performance as at the end of December 2006 shows that the Law Society's complaints handling service is meeting 2 out of the 3 timeliness target areas, but is not meeting any of the 6 quality target areas set by the Commissioner. This latter performance is being discussed with the Law Society, to secure improvements. The Law Society needs to close more efficiently its oldest cases, and improve its application of its own policies and processes if it is to meet the targets.

### Timeliness

The Commissioner is pleased that there has been some improvement in the number of complaints closed within 3 months and is encouraged that the Law Society is now meeting the timeliness target for cases closed within 12 months. However, she is keen to see older cases being brought to closure more quickly, as well as a reduction in the overall length of time taken to close all cases. Progress during the period 1 April 2006 to 31 December 2006 shows:

- there are still 307 cases open which are over 15 months old, against a target to have only 65 cases over 15 months old by the end of March 2007;
- the Law Society is meeting the 57% timeliness target for cases closed within 3 months. Year to date performance (April to December 2006) shows the Law Society is achieving 58% of cases closed within 3 months; and
- the Law Society is meeting the 94% timeliness target for cases closed within 12 months. Year to date performance (April to December 2006) shows the Law Society is achieving 94% of cases closed within 12 months.

### Quality

In terms of the quality and consistency of decision making, the findings from the indicative target audit recently undertaken by the Commissioner's Office shows that the Law Society is not adhering consistently to its own policies and customer standards when dealing with complaints. The Law Society needs to improve substantially in the remainder of the year if it is to achieve these quality target areas by the end of the Plan year. The final performance will be measured by the year end audit conducted by the Commissioner's Office.

- Quality target Q1 - based on the findings from the OLSCC audit undertaken in October, results show that only 41% of cases had a consideration and/or award of a Special Payment made in line with the Law Society's own Special Payment policy guidance, against a target of 80%.
- Quality target Q2 - based on the findings from the OLSCC audit undertaken in October, results show that a substantive response was provided to the consumer within 55 calendar days of receipt of the complaint, in only 73% of cases, against a target of 80%.

- Quality target Q3 - based on the findings from the OLSCC audit undertaken in October, results show that:
  - For redress matters, only 39.4% of consumers were contacted at least every 30 days following the first substantive response, against a target of 80%; and
  - For matters handled under the Informants' Protocol, only 74.1% of informants with an interest were updated at key stages of the investigation, against a target of 80%.
- Quality target Q4 - based on the findings from the OLSCC audit undertaken in October, results show that only 67% of cases had the Law Society's indicative awards and reasonable offer made guidance shared at the appropriate stage, against a target of 80%.
- Quality target Q5 - based on the findings from the OLSCC audit undertaken in October, results show that the Law Society had correctly identified and addressed the heads of complaint in only 88.2% of cases, against a target of 95%.
- Also, progress during the period 1 April 2006 to 31 December 2006 shows that the Law Society is not meeting the 73% quality of decisions performance target, which is based on the Legal Services Ombudsman (LSO) satisfaction rating. Year to date performance (April to December 2006) shows the Law Society is only achieving 68%.

### **Progress against the Law Society Plan**

In relation to progress against the Plan, the Law Society is:

- reporting a £142,000 (0.5%) under spend against its year to date (April to December 2006) budget of £27,027m;
- reporting a shortfall in its staffing of 44.78 (9.1%), against its staffing forecast of 491.71 posts; and
- reporting that the majority of its initiatives, designed to help it achieve the targets, are nearing closure. It has reported that the majority of the impact from these initiatives will be realised towards the end of the Plan year. Current information shows improvements in the timeliness at dealing with cases, although there seems to be little improvement in the quality of complaints handling.

Additional performance information provided by the Law Society shows that it has:

- reduced the number of complaints in its system by 19.1% (1,144 cases), from 5,985 at the end of March 2006 to 4,841 by the end of December 2006;
- received 13,620 new complaints, 7% (1,024 cases) below its forecast of 14,644;
- closed 14,764 complaints, 4% (547 cases) below its forecast of 15,311.

### **Summary of performance against the timeliness targets**

The Commissioner is keen to see cases being brought to closure more quickly, as well as a reduction in the number of older cases and the overall length of time taken to close all cases. In terms of timeliness she wants the Law Society to improve the speed with which complaints are handled over the remainder of the year.

