

A woman with short dark hair, wearing a black dress with a white floral pattern and a lanyard, is standing and presenting. She is gesturing with her right hand. Behind her is a large screen displaying the text 'LEGAL OMBUDSMAN' and 'Learning from complaints'. The screen is mounted on a wall with a brick pattern. In the foreground, the back of a person's head and shoulder is visible, looking towards the screen. The entire image has a pinkish-red tint and a semi-transparent white circular graphic on the right side.

LEGAL  
OMBUDSMAN

# Learning from complaints

**Business Plan and Budget  
consultation 2021/22**

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# Introduction: A plan for recovery and improvement



What type of Ombudsman service do customers want and need?  
What is the sector prepared and able to invest in? How has this been affected by the impact of Covid-19?

These are the questions the Office for Legal Complaints (OLC) has asked as the Legal Ombudsman developed its Business Plan for 2021/22. The proposed answers in this consultation document set out what can realistically be expected from the scheme and the resources required to deliver this.

I am acutely aware of how difficult this year has been for everyone, personally and professionally. The implications of recent months on the legal sector have very much been at the forefront of my mind during this business planning process. The impact of Covid-19 on the Legal Ombudsman, combined with the inevitable risks created by last year's standstill budget and significant changes in leadership, has placed the scheme in an unsustainable position. The scheme was under-delivering before this year and this must now be addressed to deliver an Ombudsman scheme that better serves both those who are complaining and the businesses who are being complained about.

A recovery plan has been established with an emphasis on delivering steady and sustainable improvement for the rest of this financial year, creating a solid foundation for the Legal Ombudsman moving forward over the remaining two years of the current strategy. This will address the impact of repeated years of under investment in people; failure to prioritise the quality of management, and an approach which has focused on short term gains, rather than sustainable change.

But this alone will not be sufficient to ensure consumers and service providers receive the level of service they want and need from the Legal Ombudsman<sup>1</sup>. Additional resource is required to resolve complaints at a rate that meets current demand, addresses the additional impact of Covid-19, reduces the time customers wait for an investigation to start, and to ensure insight from casework is shared, enabling the sector to improve complaints-handling and tackle the root causes of consumer dissatisfaction.

This Business Plan sets out three parallel and connected activity streams to achieve significant and sustainable improvement over the remaining two years of the current strategy period.

**Delivering a steady and sustainable trajectory of improvement** by continuing work to create a high-performance culture.

**Developing and delivering improvement options** that address the experience for customers who are simply waiting too long for an investigation.

**Sharing insight work to achieve sector improvement.** This is not separate from complaint handling but fundamental to it.

The sector is entitled to ask 'Why should we listen to you now?' This consultation responds to the Budget Learning Review from last year, adopts a more coherent process and is based on better information and better forecasting. It has been drafted to facilitate a clear, open and well-informed conversation with the sector. A conversation which will be continued with the new Chief Ombudsman and Chief Operating Officer in the New Year. They will be in post by the end of this consultation period to review the feedback, provide additional insight, and finalise next year's plans, recognising the continued and ongoing uncertainty for all created by Covid-19.

**Elisabeth Davies**, Chair of the Office for Legal Complaints, November 2020

<sup>1</sup> Customer satisfaction research 2019-20: 83% of complainants and 88% of service providers expected it to take no longer than 6/7 months for the Legal Ombudsman to resolve the complaint.

# **Business Plan and Budget 2021/22 in summary**

## **The OLC is seeking views on the 2021/22 Business Plan and Budget for the Legal Ombudsman.**

As part of a two-year improvement programme, the Business Plan 2021/22 will deliver a significant improvement in the customer experience and develop a learning and insight programme that supports and informs improvements in the legal sector.

The Legal Ombudsman's budget for dealing with legal complaints is almost twenty five per cent lower today than when the organisation opened nine years ago. A broadly static budget for the last five years has delivered a broadly static output and has not enabled the scheme to keep pace with demand.

There are more people waiting for an investigation to start than the current operations capacity can process. Without additional investment wait times will continue to increase leading to an overall increase in the customer journey time. This was the position last year, and Covid-19 has exacerbated this further. Complainants and Service Providers who use the Legal Ombudsman rightly want complaints resolved more quickly<sup>2</sup>.

### **WHY IS INVESTMENT REQUIRED NOW?**

Without investment the current minimum six month wait for an investigation to start will continue to increase, risking consumer confidence in the Legal Ombudsman's ability to provide timely redress. Work to provide insight from casework, supporting improvement in the sector, will remain limited.

At the end of March 2020, 2,491 people were waiting for an investigation. This had increased to 3,929 at the end of August and is expected to reach around 5,000, with a wait time in excess of six months and increasing, by the end of the current financial year.

There is an understandable desire on the part of stakeholders for a low cost 'quick fix' solution to wait times, however this is not realistic. It is vital to embed processes that achieve consistent and stable operational delivery in the future, supporting the requirement to deliver increased output to both reduce the wait time for an investigation to start and to keep pace with future demand. This will require additional resources and sustained parallel improvement activity in relation to the Legal Ombudsman's people; capacity; and business processes.

To deliver the Business Plan, the OLC is asking for an investment budget of £15.26mn for 2021/22<sup>3</sup>.

Seeking an increased budget at this time is not a decision taken lightly and careful consideration has been given to the impact of any increase on the service providers who fund the Legal Ombudsman, along with the potential impact on the services they provide to consumers needing legal advice.

