

Changing our requirements on first-tier complaints: Regulatory Impact Assessment

We asked in our consultation for comments on the regulatory impact of our proposals on first-tier complaints.

Summary of responses

Despite respondents' varied views on the benefits and risks of our proposals throughout, many respondents to this question focused on potential negative impacts. For example, that increased regulatory burden could result in increased costs being passed on to consumers which may have an impact on access to justice. These responses were primarily from solicitors, law firms and law societies.

Of the responses that raised positive impact, the Legal Services Consumer Panel (LSCP) stated that it saw the proposed changes as supporting regulatory objectives relating to consumer protection and access to redress. It described the expectation as proportionate and offering tools that can drive improvements without imposing undue burdens.

Our position

As set out in our consultation, we know that many consumers are satisfied with the service they receive from those we regulate. We also believe that many solicitors and firms are already providing timely, accessible complaints information to clients and therefore will need to make little to no changes to their existing processes and communications. In response to our consultation and our proposals on complaints information provision and transparency, several firms and solicitors said, 'we already do this as good practice'.

We know from our thematic review that many solicitors and firms recognise the business benefits in good complaints handling. In addition, clients who were satisfied with the firm's handling of the complaint were more likely to reinstruct them in the future or recommend them to others. Interviewees also told us that clients were less likely to escalate their complaint to LeO if they felt their concerns had been taken seriously, resulting in significant time and cost savings for the firms. Similarly, firms in our thematic review recognised that if clients have a poor experience, this can damage a firm's reputation. This was an especially important consideration for interviewees from smaller firms.

In order to ensure consistent standards of first-tier complaints handling and work towards overcoming the barriers we know exist for consumers, including those who are vulnerable, we need to make targeted regulatory interventions in the following areas. In each area, our supporting guidance will mitigate the impacts about which stakeholders expressed concern.

Definition of ‘complaint’

While many respondents to our consultation supported our adoption of the Legal Services Board’s (LSB’s) definition of ‘complaint’, there were concerns expressed as to the breadth of the definition, and uncertainty about how to apply it in practice. Our guidance on identifying complaints will help mitigate these concerns by including:

- advice where there is uncertainty about whether a client wants to make a complaint, including the use of online reviews
- advice on identifying ‘detriment’ (as used in the LSB definition) to clients
- the need for flexibility in dealing with clients’ needs and their complaints
- the need for firms to consider whether they will accept complaints from beneficiaries, given that LeO does, and to consider whether they will accept complaints via a third-party complaints resolution service
- signposting for firms to LeO’s guidance and resources

Informing clients of their right to complain during and at the conclusion of a matter

The majority of concerns among respondents to our consultation were about the requirement to inform clients of their right to complain at the conclusion of a matter. Concerns included the perceived administrative burden on firms, that clients would be overloaded with information, that client confidence and business relationships might be negatively impacted, and that the ‘conclusion’ of a matter is sometimes hard to define. Our guidance on information provision for clients will help mitigate these concerns by covering:

- keeping complaints processes simple and clearly explained
- use of plain English or Welsh
- use of the closing letter to include complaints information
- guidance on accessibility and supporting vulnerable clients

Requiring firms to provide website complaints information that is clear, accessible and in a prominent place

Many respondents to our consultation agreed that website complaints information should be clear and accessible. But many of these also expressed concern about the proposal that the information be in a 'prominent place'. Our guidance will include advice on:

- examples of 'prominence' in practical terms
- offering information in other formats or on request for clients who may be digitally excluded or not digitally confident, or when a firm does not have a website.

Overall, therefore, the concerns about impacts expressed by the profession and other stakeholders will be addressed by the guidance we are developing to help those we regulate to meet our requirements. The guidance will support firms of all sizes in identifying, handling and resolving complaints, and will signpost to other SRA resources and those from stakeholders such as LeO and The Law Society.

We believe this approach is proportionate and reasonable.

Monitoring and evaluation

We will monitor and evaluate the impact of the changes we are proposing, ensuring that we identify and understand the reasons for any unintended consequences. We will use the data and evidence gathered in our survey and thematic review, the data we collect and publish each year from solicitors and firms, as well as data and evidence from our stakeholders, to provide a baseline for the changes we are making and monitor the impact.

This includes using data from [LeO](#), the LSB's [Individual Legal Needs Survey](#) and LSCP [Tracker Survey](#). We will also use our engagement with consumer groups to understand and identify impact on different consumer groups.

We will continue to work collaboratively with the other frontline legal regulators and the LeO to evaluate the impact of the changes to the overall complaints handling landscape in legal services and improvements to both the standards of complaints handling and the outcomes for consumers.