
Legal Ombudsman Press Release

More compensation available for consumers making legal complaints

New Legal Ombudsman (LeO) powers mean victims of poor legal services could receive up to £50,000 in compensation from today.

The new financial award is one of three major improvements to the Ombudsman's scheme rules, which also mean it will now accept complaints from prospective customers, while being able to accept complaints up to six years old.

Changes to its scheme – which is completely free and impartial – will make it a more practical alternative to court action for dissatisfied service users while preparing it to start accepting claims management complaints later this year.

Including 'prospective clients' means people who have been refused a service – on the grounds of discrimination for example – can now complain to LeO for the first time. The rule also means anyone who has been persistently or unreasonably offered a service they don't want can complain.

Despite the majority of its cases resulting in orders of less than £1,000, the Ombudsman has seen some cases where its previous upper limit was too low – meaning complainants couldn't recoup all of their losses. Consequently, financial limits have increased from £30,000 to £50,000.

The changes aren't expected to significantly increase the 75,000-80,000 contacts LeO receives each year; however, it does expect around a 10% increase in the amount of contacts that will fall within its eligibility criteria. This will inevitably increase the number of full investigations that the organisation carries out.

Chief Legal Ombudsman, Adam Sampson, said: "We consulted heavily with legal professionals, regulators and consumer groups before making these revisions. I'm confident that they will stand us in good stead to develop further as an effective complaint handling body while enabling us to divert many more cases away from expensive and often slow court action towards significantly faster and cheaper resolutions."

The following changes have come into effect from today:

- Financial limits have increased from £30,000 to £50,000
- Time limits for accepting a complaint have increased to six years from the date of act/omission and three years from the date the complainant should reasonably have known there were grounds for complaint. These time limits will be extended gradually from 6 October 2010 – the date LeO opened for business. However, the Ombudsman will continue to accept complaints about issues that happened before 6 Oct 2010 if the complainant only became aware of it after this date.
- The Ombudsman will accept complaints from prospective customers who could reasonably have expected to receive a service or who were unreasonably offered a service they did not want.

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Notes for Editors

1. The Legal Ombudsman is free for consumers who wish to complain about their lawyer. They can contact the Legal Ombudsman on 0300 555 0333 or email enquiries@legalombudsman.org.uk
2. The Legal Ombudsman for England and Wales was set up by the Office for Legal Complaints (our Board) under the Legal Services Act 2007. We are independent and impartial. This means that when we receive complaints, we will look at the facts in each case and weigh-up both sides of the story. We are not consumer champions or part of the legal profession, and we are also independent of Government. There is no cost to the taxpayer.
3. A recent Office of Fair Trading report estimated that the introduction of the Legal Ombudsman has reduced the cost of complaints handling in the legal services sector by around £18 million per annum, a 51 per cent reduction on the old system.
4. Join the Legal Ombudsman's LinkedIn group page 'LeO News' for discussion and news http://www.linkedin.com/groups?gid=4468845&trk=hb_side_g
5. For further details please contact:

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