Ensuring the Legal Ombudsman is resourced to provide efficient redress is clearly in the interest of consumers and service providers who need to use the service. It is also in the interest of the sector more widely given the value consumers place on the protections afforded by using regulated legal services, of which the Legal Ombudsman is a central part.

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<sup>2</sup> Customer Satisfaction Research 2019-20: Improving the time taken to resolve complaints was the most requested improvement by complainants and service providers who reported dissatisfaction with the Legal Ombudsman's service.

<sup>3</sup> A forecast budget of £16.16mn is predicted for 2022/23

## Business Plan: at a glance

Key Priority	Core Ask	Key outcomes	2021/22 budget
<b>A budget of £15.26mn for 2021/22<sup>4</sup> which will provide....</b>			
<b>Priority 1: Maintaining stable operational delivery and reduce wait times at pre-assessment by the end of the strategy period.</b>	<p>Recruit additional staff into the operational delivery teams, some of whom will be employed on a fixed term basis.</p> <p>Invest in the training and development of managers in operational delivery.</p>	<p>Sustainable improvements in the customer experience and increasing satisfaction with the service as a result of:</p> <ul style="list-style-type: none"> <li>Annual closures of 7,135 cases and reduction in number of people waiting for an investigation to 4,200 (2021/22)</li> <li>Annual closures of 9,571 cases, reduction in number of people waiting to 1,245, and a wait time of less than 3 months (2022/23)</li> <li>Staff capacity will be evenly matched with demand by August 2023 with the additional staffing reducing from October 2023 to match demand.</li> </ul> <p>A leadership and management team which has the breadth of skills and experience to lead, support and mentor staff to reach performance targets.</p>	£10.82mn
<b>Priority 2 Developing innovative ways to deliver the service more efficiently and to keep pace with evolving legal sector and consumer expectations.</b>	<p>The opportunity to test in real time different approaches to complaints handling and generate a well-informed evidence base to inform next steps.</p>	<p>Clear understanding whether alternative delivery models are appropriate for the Legal Ombudsman, and adoption if improved efficiency is demonstrated.</p> <p>Business processes becomes more efficient as a result of technology.</p>	£0.15mn
<b>Priority 3 Increasing the impact of casework.</b>	<p>Investment in providing learning and insight for the legal sector, an integral part of the Legal Ombudsman's purpose, to improve customer service for legal services consumers and reduce complaints that need to be investigated by the Ombudsman.</p>	<p>Wider range of opportunities for service providers and their regulatory bodies to benefit from feedback work to improve their customer service and complaints handling and tackle the root causes of consumer dissatisfaction.</p>	£0.43mn
<b>Corporate functions, transformation and business support</b>			£3.86mn

<sup>4</sup> A forecast budget of £16.16mn is predicted for 2022/23

## An Investment Budget

The Legal Ombudsman's funding history highlights that there is a direct link between funding levels and performance, both of which have been relatively static for the last five years. There is value in comparing the Legal Ombudsman budget with those of other Ombudsman schemes. There are of course differences in the way these schemes operate, however that information indicates that the Legal Ombudsman is not funded to a comparable level (see Appendix C for further information).

The OLC recognises that an investment budget of £15.26mn, a 19% increase on the current budget (including inflation) with a further but smaller increase expected the following year, is a significant investment. Particularly at a time when parts of the sector have been affected by financial pressures arising from Covid-19.

However, the sector has rightly been concerned about performance for a number of years. Making significant in-roads into wait times, and therefore the overall customer journey time, will require investment in a sustainable two-year improvement plan. At the same time the Legal Ombudsman will seek efficiencies in its complaints handling on an ongoing basis, while maintaining the quality of its service.

This table illustrates the significant increase in the volume of cases resolved per year that is achievable with an increased budget, which will be accompanied by a significant improvement in wait time and therefore the overall customer journey time,

	2018/19 (actual)	2019/20 (actual)	2020/21 (indicative)	2021/22 (budget)	2022/23 (budget)
<b>Cases concluded</b>	6,206	6,384	4,860	7,135	9,571
<b>Contacts received<sup>5</sup></b>	103,844	112,426	112,500	112,500	112,500
<b>Customers Waiting</b>	3,217	2,481	4,968	4,200	1,245
<b>TOTAL Net OLC expenditure (£mn)</b>	11,899	12,298	12,808	15,260	16,163

### CAPITAL BUDGET

The Legal Ombudsman's indicative capital budget is set out below, alongside historic figures. The capital budget is funded directly by Government and recovered through depreciation charges included in revenue budgets. This year it will cover investments in end user devices, business intelligence reporting, and proof-of-concept artificial intelligence (AI) projects.

	2018/19 (actual)	2019/20 (actual)	2020/21 (budget)	2021/22 (budget)
Capital expenditure (£'000)	130	243	250	180

<sup>5</sup> Emails, letters, calls received by our General Enquiries Team

## WHAT ALTERNATIVES HAS THE OLC CONSIDERED?

Careful and detailed consideration has been given to the decision to ask for a budget increase at this moment in time.

Alternative scenarios have been considered as part of the business planning process (further details are provided later in this document), ranging from a repeat standstill budget, to more significant investment in order to reduce wait times in a shorter period.

A standstill budget would lead to a further deterioration in customer wait times, which are already a source of customer dissatisfaction, with continued limitations on learning and insight work. Conversely the cost of increasing capacity more quickly to reduce wait times over a shorter period was considered prohibitive in light of initial feedback from stakeholders about affordability, and carries some additional risk in relation to stability of operational delivery.

