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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
MARCH 2007**

• 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.olsc.gov.uk

APPROACH TO SETTING TARGETS

In order to focus the Law Society's Legal Complaints Service and Solicitors Regulation Authority 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's Legal Complaints Service and Solicitors Regulation Authority 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

In setting the targets the Commissioner took into account the Law Society's Legal Complaints Service and Solicitors Regulation Authority'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.

Following the end of the Plan year, 31 March 2007, the Commissioner assesses whether the Law Society's Legal Complaints Service and Solicitors Regulation Authority 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 Legal Complaints Service (LCS) 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 LCS is delivered through two business units, Customer Service and Service Excellence. LCS was previously known as the Consumer Complaints Service (CCS).

The Solicitors Regulation Authority (SRA) is the part of the Law Society responsible for dealing with client and non-client conduct complaints.

Further details of the Law Society's complaints handling organisation can be found on the following websites www.lawsociety.org.uk www.legalcomplaints.org.uk/home.page www.sra.org.uk

MONITORING THE LAW SOCIETY'S PROGRESS AGAINST THE TARGETS

This summary report provides information to show how the Law Society performed against each of the target areas included within its Complaints Handling Plan for the period 1 April 2006 to 31 March 2007.

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

Progress and performance against some of the targets could only be measured by the Commissioner's Office undertaking an audit of case files. This summary report, following the final end of year audit, gives an overview of performance against these targets.

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 set out the factors she would take into account at the end of the Plan year, 31 March 2007. This included:

- 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 are 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 March 2007

The Commissioner wrote to the Law Society's Legal Complaints Service and Solicitors Regulation Authority on 12 June 2007 to let it know that considering this performance and all other relevant factors, her provisional decision was that it had failed to handle complaints in accordance with its Plan. She has offered the Law Society's Legal Complaints Service and Solicitors Regulation Authority the opportunity to provide representation on this decision, which she will take into account in coming to a final decision.

This decision and performance information should therefore be treated as provisional at this stage. The end of year performance results show the following:

Timeliness Target T1

- The target set by the Commissioner was by the end of March 2007 for the Law Society to have no more than 65 cases in the live caseload (all open cases) that have been open for 15 months or more. A decision on the achievement of this target is yet to be made, pending representation by the Law Society.

Timeliness Target T2

- The Law Society exceeded the 57% timeliness target for cases closed within 3 months. Performance during April 2006 to March 2007 shows it achieved 59% of cases closed within 3 months.
- The Law Society met the 94% timeliness target for cases closed within 12 months. Performance during April 2006 to March 2007 shows it achieved 94% of cases closed within 12 months.

Quality

In terms of the quality of decision making, the findings from the end of year quality target audit undertaken by the Commissioner's Office in April & May 2007 show that the Law Society is not adhering consistently to its own policies and customer standards when dealing with complaints.

- Quality target Q1 – audit results show that only 48.4% 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 - audit results show that a substantive response was provided to the consumer within 55 calendar days of receipt of the complaint, in 78.5% of cases, against a target of 80%.
- Quality target Q3 – audit results that 61.9% of consumers / informants were contacted at least every 30 days following the first substantive response or at key stages of the investigation, against a target of 80%;
- Quality target Q4 – audit results show that 81.7% 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 – audit results show that the Law Society had correctly identified and addressed the heads of complaint in 97.6% of cases, against a target of 95%.
- Quality target Q6 – this target is measured throughout the Plan year and is based on the Legal Services Ombudsman (LSO) satisfaction rating. Performance during April 2006 to March 2007 shows the Law Society only achieved 68%, which is 5 percentage points below the 73% quality of decisions performance target set.

Additional performance against the Law Society Plan

- The Law Society reduced the number of complaints in its system by 32% (1,930 cases), from 5,985 at the end of March 2006 to 4,055 by the end of March 2007;
- The Law Society received 18,434 new complaints, 5.6% (1,092 cases) below its revised 2006/07 forecast of 19,526. During 2005/06 it received 18,299 new complaints;
- The Law Society closed 20,364 complaints, 2.3% (484 cases) below its revised 2006/07 forecast of 20,848. During 2005/06 it closed 18,840 complaints.