The latest performance results up to the end of December 2006 show that the Law Society's complaints handling service is meeting 2 out of the 3 timeliness targets set by the Commissioner. These targets are:

- Target T1 – By the end of March 2007, there will be no more than 65 cases in the live caseload (all open cases) that have been open for 15 months or more.
- Target T2 – 57% of complaints closed on or after 1 April 2006 and on or before 31 March 2007 are closures within 3 months of opening.
- Target T2 – 94% of complaints received on or after 1 April 2005 and on or before 31 March 2006 are closed within 12 months of opening.

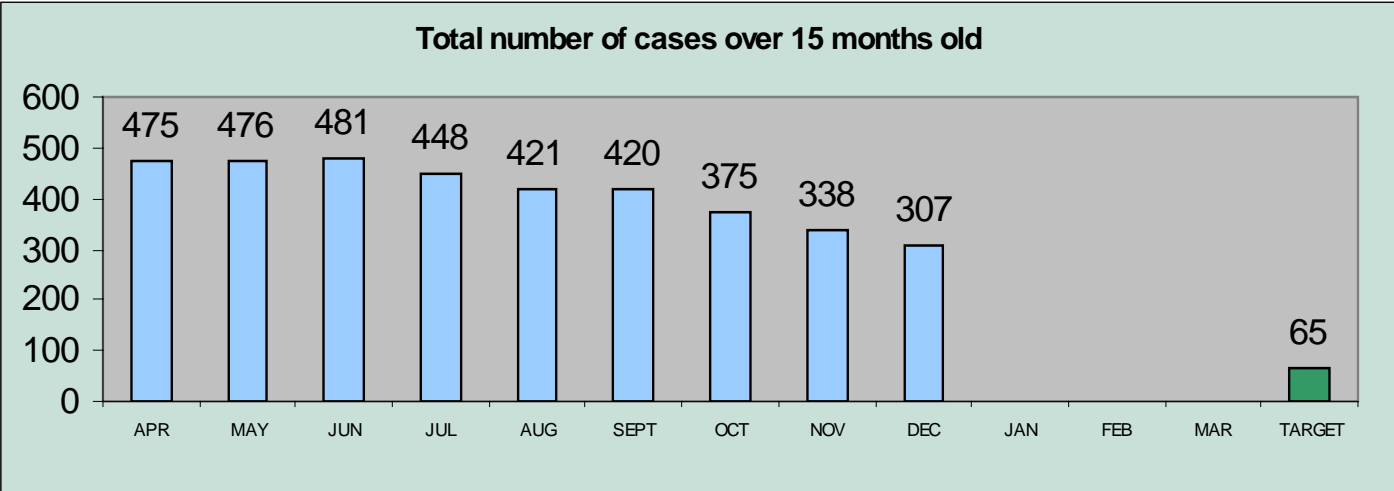
There has been some improvement in the number of complaints closed within 3 months, which the Commissioner hopes the Law Society will maintain and build on throughout the remainder of the Plan year.

Of concern to the Commissioner is the fact that the Law Society has only managed to reduce the number of its cases over 15 month old by 179 cases during the first 9 months of the year. This averages out at a reduction of only 20 cases per month. To meet the Commissioner's target the Law Society will need to reduce the number of cases over 15 months old by 242 cases over the remaining 3 months of the Plan year.