Business Plan 2021/22 deliverables balance scale and pace of improvement, and the value of that to those using the service and the wider sector, against affordability for a sector which has been affected by Covid-19 and faces continued economic uncertainty.

## WHAT EXTERNAL FACTORS HAVE BEEN CONSIDERED AS PART OF THIS PLANNING?

A horizon scan summary is included at Appendix B which sets out the external factors that have been considered during the business planning process. These have included:

**Customer needs.** Customer satisfaction surveys and ongoing work with stakeholders show how much impact wait times at the beginning of the process can have. Complainants tell the Legal Ombudsman they are concerned to have to wait for help, and service providers find it challenging to respond to a complaint many months after their first-tier process concluded.

**Demand.** This has remained consistent despite the impact of Covid-19 on legal transactions in certain areas. The type of complaints may alter, but the available data does not indicate any significant changes in demand volumes which would affect the business process. Indications of future demand will continue to be monitored carefully.

**Impact of Covid-19 on the sector.** Certain areas of the legal sector have been significantly impacted by Covid-19 and the feedback from regulators and representative bodies has highlighted that a budget increase would be challenging. This contrasts with those parts of the legal sector which are doing well.

**Flexibility.** While the Legal Ombudsman continues to work to minimise potential future disruption arising from Covid-19, there is a clear necessity to recognise the need for plans to remain flexible in the light of ongoing uncertainty. This includes flexibility to adopt new ways of working if the planned pilots demonstrate clear efficiency gains.

## WHAT CONFIDENCE IS THERE IN ACHIEVING LASTING IMPROVEMENT?

The OLC is aware that the planning and consultation process which was followed last year will have raised questions as to whether this year's plans are realistic and achievable. The process this year has been rigorous, and this consultation is the result of more detailed forecasting, planning and the consideration of different performance scenarios. All of which have been scrutinised by the new Executive team and the OLC Board.

In addition a full review of performance over the last two years has provided a much more informed picture of what changes have worked to provide sustainable improvements in delivery as opposed to short-term fixes. This review, combined with the planning and new forecasting work, shows that only minimal improvements will be achieved without the investment which is now being sought.

# Business Plan 2021/22 in detail

## BUILDING ON 2020/21

The Business Plan for 2021/22 is part of a multi-year approach to recovery and improvement, the first part of which is the current financial year.

During this year the senior leadership team has focused on keeping the service open and accessible to complainants and service providers during the Covid-19 pandemic. This has included supporting staff in a transition to fully remote working; implementing a Covid-19 recovery plan; and ensuring stability in a year which will see the organisation welcome a new Chief Ombudsman and Chief Operating Officer.

## COVID-19 AND STANDSTILL BUDGET

While the service remained open and the entire workforce moved to remote working, capacity to resolve complaints at forecast volumes has been significantly constrained for the following reasons:

- **Staff productivity** was affected as many were combining work and caring responsibilities while schools were closed.
- **Many service providers were unable to deal with complaints within the usual timescales** due to furloughed staff and office closures. Legal Ombudsman agreed to extended periods for complaints to be responded to and, in some cases, suspended the investigation until an office re-opened. This led to an increase of over 100% in suspended investigations to 350 cases at its highest point.
- **Level of enquiries** and new complaints has remained consistent.
- **Little flexibility**, due to the standstill budget, to draw on other resources (such as pool ombudsmen) to increase the rate of case closures.

## WIDER AREAS OF PROGRESS

A detailed overview of progress in year can be found in Appendix A. Key strands of work which are supporting longer-term performance recovery are:

- **Development of the People Plan**, focusing on tailored development of staff, and an improvement in management skills and expertise within the casework teams.
- **Investment in forecasting and project management**, enabling more effective management of the overall business process, and a clear understanding of the impact of changes in areas such as staffing and complaint levels.
- **Testing automation options** for processing initial stages of complaint file creation, leading to business efficiencies.
- **Delivery of online complaints handling courses** to over 350 people since June.

## SUSTAINABLE RECOVERY

The first stage of the ongoing recovery is stabilisation of operational performance and returning staff productivity levels to those seen before Covid-19. The Legal Ombudsman leadership is also addressing the next stage of recovery which includes:

- Focusing on high complexity cases where wait times are longest.
- Identifying cases at an early stage which may be suitable for early resolution.
- Re-organising how the ombudsman team work to ensure an efficient balance between supporting investigators and making final decisions.

This work will ensure staff resources are being used as effectively as possible. While this first stage will stabilise and improve performance, it will not be sufficient to make any significant in-roads into the wait times that customers are currently experiencing and this will need to be the focus of 2021/22 and beyond.

## Strategic framework

This Business Plan and budget is for the second year of the 2020/23 corporate strategy period, working towards the following strategic objectives.

**Vision: Our work builds genuine confidence in legal services in England & Wales**

**Mission: To be an independent and impartial ombudsman service providing reassurance and redress while constructively challenging the legal sector to improve.**

### Strategic objectives

**Improving the experience of our service for complainants and service providers while using our expertise to guide and add value to the complaints journey.**

**Increasing the transparency and impact of our casework to support greater access to justice.**

**Developing our service to ensure it is appropriate for the evolving legal sector**

### Business plan Priorities 21/22

**1: Maintaining stable operational delivery and reduce wait times at pre-assessment by the end of the strategy period.**

**2: Developing innovative ways to deliver the service more efficiently and to keep pace with evolving legal sector and consumer expectations.**

**3: Increasing the impact of casework.**

## PRIORITY 1

**Maintaining stable operational delivery and reduce wait times at pre-assessment by the end of the strategy period.****Deliverables:**

- Start to reduce the wait time for investigations in 2021-22 and reducing to under three months by 2022-23. Without additional budget wait time would be ten and a half months in 2022-23.
- Maintain stable investigator performance throughout the year. Recruit one operational team early in the year and three later in the business year.
- New investigator teams and management staff increase capacity thereby resolving circa 7,100 complaints in 2021-22, and 9,500 in 2022-23 enabling the reduction in wait time stated above, and therefore the overall customer journey time. Without investment complaint resolutions would be limited to 6,416 in 2021-22, and 6,634 in 2022-23.
- Reduce the disproportionate wait time for the small proportion of high complexity cases.
- Implement the People Plan to include revised management practices, tailored support and development of existing staff and mentoring of new staff.