STRATEGIC PRIORITY 1

Improving the speed with which complaints are handled.

Summary of performance against the timeliness targets

The 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.

More detailed analysis of the timeliness targets

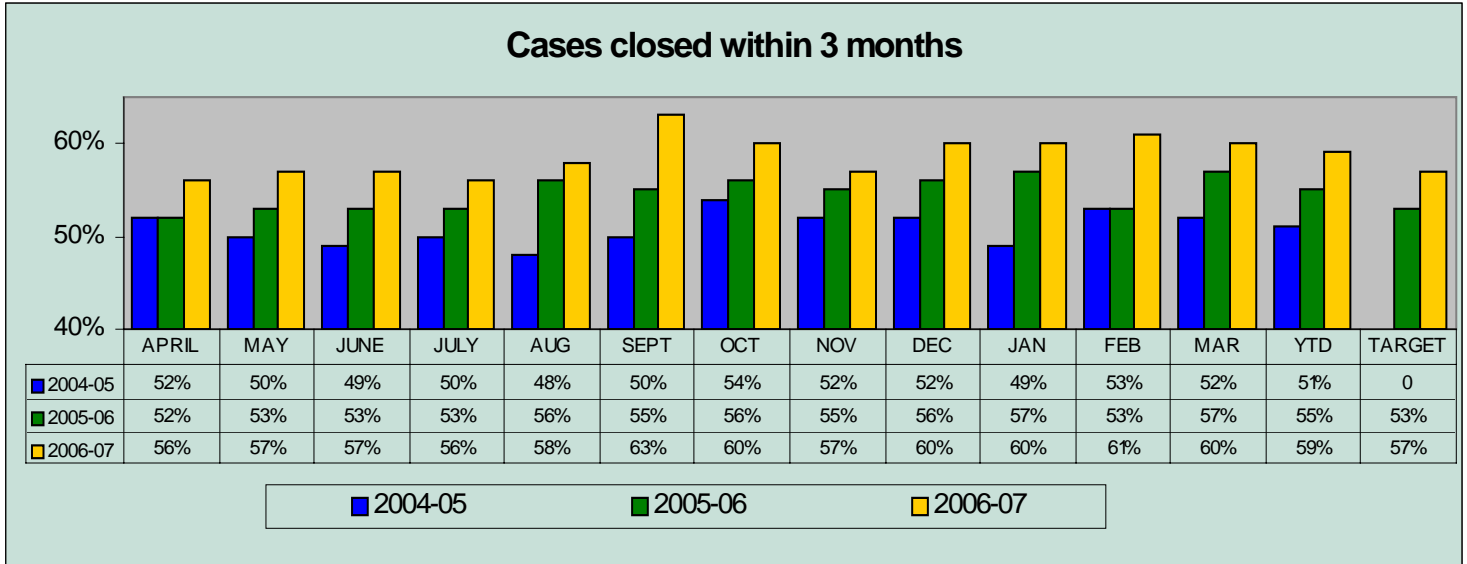
Target T1 – By the end of March 2007, there will be no more than 65 cases in the live caseload (all open cases) that have been open for 15 months or more.

- A decision on the achievement of this target is yet to be made, pending representation by the Law Society.

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.