### **More detailed analysis of the timeliness targets**

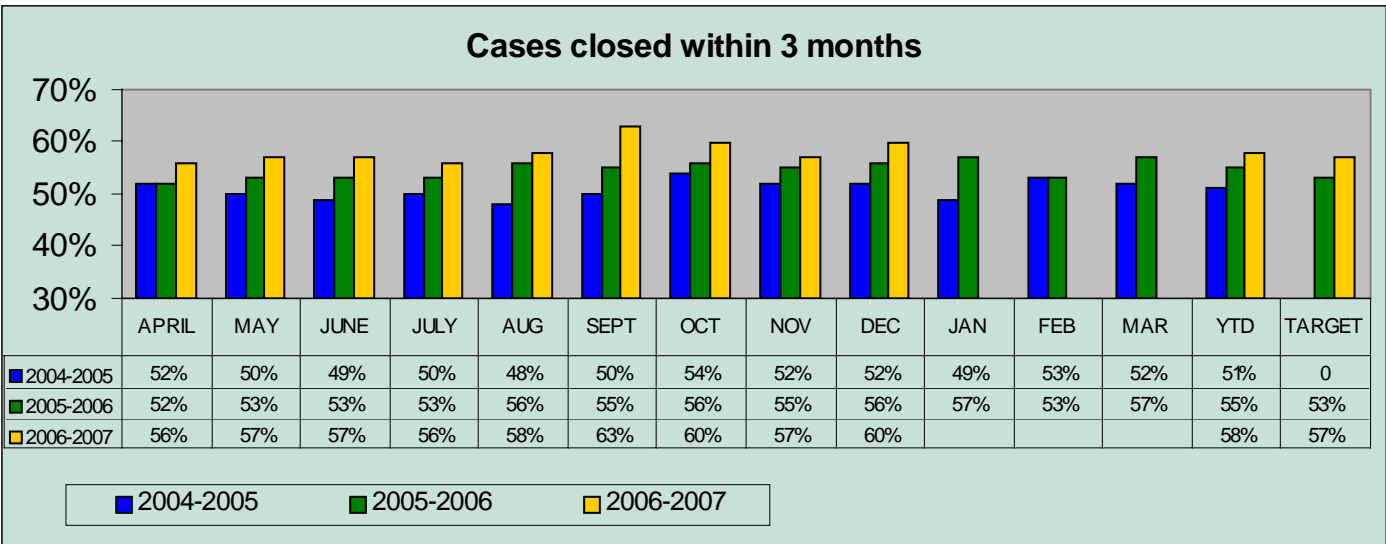
**Target T1 – By the end of March 2007, there will be no more than 65 cases in the live caseload (all open cases) that have been open for 15 months or more.**

- At the beginning of the Plan year, April 2006, the Law Society had 486 cases that had been open for 15 months or more. By the end of December 2006 there are 307 cases over 15 months old. Of these 307 cases, 200 cases are over 18 months old.
- The Commissioner is particularly concerned that there are still 307 cases, which have been open for more than 15 months. The Law Society needs to do considerably more if it is to achieve this target by the end of the Plan year.



**Target T2 – 57% of complaints closed on or after 1 April 2006 and on or before 31 March 2007 are closures within 3 months of opening.**

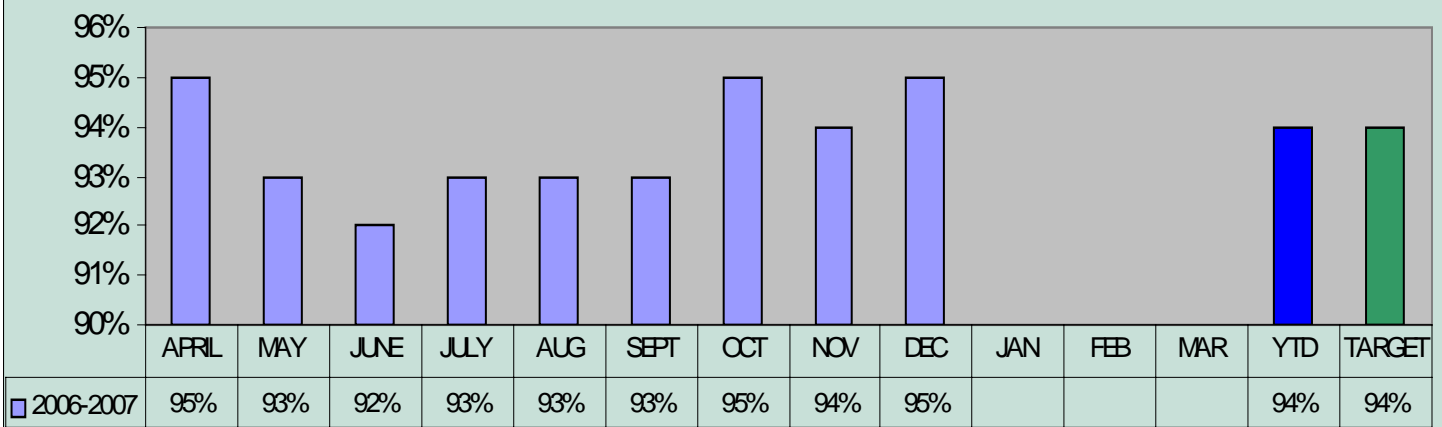
- Year to date performance (April 2006 to December 2006) shows that the Law Society is currently meeting the 3 month timeliness target.
- The Law Society has closed 58% of its cases (8,598 cases) within 3 months during April to December 2006, compared to 54% of cases (7,605 cases) during April to December 2005. This improvement means that an additional 993 consumers also had their complaint closed within 3 months rather than waiting longer.



