



Zahida Manzoor CBE
Commissioner

PRESS NOTICE

QUARTER OF A MILLION POUND PENALTY FOR THE LAW SOCIETY

The Legal Services Complaints Commissioner, Zahida Manzoor CBE, announced today that she would be levying a penalty on the Law Society. The penalty, a quarter of a million pounds, is because of the inadequacy of the Law Society's Plan for securing improvements to its complaints handling services for 1 April 2006 to 31 March 2007.

The Commissioner said:

“Since announcing on 3 April 2006 that the Law Society's plan for the period 1 April 2006 to 31 March 2007 was inadequate, I have provided the Law Society with an opportunity to make representations as to whether I should impose a penalty or not and, if so, in what sum. Taking this and all other information into account, I have decided to levy a penalty of a quarter of a million pounds on the Law Society. This reflects the fact that, amongst other things, the Law Society has failed to include in its Plan all of my targets at the levels set. For example, I have yet to be convinced why the time that consumers have to wait to receive a letter, setting out the main points of their complaint, cannot be reduced from three months to at least two.

I need to mark the failures in the Plan with an appropriate level of penalty. I have concluded that a penalty of a quarter of a million pounds is appropriate. It is of great concern to me that there is no adequate Plan in place. Consumers are depending on the Law Society to improve now. Having an adequate plan is essential to help achieve this.”

The Law Society's first year Plan has just ended, on 31 March 2006. The Commissioner is currently reviewing its performance against this Plan, and will be commenting on this in the next few months.

NOTES TO EDITORS:

1. Ms Manzoor CBE was appointed Legal Services Complaints Commissioner in February 2004 in addition to her role as Legal Services Ombudsman (LSO). The Commissioner only has powers in relation to the Law Society of England and Wales. Ms Manzoor was reappointed as both Commissioner and LSO for a period of three years in March 2006.
2. The roles of the LSO and the Commissioner are distinct. The LSO examines the handling of individual complaints by the professional bodies on behalf of members of the public. The Commissioner examines the Law Society's capability to handle complaints made about its members efficiently and effectively.
3. The Commissioner has the power under section 52 of the Access to Justice Act 1999 to require the Law Society to provide information on how it deals with complaints, to make recommendations about the complaints system, to set targets for complaints handling, and require the Law Society to submit a plan for improved complaints handling. In addition, the Commissioner has the power to levy a penalty on the Law Society if it fails to deliver an adequate plan or fails in the delivery of that plan.
4. On 30 September 2005 the Commissioner formally requested a plan from the Law Society, setting out how it would deliver improvements in its complaints handling service in the period 1 April 2006 to 31 March 2007. The Commissioner also set targets covering the areas: quality of decisions, timeliness and implementation of its complaints handling Plan.
5. The Law Society handles both enquiries and complaints. The Commissioner's current targets cover formal written complaints as this is the area which requires the greatest improvement. The Law Society estimates it will receive over 20,000 of these complaints between 1 April 2006 and 31 March 2007.
6. The targets set by Commissioner include:

Improving the speed with which complaints are handled by the Law Society

By the end of March 2007, to have no more than 20 cases in the live caseload (all open cases) that have been open for 15 months or more.

Improving the quality of complaints handling by the Law Society

Of those cases audited by OLSCC, 80% or more of complaints receiving a substantive response on or after 1 April 2006 are within 60 calendar days of receipt (as identified from the date of the substantive response). (Substantive is defined as: at the point the substantive response is made, it accurately reflects all consumer issues, which are known at that time, specific to the consumer's circumstances and serves to progress the matter).

Of those cases audited by OLSCC, 80% or more of consumers are contacted at least every 30 days during the life span of the case (Contact is defined as a telephone call, letter, email, fax and face-to-face that updates the consumer and progresses the matter. For those cases carried over at 1 April 2006, the life span of the case will be counted as any period from 1 April 2006).

73% or more of referrals to the Legal Services Ombudsman in which the LSO upholds the handling of the case by the Law Society.

Implementing the Law Society's agreed Plan

The total budget of £39million to support the delivery of the Law Society's 2006/07 complaints handling Plan is fully utilised in accordance with the Plan.

Priority initiatives to support the delivery of the Law Society's 2006/07 complaints handling Plan are delivered to time and cost in accordance with the Plan, and meet all related milestones and benefits to be realised.

7. The Law Society's final Plan, submitted to the Commissioner on 10 March 2006, did not include all of the targets which the Commissioner set. On 31 March 2006 the Commissioner declared that this Plan was inadequate and as a result that she would be considering whether to impose a penalty, and if so, in what sum. The maximum penalty that can be imposed is the lower of £1 million and 1% of the annual income of the Law Society. Following Law Society representation on this issue the Commissioner has now announced that she will be levying a penalty of a quarter of a million pounds.
8. For enquiries please contact Marie Craven, tel: 0113 2615446.

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