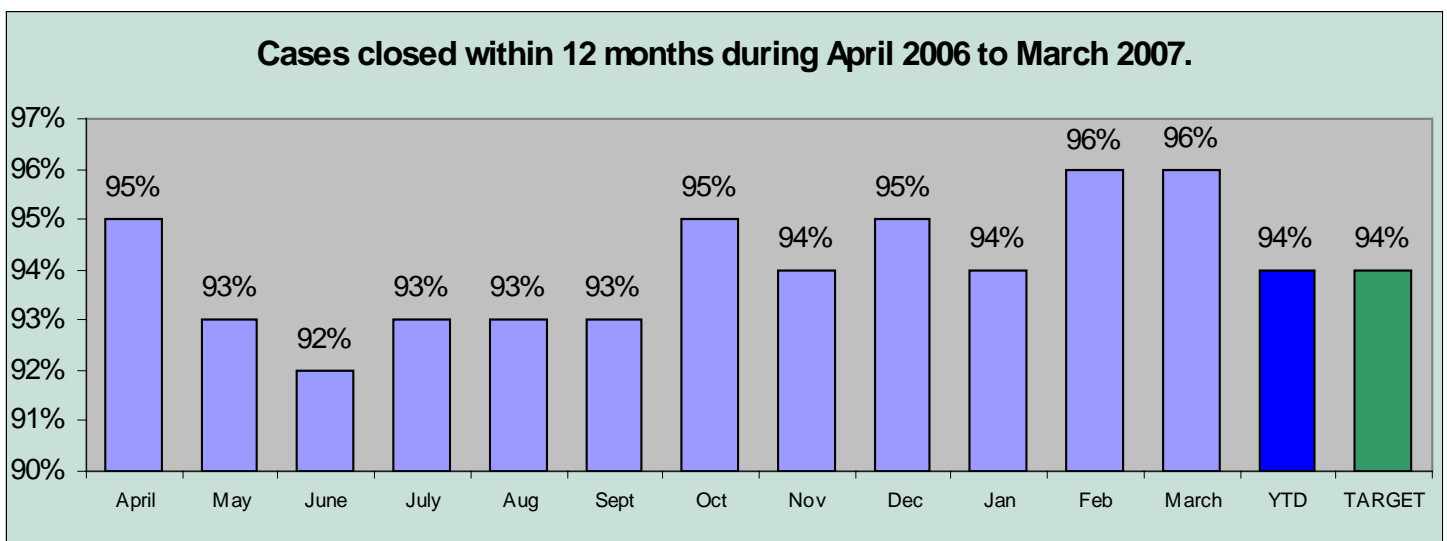
- Performance during April 2006 to March 2007 shows that the Law Society exceeded the 3 month timeliness target of 57%.

- The Law Society closed 59% of its cases (11,988 cases) within 3 months during April 2006 to March 2007, compared to 55% of cases (10,280 cases) during April 2005 to March 2006. This improvement means that an additional 1,708 consumers had their complaint closed within 3 months than compared to the same period in 2005-06.



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%.
- Performance during April 2006 to March 2007 shows that the Law Society achieved 94% of cases closed within 12 months against the Commissioner’s target of 94%.



STRATEGIC PRIORITY 2

Improving the quality of complaints handling.