**Target T2 – 94% of complaints received on or after 1 April 2005 and on or before 31 March 2006 are closed within 12 months of opening.**

- During April 2005 to March 2006 91% of cases were closed within 12 months against the Commissioner’s target of 92%.
- Year to date performance (April 2006 to December 2006) shows that the Law Society is achieving 94% of cases closed within 12 months against the Commissioner’s target of 94%, this is encouraging.

**Cases closed within 12 months**



### **Summary of performance against the quality targets**

Results against most of the quality targets can only be measured by the Commissioner's Office undertaking an audit of case files. The exception to this is progress against the quality of decisions performance target, which is based on the Legal Services Ombudsman (LSO) satisfaction rating. This target area is monitored via monthly management information provided by the Law Society.

This summary also includes results from the indicative target audit of case files undertaken by the Commissioner's Office during October 2006 and gives an overview of performance against these quality targets at the halfway point of the Plan year. It should be noted however, that the results should only be taken as an indication of the potential performance for the Plan year, as performance against the targets needs to be measured by assessing cases throughout the year.

The sample size and the particular characteristics of the file sample drawn for this audit are detailed in the technical appendices of the Indicative Target Audit Report. This is now available on the Commissioner's website [www.olsc.gov.uk](http://www.olsc.gov.uk) This number allows the Commissioner to make inferences with a 95% confidence interval and at most a 4% margin of error that another sample would produce the same results.

Despite these targets only covering the Law Society's application of its own published policies, the results against the targets are concerning. They show that the Law Society is currently missing every single quality target and needs to improve substantially in the remainder of the year if it is to achieve them. In summary, the audit shows that the Law Society is not adhering consistently to its own policies and customer standards when dealing with complaints.

A final and definitive assessment of the Law Society's performance against the quality target areas (with the exception of the LSO measure) will be made through an audit conducted by the Commissioner's Office in April and May 2007.

### **More detailed analysis of the quality targets**

**Quality Target Q1 – Of those cases audited by the Commissioner's Office, 80% or more of cases closed after 1 April 2006 and aged 6 months or over, consideration and/or award of special payment will be in line with the relevant special payment policy guidance and evidenced on the file.**

- This target is intended to measure how well the Law Society applies its own procedures and policy in relation to making special payments where there are failings in its own service. Based on the findings from the recent audit, results show that only 41% of cases had a consideration and/or award of a Special Payment made in line with the Law Society's own Special Payment policy guidance.

**Quality Target Q2 – Of those cases audited by the Commissioner’s Office, 80% of substantive responses provided between 1 April 2006 and 31 March 2007 will be within 55 calendar days of receipt.**

- This target measures the time taken by the Law Society to specifically address the issues raised by the consumer and to confirm the action it is taking to deal with the complaint. Based on the findings from the recent audit, results show that a substantive response was provided to the consumer within 55 calendar days of receipt of the complaint, in only 73% of cases.

**Quality Target Q3 – For redress matters, of those cases audited by the Commissioner’s Office, 80% or more of consumers are contacted at least every 30 days following the first substantive response. For matters handled under the Informants’ Protocol, of those cases audited by the Commissioner’s Office, 80% or more of informants with an interest will be updated at either key stages of the investigation or 30 days where requested by a consumer.**

- This target measures whether the Law Society updates consumers on the progress of their complaint on at least a monthly basis or at key stages during the complaint.
- Based on the findings from the recent audit, results show that:
  - for redress matters, only 39.4% of consumers were contacted at least every 30 days following the first substantive response, against a target of 80%.
  - for matters handled under the Informants’ Protocol, only 74.1% of informants with an interest were updated at key stages of the investigation, against a target of 80%.