**Key outcomes:**

- By 2023 the wait time for investigations to begin will reduce to under three months, leading to improvements in the overall customer experience and increasing satisfaction with the service.
- Staff will be supported by a leadership and management team which has the skills and experience to support and mentor them to deliver for customers.

**Relevant strategic objective:**

Improving the experience of our service for complainants and service providers while using our expertise to guide and add value to the complaints journey.

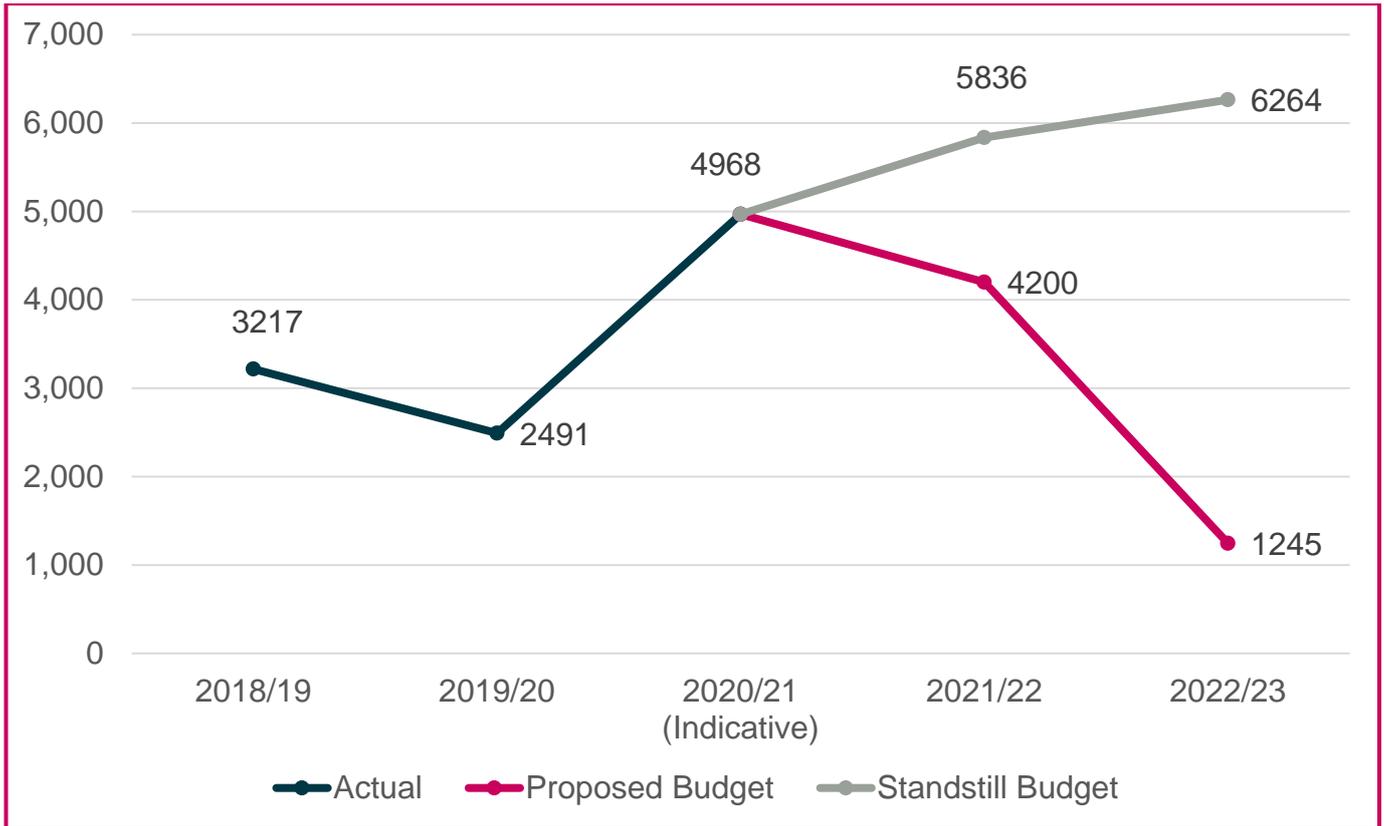
Recruiting operational staff increases the volume of cases the organisation can investigate at any one time. Gradually this will begin to reduce the time customers are waiting for their investigation to start. Ongoing improvement work, such as the redeployment of ombudsman resources, will ensure that an increase in the volume of cases being investigated will not lead to delays elsewhere in the process. Reducing the wait time at the beginning of the process will improve the overall customer journey time.

As well as increasing the number of operational staff, work will continue to improve the productivity of existing staff by building the capability of investigators, ombudsman and operational managers through targeted training and development.