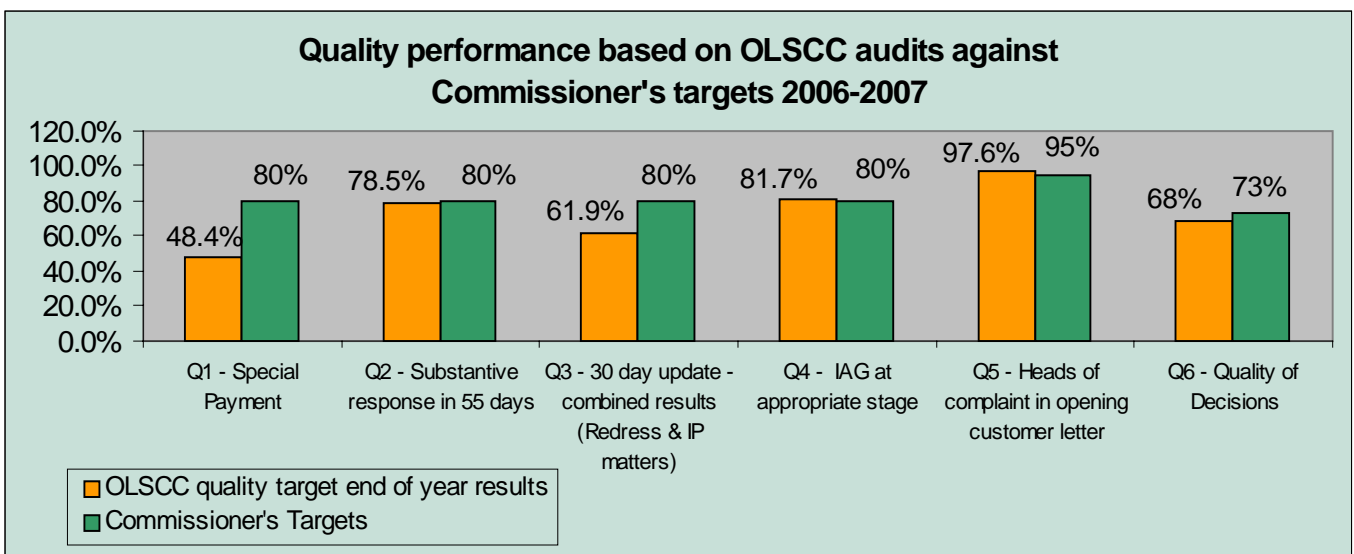
Summary of performance against the quality targets

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.

The sample size and the particular characteristics of the file sample drawn for the audit are detailed in the technical appendices of the OLSCC Audit Reports. These are now available on the Commissioner's website 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.

The quality targets are based on the Law Society's application of its own published policies. In terms of the quality of decision making, the findings from the end of year quality target audit undertaken by the Commissioner's Office in April & May 2007 show that the Law Society is not adhering consistently to its own policies and customer standards when dealing with complaints.

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. The end of year audit results show that only 48.4% 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 – 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. The end of year audit results show that a substantive response was provided to the consumer within 55 calendar days of receipt of the complaint, in 78.5% of cases, against a target of 80%.

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 / informants 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 end of year audit, results show that 61.9% of cases were updated at least every 30 days or at key stages during the complaint, 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.

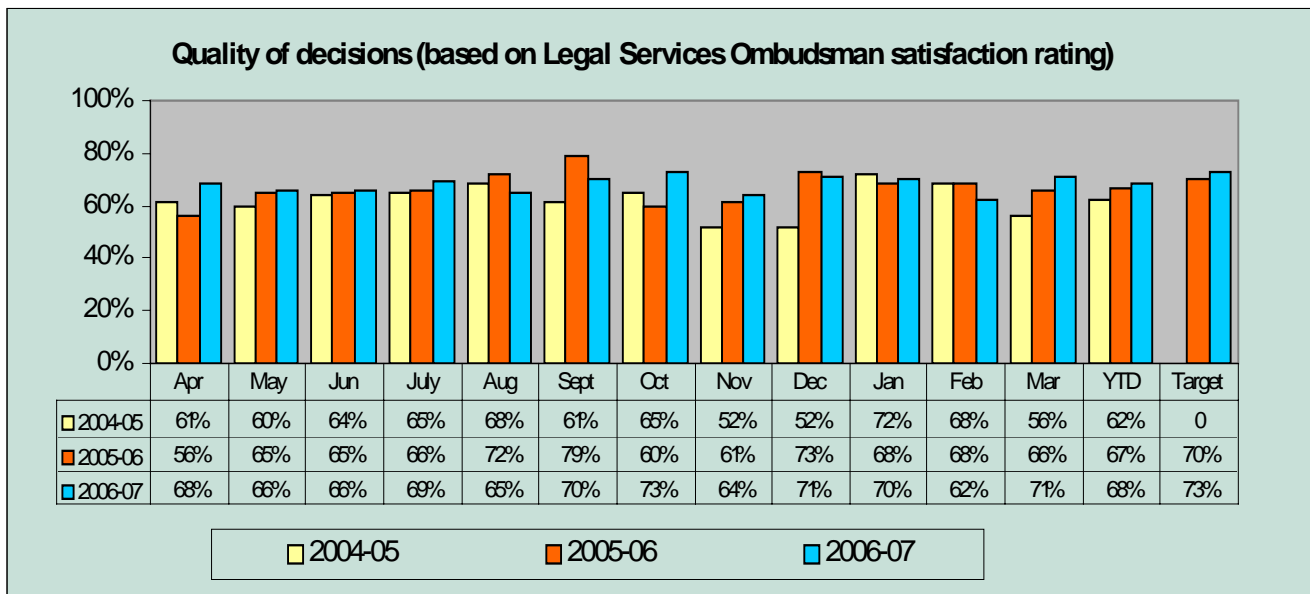
- This target measures whether the Law Society shares appropriate guidance with consumers and solicitors at the relevant stage of the case, to ensure that consumers and solicitors can make an informed choice about any level of compensation to be agreed. The end of year audit results show that 81.7% of 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 - 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 issues back to the consumer. The end of year audit results show that the Law Society had correctly identified and addressed the heads of complaint in 97.6% of cases, against a target of 95%.