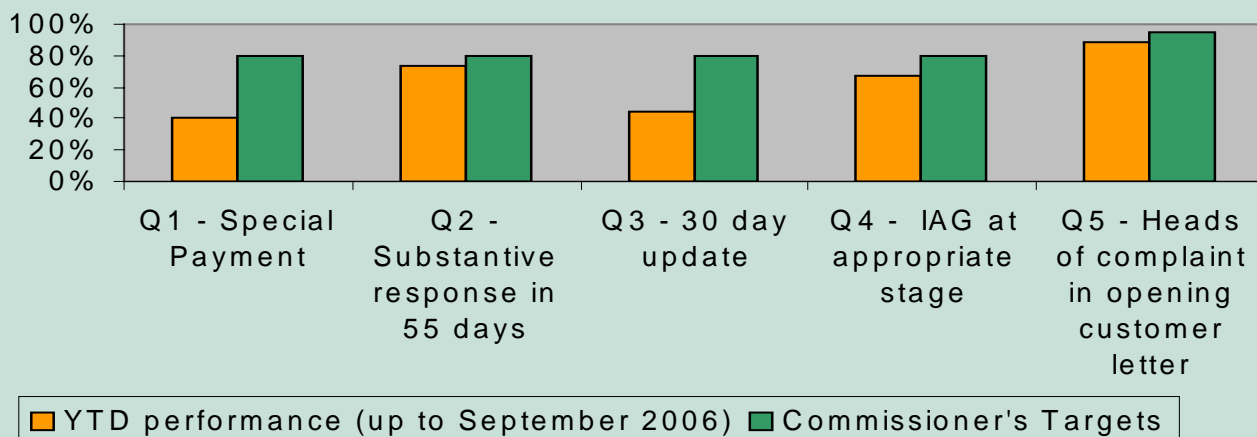
**Quality Target Q4 – Of those cases audited by the Commissioner’s Office, in 80% or more of cases where the matter progresses to conciliation or reasonable offer made (ROM) on or after 1 April 2006, the Law Society will share, at an appropriate stage, the indicative awards guidance and ROM guidance with the consumer and solicitor.**

- This target measures whether the Law Society shares appropriate guidance with consumers and solicitors at the relevant stage of the case, to ensure that consumers and solicitors can make an informed choice about any level of compensation to be agreed. Based on the findings from the recent audit, results show that only 67% of cases had the Law Society’s indicative awards and reasonable offer made guidance shared at the appropriate stage.

**Quality Target Q5 - Of those cases opened after 1 April 2006 and audited by the Commissioner’s Office, in 95% or more of cases, heads of complaints are correctly identified and addressed during confirmation to the consumer.**

- This target measures whether the Law Society has correctly understood the issues raised by consumers and whether they accurately reflect these back to the consumer. Based on the findings from the recent audit, results show that the Law Society had correctly identified and addressed the heads of complaint in only 88.2% of cases.