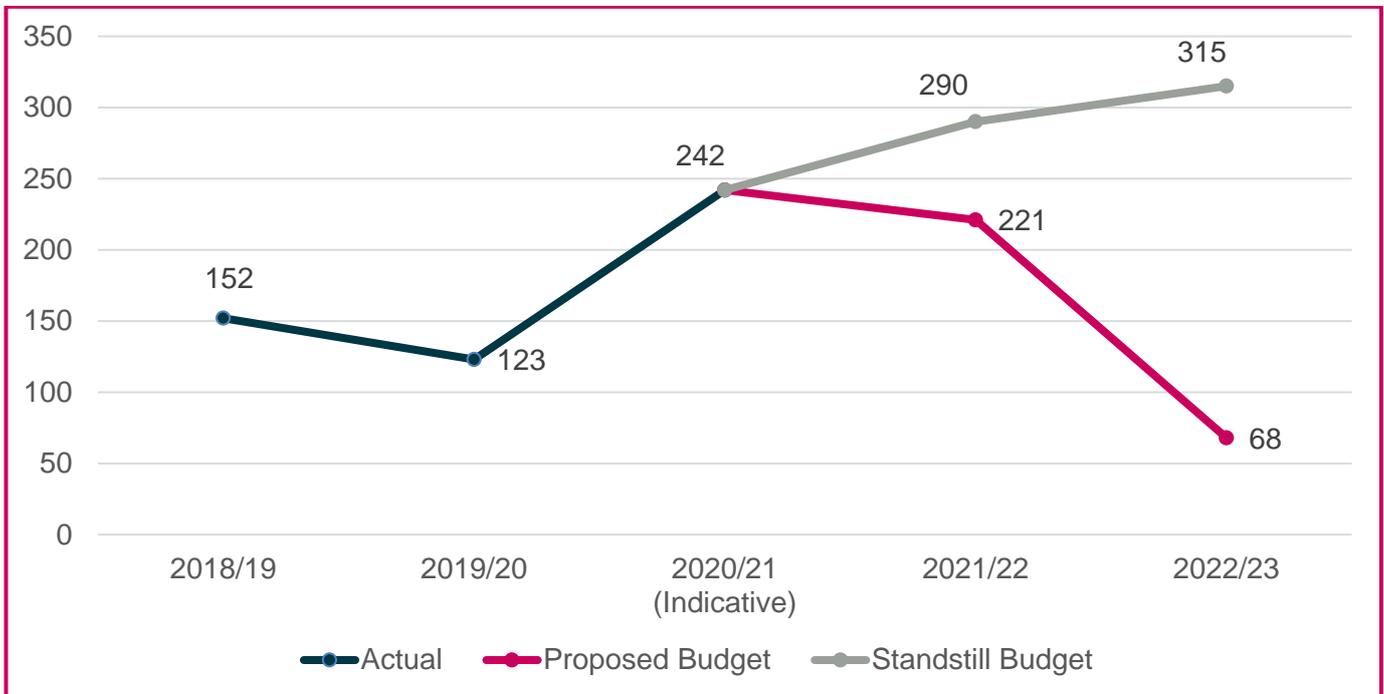
**Planning and budget considerations:**

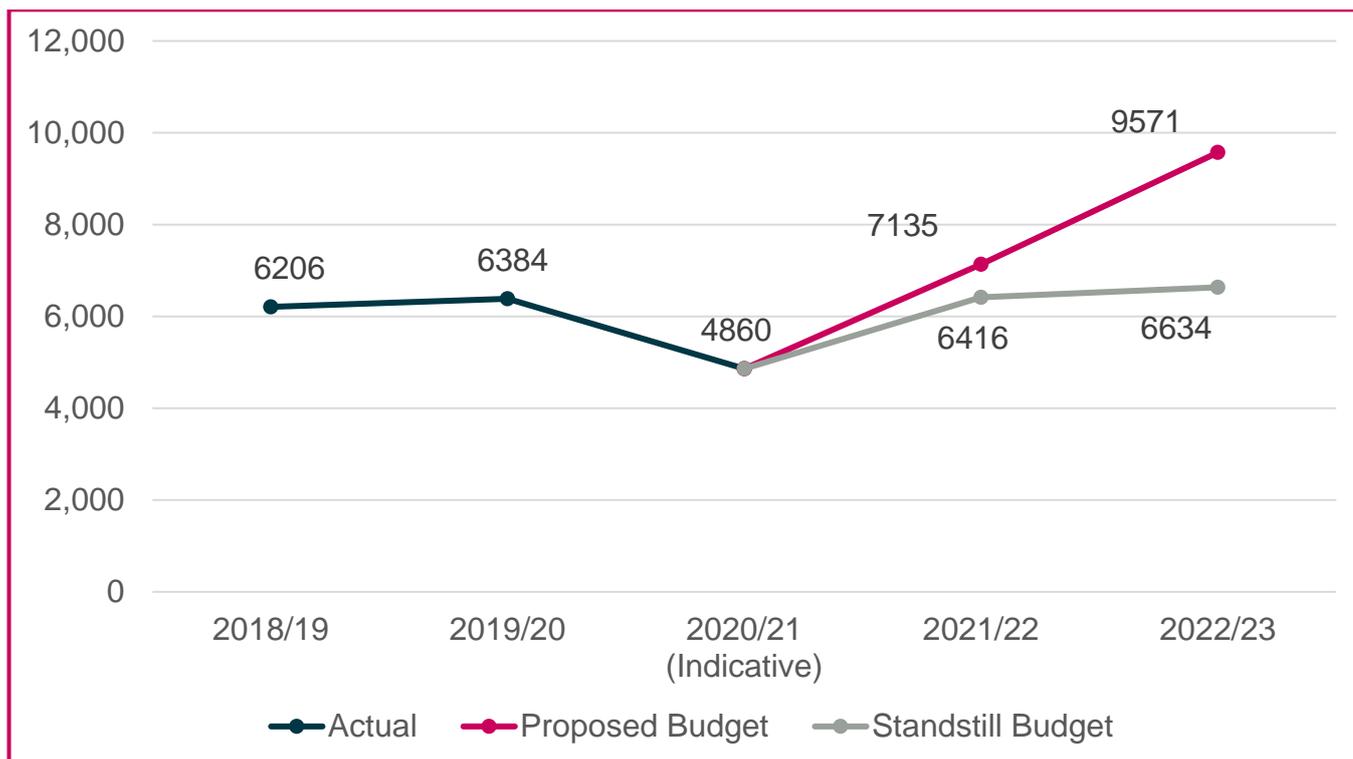
- This includes the costs of the senior leadership and operational management and all operations teams.
- Lower levels of recruitment to the preferred option outlined above have been considered and rejected as resulting in insufficient improvement to pre-assessment wait times over the next two years, as demonstrated in the figures below.
- Higher levels of recruitment would result in faster progress in reducing wait times but the level of increase in budget required is not viable in light of initial feedback from stakeholders about financial strain for parts of the sector at the current time. This would also risk the stability of the organisation's operational delivery.
- The preferred option for increasing the Legal Ombudsman's staffing capacity would enable Legal Ombudsman to reach 'break even' (capacity keeping pace with demand with no / very minimal wait times) by August 2023.