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 measured throughout the Plan year and is based on the Legal Services Ombudsman (LSO) satisfaction rating.
- The Law Society failed to meet the 73% quality of decisions performance target. Performance during April 2006 to March 2007 shows the Law Society only achieved 68% which is 5 percentage points below the Commissioner's target for 2006-07. Performance against this target has often fluctuated throughout the year.



**STRATEGIC
PRIORITY 3**

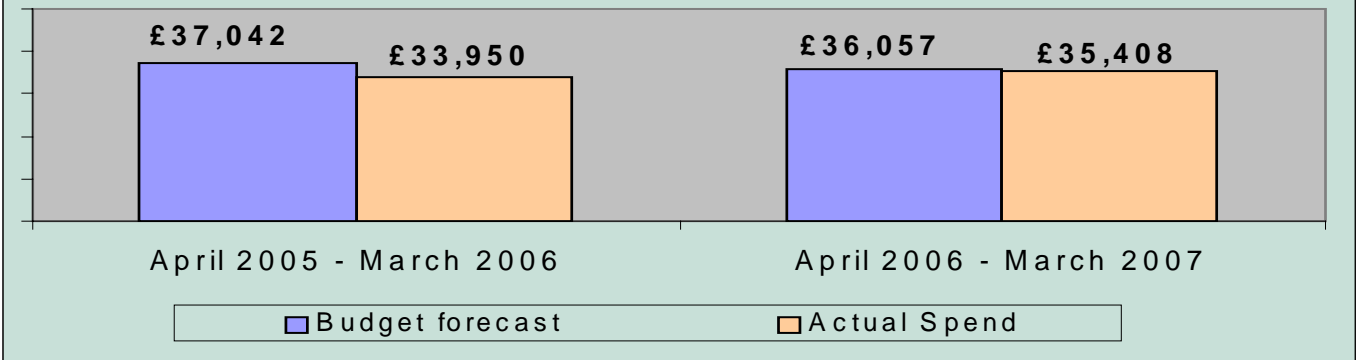
Implementing the Plan for complaints handling.

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. Prior to the start of the Plan year the Commissioner urged the Law Society to consider how it could make effective use of its budget to help it achieve its targets and improve its service.

- At the start of the Plan year the Law Society reported that its budget for complaints handling for the period 1 April 2006 to 31 March 2007 would be £36,057 million, 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 2006 to March 2007 was £35,408m. This is £649,000 (1.8%) below the original forecast of £36,057m shown in its Complaints Handling Plan, but within the 10% tolerance agreed in its Plan.