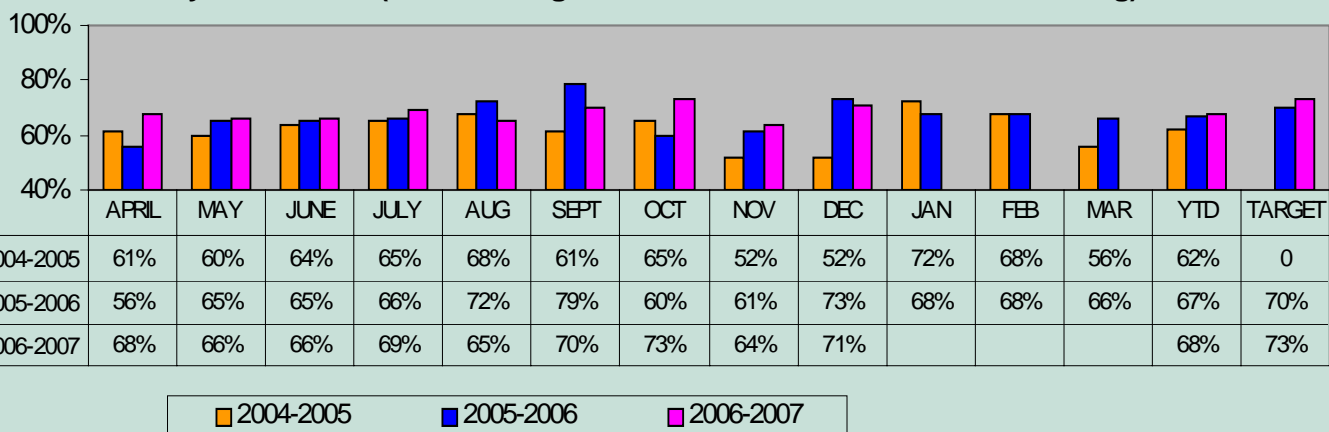
### Quality performance based on OLSCC audits against Commissioner's targets 2006-2007



### Quality Target Q6 – In 73% or more of referrals to the Legal Services Ombudsman (LSO) the LSO upholds the handling of the case by the Law Society.

- This quality target is monitored via monthly management information rather than an audit by the Commissioner's Office.
- It is pleasing to see that in-month performance during December was 71%, which is a 7 percentage point improvement compared to performance in November. However, year to date quality of decisions performance (April to December 2006) shows the Law Society is only achieving 68%, which is 5 percentage points down on the Commissioner's target for 2006-2007.
- In setting this target at the start of the Plan year the Commissioner took into account the Law Society's performance and what it could realistically aim to achieve. The Commissioner encourages the Law Society to do more to achieve this target.

### Quality of decisions (based on Legal Services Ombudsman satisfaction rating)



**Target P1 - Unless varied by agreement with the Commissioner, the Plan will be delivered by fully utilising the total budget as set out in the Complaints Handling Plan for 2006-2007.**

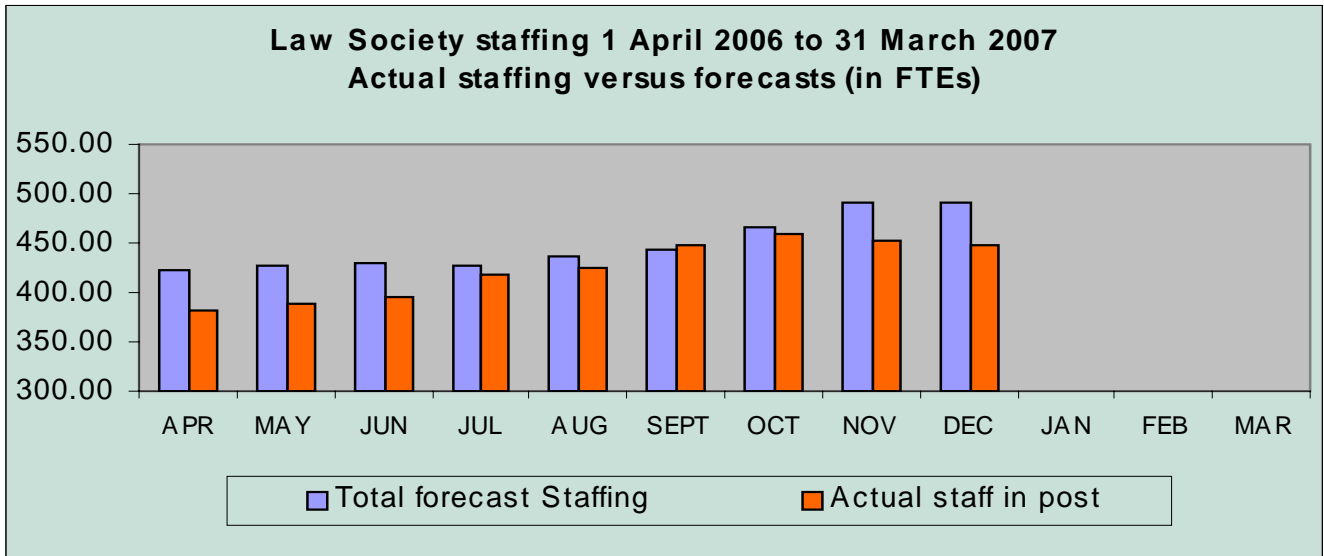
The Commissioner also set targets for the Law Society around the implementation of its complaints handling Plan. This target was to ensure the effective utilisation of the available budget to improve the service being received by solicitors and consumers.