**Figure 1: Number of people waiting for assessment**



**Figure 2: Average waiting times (days) in assessment**



**Figure 3: Annual case closures**

## PRIORITY 2

### Developing innovative ways to deliver the service more efficiently and to keep pace with evolving legal sector and consumer expectations.

#### Deliverables:

- Pilot alternative delivery approaches.  
Two approaches currently being considered are the standardisation of information requests and an adjudication model for lower complexity work.
- Build on existing exploration work and implement technology projects which support an effective and timely investigation process and consumer expectations of service delivery.

#### Key outcomes:

- Clear understanding whether alternative delivery models are appropriate for the Legal Ombudsman and would deliver increased productivity, adoption if appropriate.
- Business process becomes more efficient as a result of technology.

#### Relevant strategic objective:

Developing our service to ensure it is appropriate for the evolving legal sector.

Increasing operational resources under priority one will provide a level of stability, which in turn provides the opportunity to consider more effective ways of delivering the service. Alternative approaches to delivery will identify appropriate live cases, and will draw upon the increased operational resource identified under priority one.

A range of different approaches such as mediation and nudge theory have been piloted in the past, elements of which have been incorporated into the process to date. Currently, several new approaches are being piloted which have the potential to deliver efficiencies, including by automating the creation of complaint files, and searching for key information in case files to support the investigation process.

Next year's projects will focus on alternative processes, which may be more appropriate to specific types or complexity of complaint, and improving the overall customer journey time. Management information capacity will continue to be developed supporting the organisation's ability to identify efficiencies and model improvement scenarios.

The pilot projects will consider both increasing standardisation of approach (i.e. requesting a uniform core evidence pack from the outset, rather than requests being bespoke) and an adjudication approach (which would streamline exchanges of information and comment from the parties).

#### Planning and budget considerations:

- Pilot projects will involve a short term increase in the capacity of the team delivering these projects with some capital expenditure, included in capital budget referred to earlier in this document.
- Successful pilot projects will be implemented in year.

**PRIORITY 3****Increasing the impact of casework****Deliverables:**

- Implement a well-resourced learning programme which delivers both general and tailored complaint handling content for the sector.
- Develop opportunities for direct feedback either through annual review or a service provider liaison service.
- Work with regulators to reduce the complaint levels of service providers generating the most complaints.
- Scope and begin implementation of Transparency and Reporting Impact projects.

**To include:**

- Double the number of remote learning courses to improve complaints handling within the sector.
- Complete Service Provider reviews to improve complaints handling, capture and share wider insight.
- Increase interactive workshops; video guidance and webinars.
- Develop and test methods for sharing learning with the sector; including peer review with other Ombudsman schemes.
- Develop a method to test the impact of feedback work.
- Set up Service Provider liaison service / advice line.
- General Enquiries Team (GET) contact project: Research focused on service providers who generate significant volumes of contact into GET. Service provider / consumer benefit to identify what drives contact as an early stage; wider learning and potential efficiencies identified for Legal Ombudsman.
- Further improve insight data capture throughout the customer journey.

**Key outcomes:**

- Individual providers will have the opportunity to improve their service and complaints process based on tailored feedback.
- The sector will benefit from more in-depth analysis of the causes of complaints.
- Regulators will have the opportunity to work alongside the Legal Ombudsman to address patterns and trends in providers' complaints.

**Relevant strategic objective:**

Increasing the transparency and impact of our casework to support greater access to justice.

An Ombudsman scheme has a duty to share the learning and insights from its work. Casework is not just about resolving problems as they arise but ensuring the sector understands the causes of complaints and has the opportunity to address service issues, tackle the root causes of consumer dissatisfaction and resolve complaints themselves in the future. This work aims to ensure consumers receive a reasonable level of service from their provider and contributes to increasing confidence in the sector.

