

PRESS NOTICE

7 November 2007

**LAW SOCIETY ESCAPES PENALTY FROM LEGAL SERVICES  
COMPLAINTS COMMISSIONER**

Today (November 7 2007), the Legal Services Complaints Commissioner, Zahida Manzoor CBE, formally announced that the Law Society's complaints handling arm - the Legal Complaints Service (LCS) and the Solicitors Regulation Authority (SRA) – has not handled complaints in accordance with its 2006/07 Improvement Plan. However, the Commissioner will not be imposing a financial penalty on the Law Society who remains accountable for their performance.

The Commissioner said:

“Consumers now receive a faster and a better service (in some areas) from the LCS and SRA as a result of three years of hard work by my Office, changes in structure within the Law Society and closely monitored Improvement Plans. However, more still needs to be done.

“It is disappointing that five of the thirteen targets I set were missed and that of those missed the majority related to the quality of complaints handling. However, there were also some encouraging signs of an upturn in performance. The LCS and SRA met all three of their timeliness targets, exceeding the target for the number of cases closed within 12 months. This is positive news for consumers, who in the past have had to wait too long for their complaints to be resolved, and is a reflection of the hard work undertaken by staff in the LCS, SRA and my Office to enhance the service consumers receive”.

In announcing her decision not to impose a penalty on the Law Society the Commissioner said:

“Before I made my decision, I considered all the relevant facts and representations made by the Law Society. The decision was finely balanced but my conclusion was that not levying a penalty was appropriate in the circumstances to reward the effort made and to incentivise sustained improvement”

However, the Commissioner warned the LCS and SRA against future complacency and added:

“Sustaining improvements in all areas is something I place great importance on, and something I expect an organisation now out of its second improvement plan year to deliver. The 2006/07 targets focused on fixing further the basics and were achievable ‘building blocks’ designed to help the organisations on their road to recovery.

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“The consumer and the legal profession should expect the LCS and SRA to not only meet all targets but to show an ambition to excel beyond them. I know targets are not an end in themselves, but as the evidence shows, they can act as a catalyst for improvement and change. I am concerned that early indications show that the LCS and SRA are falling behind the agreed 2007/08 targets. The Law Society now needs to deliver on all aspects of its performance.

“Although not part of last year’s decision, my Office has just completed a major audit of the LCS’s and SRA’s handling of miners’ compensation cases. I requested this audit as I have ongoing concerns as to how complaints in this particular area are being handled. The audit findings will be reported in due course.”

Looking ahead the Commissioner noted:

“The advent of the new independent complaints handling body (Office for Legal Complaints) means a step forward is now essential to ensure the LCS is in shape and ready to hand over its operation to this future organisation.

“The Law Society has advised me that it is considering making a substantial further investment this year (in the region of £500,000) to boost the recovery of its complaints handling arm. Of course I would welcome this cash injection in the short term, but good management – and not just an open chequebook – is the key to keeping this organisation on track to improve.

“Looking forward, it is essential that LCS and SRA costs become controlled down to a more sustainable amount. The current running cost of £36.3 million is substantially higher than the projected £19.9 million for the Office for Legal Complaints. I have already commenced work to tackle this and will discuss with the Law Society how the LCS and SRA can meet the major challenge of closing this gap. Any savings that can be made should benefit the profession and ultimately the consumer.”

The Commissioner concluded:

“The legal profession in England and Wales justifiably enjoys an excellent reputation for the quality of its work and the standard of its service. A good complaints handling organisation can only enhance this reputation and give consumers more confidence in the profession. I look forward to continuing my work with the Law Society. We need to develop the LCS and SRA into truly effective and efficient complaints handling organisations. This will provide solid and cost effective foundations for the new Office for Legal Complaints which is independent of the legal professional bodies.” (Ends).

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### 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. The maximum penalty that can be imposed is the lower of £1m and 1% of the annual income of the Law Society.
4. In January 2006, the Law Society restructured its organisation into 3 separate functions:
  - the Law Society represents solicitors to help protect and promote their work; overall responsibility for the regulatory arrangements
  - the Solicitors Regulation Authority (SRA) is responsible for regulatory and disciplinary matters; setting and maintaining standards; handling complaints that allege misconduct against solicitors; and
  - the Legal Complaints Service (LCS) is responsible for dealing with complaints about the service provided by solicitors to consumers.
5. The targets set by the Commissioner and contained in the Law Society's Plan for the period 1 April 2006 to 31 March 2007 include the following:

#### **Improving timeliness:**

- By the end of March 2007, to have no more than 65 cases in the live caseload (all open cases) that have been open for 15 months or more – LCS and SRA had 56.
- 57% of cases closed on or after 1 April 2006 and on or before 31 March 2007 are closed within 3 months of opening – LCS and SRA achieved 59%.
- 94% of cases received on or after 1 April 2006 and on or before 31 March 2007 are closed within 12 months of opening – LCS and SRA achieved 94%.

#### **Improving the quality of decisions:**

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- 80% of special payments to be in line with LCS and SRA guidance – LCS and SRA achieved 48.4%.
  - 80% of consumers are provided with a substantive response within 55 calendar days of receipt of the complaint – LCS and SRA achieved 78.5%
  - 80% if consumers are contacted at least every 30 days or at key stages during the complaint – LCS and SRA achieved 61.9%.
  - In 80% or more of cases LCS will share appropriate guidance with consumers and solicitors at the relevant stage of the case, to ensure they can make an informed choice about any level of compensation – LCS achieved 81.7%.
  - 95% of initial letters issued to consumers contained all the information required – LCS and SRA achieved 97.6%.
  - In 73% or more of referrals to the Legal Services Ombudsman (LSO) the LSO upholds the handling of the case by the Law Society – LCS and SRA achieved 68%.
6. In June 2007 the Commissioner notified the Law Society that it had not handled complaints in accordance with the Plan submitted to her covering the period 1 April 2006 to 31 March 2007. The Commissioner provided the LCS and SRA with an opportunity to provide representation to her, before giving her final decision on whether complaints have been handled in accordance with the Plan, whether to levy a penalty and if so, at what level.
7. Additional background information on the Commissioner's decision, and text from the letters notifying the Law Society of the decision, will be available on the Commissioner's website [www.olsc.gov.uk](http://www.olsc.gov.uk) shortly.
8. For enquiries please contact Fleur Strong - tel: 0113 2615 446 or out of hours 07825 843418.