- The Law Society reported that its budget for complaints handling for the period 1 April 2006 to 31 March 2007 was £36,057 million. It reported that this would be split into 12 equal parts for each of the 12 months in the Plan year.
- Budget information provided by the Law Society shows that its actual expenditure for the period April to December 2006 was £26,885m. This is £142,000 (0.5%) below its own forecast spend of £27,027m.
- The Commissioner has urged the Law Society to consider how it can make effective use of its budget to help it achieve its targets and improve its service, particularly given its concerning performance at this stage of the Plan year.

**Target P2 - Unless varied by agreement with the Commissioner, the Plan will be delivered by utilising resources as set out in the Complaints Handling Plan for 2006-2007.**

Historically, the Law Society has been under staffed compared to its stated requirements. This target was aimed at ensuring that the Law Society takes a proactive and efficient approach to its staffing levels, to ensure that it has the people it reports it needs to meet the targets.

- In December 2006 the Law Society reported that it had a total staffing budget to accommodate 491.71 posts.
- Of the 491.71 posts, 58.2 are within the Conduct Assessment & Investigation Unit, 383.75 are within the Customer Service and 49.76 are within its Service Excellence team.
- By the end of December 2006 the Law Society reported there were 446.93 staff in post, a shortfall in its staffing of 44.78 (9.1%).
- The Commissioner has noted that the Law Society has been much closer to its staffing requirements in 2006/07 than the previous year. However, it has still been understaffed every month except one. Having the right number of people in the right place is important, and the Law Society needs to ensure it has the people it reports it needs to meet the targets.



**Target P3 - Unless varied by agreement with the Commissioner, the priority initiatives to support the delivery of the Law Society's Complaints Handling Plan for 2006-2007 will be achieved to time and cost in accordance with the Plan, meet all milestones declared in the Plan and deliver the stated objectives and benefits.**

The Law Society included a number of initiatives in its Plan, which it believed would help it meet the targets. This target is designed to ensure that the Law Society effectively manages the implementation of these changes.

- The Law Society provides the Commissioner with a monthly progress report showing details of all the projects and initiatives that it is taking forward during the Plan year. Full details of these projects and initiatives can be found in the Law Society's Complaints Handling Plan on its website  
[www.lawsociety.org.uk/documents/downloads/CCS\\_ComplaintsPlan.pdf](http://www.lawsociety.org.uk/documents/downloads/CCS_ComplaintsPlan.pdf)
- The Commissioner's Office is undertaking ongoing monitoring of these projects and initiatives.
- The Commissioner is concerned to note that the quarterly progress reports provided by the Law Society suggest that so far there has been limited impact from its initiatives in its quality at dealing with cases, although there has been an improvement in its timeliness at dealing with cases. However, the Law Society has reported that the majority of the impact will be realised towards the end of the Plan year. The Law Society needs to undertake an ongoing review of each of the initiatives to ensure it identifies where it needs to do more, or different, work to ensure that improvements are made for the consumer and the profession.
- The Commissioner made a number of recommendations at the beginning of the Plan year, which were aimed at helping the Law Society improve its processes, reduce delay and help it improve its quality for dealing with complaints. She will be assessing whether the Law Society has taken action against these recommendations, as part of her assessment at the end of the Plan year.

**Target P4 - Unless varied by agreement with the Commissioner, progress against the Law Society's Complaints Handling Plan for 2006-2007, targets and supporting Key Performance Indicators, will be reported to the Commissioner's Office in line with the timescales agreed with the Commissioner.**

- During the period April to December 2006 the Commissioner's Office received the monthly Management Information reports by the agreed deadlines.