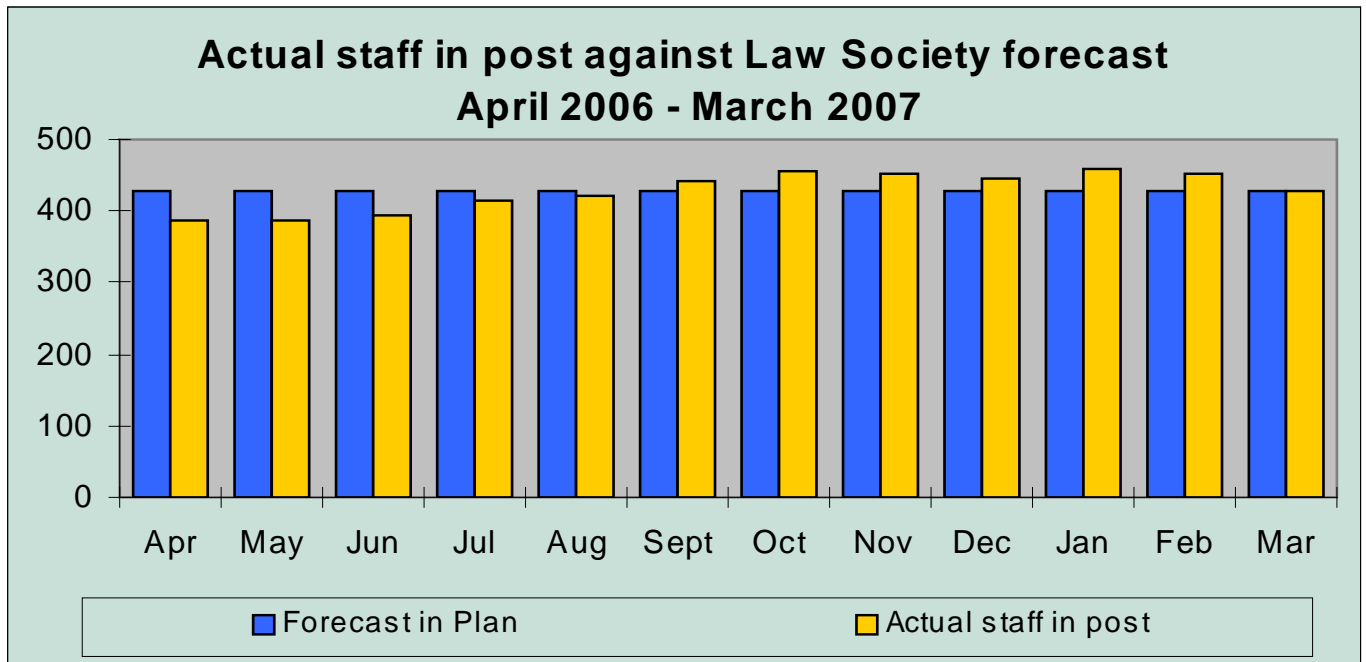
**Comparison of Actual Spend against
Law Society Budget Forecasts (in £millions)**



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. Having the right number of people handling casework is important and, as such, the Law Society needs to continue to ensure it has the people it needs to meet the targets.

- In its Complaints Handling Plan the Law Society originally stated that it would need a staffing budget to accommodate 426.37 posts. During 2006 the Law Society reported that it had revised its staffing budget to accommodate 491.71 posts.
- By the end of March 2007 the Law Society reported there were 426.64 staff in post, which is in line with the original 426.37 staff agreed in its 2006/2007 Complaints Handling Plan.



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. Throughout the year the Law Society has continued to provide the Commissioner with a monthly progress report showing details of all the projects and initiatives that it has 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

- The end of year progress reports provided by Law Society reported that it had implemented the improvement work listed in its Plan, and there had been an improvement in its timeliness at dealing with cases. However, some of the initiatives relating to its performance against quality, did not deliver the benefits outlined in the Plan.
- 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 final end of the Plan year decision.

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 2006 to March 2007 the Commissioner's Office received the monthly Management Information reports by the agreed deadlines.