The Legal Ombudsman's existing insight programme accounts for a very small proportion of its overall budget, and this limits its impact. Workshops and guidance currently provided are appreciated by the sector. In recent months the provision of more online courses and workshops has extended the reach of the organisation's insight work. More focused feedback has been tested, working with two or three firms at a time to review their complaints process, communication and response to challenges. The feedback from this approach has been very positive and the

intention is to extend its use in the future<sup>6</sup>. This will also inform work with regulators and the opportunity to work with them to address the causes of complaints.

Modest additional investment in learning and insight work is sought for 2021/22 to significantly increase the impact of this activity, providing the ability to work with more providers and to share more insights that will inform their service. A more coherent approach will also ensure the Legal Ombudsman's insight informs key policy debates in the sector.

**Planning and budget considerations:**

- Greater capacity is required in the team to undertake policy work, external communications and to work directly with the sector.
- This will start to build an Insight team whose resources are proportionate to the extent of the Legal Ombudsman's jurisdiction.

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<sup>6</sup> Feedback from a recent attendee: *"The opportunity to have a one to one discussion with you as an Ombudsman was invaluable. We were able to raise all of the queries we have had when dealing with complaint matters which have and haven't escalated to the Ombudsman and this has given us an insight as to how the Ombudsman would expect us to approach them in accordance with the scheme rules".*

## How to respond

The OLC and Legal Ombudsman Executive are seeking feedback from stakeholders on our 2021/22 business plan and budget. The consultation closes at 5pm on **15 January 2021**.

### Consultation questions

**Priorities:** Have the right priority areas for the Business Plan been identified? If not, what should the Legal Ombudsman be addressing?

**Budget:** Is the budget set at the right level to allow the actions in the Business Plan for 2021/22 to be completed?

**Engagement:** Do you have any learning and experience to support the innovation work being undertaken under priority two?

Comments on all aspects of this paper are welcomed, as well as any evidence supporting your views. If possible, please send your responses electronically – although hard copy responses by post are also welcome. There will be opportunities for stakeholders to comment and contribute in person at events being held from November 2020 onwards.

The Legal Ombudsman usually publishes a list of those who respond to consultations. If you wish to remain anonymous, please specify this.



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If you have any questions concerning this publication or how to engage with us about our strategic planning, please email [support@legalombudsman.org.uk](mailto:support@legalombudsman.org.uk).

## Appendix A: Progress against 2020/21 Business Plan

Deliverables 2020/21	Progress in year
<p><b>Operational delivery:</b></p> <ul style="list-style-type: none"> <li>Improve the efficiency of the front end of our business process.</li> <li>Continue with existing initiatives to improve front-end assessment and smooth flow of cases through the resolution process.</li> </ul>	<p>The number of people waiting for an investigation to start has increased from 2,491 cases at the end of March to 3,929 at end of August 2020 and is forecast to rise to 5,000 by the end of the business year.</p> <p>To support performance recovery work has focused on:</p> <ul style="list-style-type: none"> <li>Streamlining front end process to understand contact type and ensure effective management.</li> <li>Organising work into visible streams and restructuring roles / up skilling staff to match incoming work.</li> <li>Improved business reporting to predict workflows.</li> </ul>
<p><b>Insight &amp; feedback</b></p> <ul style="list-style-type: none"> <li>Develop collaborative stakeholder relationships through greater sharing of data and learning.</li> <li>Develop our organisational learning strategy to facilitate internal learning and feedback to the sector.</li> </ul>	<p>Eleven online courses delivered to over 350 participants between June and October, working in partnership with Law Societies and other groups to reach different sectors of the profession.</p> <p>Published annual summary of complaints data and launched a new website.</p> <p>Began working with regulators to identify where complaints data can support their risk analysis, or targeted training interventions.</p>
<p><b>Operational transformation</b></p> <ul style="list-style-type: none"> <li>Focus on what improved customer service looks like at Legal Ombudsman.</li> <li>Support improved operational performance through tailored development plans to build skills and expertise.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed and refined Quality and Feedback model.</li> <li>Delivered by the end of the business year of an automation project which processes complaint forms, creates a CMS file and undertakes jurisdiction checks.</li> <li>Exploration of technological innovations to ensure we are keeping pace with sector and technology, and consumer expectations of service delivery.</li> <li>Focus wason developing the approach to: Talent and Career Development; Performance and Training; refreshed Recruitment and Induction and aligning HR and organisational development practices.</li> <li>Supported staff through COVID and facilitated flexible working from home arrangements and staff wellbeing.</li> </ul>
<p><b>Operational support</b> Maintain and develop Management Information and Business Intelligence in line with business requirements</p>	<ul style="list-style-type: none"> <li>Improved BI integrated into business performance process, giving senior managers better insight into operational performance.</li> <li>Ongoing development of new BI solutions using Power BI, provides consistent, easy to use information quickly to managers.</li> <li>Internal and external engagement with stakeholders to gather requirements for enhanced BI solutions, with ongoing design, development and implementation.</li> <li>Implemented, in conjunction with IT, the build of a data warehouse ensuring regular, consistent storage of key data sets.</li> <li>Operational Forecasting Model maintained and improved, and planned enhancements for a dynamic model in Q3 and Q4.</li> </ul>
<p><b>Equality Priority Objectives</b> Embed the inclusive service strategy, informed by EDI data. Explore options for accessing service provider EDI data.</p>	<ul style="list-style-type: none"> <li>Refresh of all information provided to customers who may need adjustments or additional support to use Legal Ombudsman service.</li> <li>Bespoke training developed with ED &amp; I expert to upskill managers and vulnerability champions.</li> <li>Increased number of vulnerable customer champions.</li> <li>Reviewing options for accessing service provider EDI data.</li> </ul>

## Appendix B: Horizon scanning

Ongoing horizon scanning work has informed development of priorities for 2021/22.

<p><b>Complaint volumes:</b></p> <ul style="list-style-type: none"> <li>• Covid-19 has had a significant impact on operational delivery but has not yet affected incoming complaint volumes or types. Time lag means that any changes will be seen in the next three to six months.</li> <li>• Potential for downward changes in areas such as personal injury and criminal complaints.</li> <li>• Residential conveyancing likely to fluctuate reflecting the market freeze during lockdown followed by an increasing level of transactions through the SDLT holiday.</li> <li>• Downward trends may be balanced by increases in complaints specific to Covid-19 or related to any increase in practice closures / mergers &amp; acquisitions.</li> </ul>	<p><b>Regulatory and policy changes:</b></p> <ul style="list-style-type: none"> <li>• Impact of CMA review and requirements for transparency.</li> <li>• MoJ, LSB and CMA interest in unauthorised sector.</li> <li>• Potential appetite for wider sector reform following Professor Stephen Mayson (UCL) independent review of legal services regulation.</li> <li>• Potential for increased mergers/closures of law firms, as a result of both Covid-19 and hardening PII market, which could impact consumers' ability to obtain redress.</li> </ul>
<p><b>Stakeholder feedback:</b></p> <ul style="list-style-type: none"> <li>• Customer satisfaction surveys show that wait times at the front end of service lead to more negative perceptions of the service for both consumers and service providers.</li> <li>• Engagement with regulators and professional associations indicate that learning and insight work is valuable, but the priority should be the customer experience.</li> <li>• Many bodies are reviewing budgets, taking into account the financial impact of covid-19 on legal professionals.</li> </ul>	<p><b>Wider changes:</b></p> <ul style="list-style-type: none"> <li>• Covid-19 pandemic will continue to affect service providers, consumers and Legal Ombudsman's staff in ways that are challenging to predict.</li> <li>• Potential for further disruption to market and working routines either due to further lockdowns or impact of long-term recession.</li> <li>• Greater use of Law Tech changing way legal services are delivered.</li> </ul>

## Appendix C: Funding comparisons

**Table A: Legal Ombudsman delivery against funding**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Expenditure (£mn)</b>	17,304	16,657	16,900	12,764	12,207	11,545	11,800	12,970	12,298
<b>Complaints resolved</b>	7,455	7,630	8,055	7,440	6,416	6,573	6,125	6,206	6,384
<b>Contacts received</b>	*	*	*	*	*	*	*	103,844	112,426
<b>Unit cost (£)</b>	2,281	2,168	1,950	1,716	1,813	1,587	1,787	1,926	1,926
<b>Investigation Timeliness</b> (Excludes time waiting for an investigation to start)	*	*	*	*	*	43% 90 days 83% 180 days 99% 365 days	37% 90 days 72% 180 days 98% 365 days	34% 90 days 52% 180 days 89% 365 days	58% 90 days 82% 180 days 90% 365 days

\* Equivalent data not available

**Table B: Funding for comparable ombudsman schemes**

\*Data from published annual reports

Ombudsman	Budget	Contact volumes	Complaint volumes
Legal Ombudsman (2019/20)	£12.298mn	112,000 contacts	6,384 resolved complaints
Pensions Ombudsman (2019/20)	£7.7mn	20,000 contacts	2,264 early resolutions 1,204 adjudications
Local Government and Social Care Ombudsman (2018/19)	£13.2mn	18,482 complaints and enquiries	5,315 initial investigations 4,458 detailed investigations
Parliamentary and Health Service Ombudsman (2019/20)	£27.1mn	103,965 enquiries	5,236 decisions
Financial Ombudsman Service (2018/19)	£270mn	not available	376,352 complaints

# Appendix D: Measuring performance

A revised suite of Key Performance Indicators (KPIs) has been agreed and will be reviewed again once budget for 2021/22 is agreed:

**Table A: Key performance indicators**

KPI	Description	Target 20/21	Target 21/22
Reasonable outcome	Cases assessed as having an appropriate outcome in line with all internal guidance and scheme rules	95%	95%
Customer Journey Time	Time from accepting a complaint as likely to require investigation (pre-assessment) to outcome	65% of low complexity complaints to resolve in 275 days	65% of low complexity complaints to resolve in 275 days
		85% of medium complexity complaints to resolve in 326 days	85% of Medium complexity complaints to resolve in- 326 days
		99% of high complexity complaints to resolve in 499 days	99% of high complexity complaints to resolve in 499 days
Customer Satisfaction	Reported satisfaction with service – consumers and service providers	85% (satisfied with outcome) 12% (dissatisfied with outcomes)	85% (satisfied with outcome) 12% (dissatisfied with outcomes)
Service providers agree that Legal Ombudsman provides useful and relevant training resources	As per KPI	80%	80%
Stakeholder satisfaction	Stakeholders who agree we've effectively shared learning and insights with them / profession	80%	80%
Unit cost	Total expenditure divided by closed cases accepted for investigation	*Monitored but no target	*Monitored but no target
Quarterly rolling staff turnover	As per KPI	18%	18%
Volume of cases waiting assessment	Volume of cases in the pre-assessment pool by year end	4,862	4,200**

\*Forecast unit cost 2020/21 £2,591; 2019/20 £1,926 – increase as a result of reduced case closures following Covid-19.

\*\* Assuming increased budget