

Horizon Scan- June 2023

Meeting	OLC Board	For information
Date of meeting	15 June 2023	Paper no: 126.6
Title	Horizon Scan- June 2023	
Sponsor	Steve Pearson- Deputy Chief Ombudsman	
Status	OFFICIAL	
Executive summary		
<p>The Board are asked to note the contents of the horizon scanning paper.</p>		
Recommendation / action required		
Board is asked to note the update and analysis provided		
Equality Diversity and Inclusion		
EDI implications	No	
Freedom of Information Act 2000 (Fol)		
Paragraph reference	Fol exemption and summary	
N/A	N/A	

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1. Overview

Issue	Impact	This will affect...	Likelihood (1-5)	Demand
Complaints redress	High	Complaint volumes	1	↔
Court backlogs	Low	Complaint volumes related to delays	2	↑
Costs uplift for vulnerable parties	Low	Vulnerable customers and standard setting	3	↔
Land Registry	Low	Volumes of conveyancing complaints	3	↓
CILEX Regulation	Low	Interaction with regulatory bodies	1	↔

Impact categories

High – this issue has the potential to alter our day-to-day operations within the next year and may require a direct response.

Medium – this issue could necessitate policy development on an issue; it may affect the environment in which we operate and/or is likely to affect us directly within the next three years.

Low – this issue may have an effect on our stakeholders but is unlikely to require any action from us and/or the issue is unlikely to develop for five years or more.

2. Thematic Issues and news

Complaints redress

At their 6 June Board meeting, the Legal Services Board detailed further work that will be undertaken in the area of consumer redress and improving first tier complaints handling.

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The published paper sought Board's agreement to develop a broader package of work as part of its consumer redress project, which will include revisions to its Requirements and Guidance, the development of a Policy Statement for public consultation, and the implementation of additional measures to build sector-wide support for improvement in complaints resolution at the first tier (with associated benefits for the second tier).

The LSB is also looking to convene a voluntary group of interested stakeholders to collectively commit to a set of common objectives and which might result in the development of a joint statement or similar public commitment that stakeholders can sign up to.

Supporting improvements in service standards and complaint handling in the legal sector is a key priority under the OLC's interim Strategy and ensuring complaints are prevented or resolved by service providers themselves is a key part of an ombudsman scheme's role. As the OLC and the Legal Ombudsman continue to develop the Strategy for 2024-27, it will be important to support the LSB's work in this area and ensure the Legal Ombudsman is a key partner in delivering improvements in first tier complaint handling. By improving standards across the sector, it may drive down numbers of complaints being referred to the second tier, and the focus of resource can then be on complaints that require Legal Ombudsman input.

Court backlogs

Latest data issued by the Ministry of Justice has shown that the backlogs in the Civil Court system is continuing to increase, with figures suggesting the backlog is the highest it has been. This is despite the annual number of claims being submitted reducing by almost 24%

[Civil Justice Statistics Quarterly: January to March 2023](#) details the severity of the delays, showing that small claims are still taking around a year to reach court (51.9 weeks) and multi/fast track claims are now taking on average 79.9 weeks, an increase of 16 weeks on the same period last year for multi/fast track.

Increases in the number of money claims has also increased by 9% compared to the same period in 2022. As the cost of living continues to increase, the number of claims going to court to recover money owed may also continue to increase.

Given that the civil justice system is used by the vast majority of customers when they need to access the law, as well as delaying access to justice, any delays within the system could have an impact on the number of complaints we see.

Costs uplift for vulnerable

As reported in the April 2023 horizon scan paper, from October 2023, the Government is intending to impose fixed recoverable costs (FRC) across the fast-track and in most money cases worth up to £100,000.

The new fixed costs rules will apply to claims where proceedings are issued on or after 1 October 2023, except for personal injury and housing claims. In the final rules for the extension of fixed recoverable costs, the Ministry of Justice has now also included a provision for vulnerability and said the court may consider increasing the amounts in certain circumstances. This will only apply where a party or a witness for the party is vulnerable and where the vulnerability has required additional work to be undertaken.

The change, which will allow lawyers to claim for a 20% uplift on the amount of the fixed recoverable costs for vulnerable claimants, follows a consultation held last year which sought the views of stakeholders on how vulnerability is addressed through the new regime. The uplift seeks to recognise the additional work required by and for vulnerable parties generates extra costs which should be reflected in any final claim amount.

Vulnerability of consumers within the legal sector is a key priority and LSB research published last year highlighted the need for the legal sector to better support vulnerable consumers.

Land Registry Hub

HM Land Registry has been piloting a new hub which provides front-loaded support for complex and large-scale property applications, with initial results showing that it is saving conveyancers hours.

It has been estimated that the specialist support provided to those taking part in the trial has resulted in a 30 minute to 2 hour saving per application made to the Land Registry.

The hub approaches comes after updates provided in January 2023 showed that the Land Registry was receiving 43,000 complex 'register creates' applications a month, with just over half taking more than a year to complete.

Conveyancing complaints and complaints relating to delay are some of the most common complaints that come through to the Legal Ombudsman- and Government schemes such as the introduction of a Stamp Duty holiday have led to additional pressures on conveyancers, leading to delays in work being carried out and customer dissatisfaction. The success of the Land Registry's pilot may therefore speed up the process of some applications and result in better customer outcomes and prevent complaints being raised.

CILEX Regulation

In April, the Legal Services Board confirmed that CILEX had the power to explore making alternative arrangements in the delegation of its regulatory functions.

It follows a 2022 announcement made by CILEX that it was exploring the possibility of switching oversight of its members to the Solicitors Regulation Authority.

Discussions are currently being held around transferring regulation of around 20,000 legal executives to the SRA from the current regulator- CILEX Regulation.

CILEX Regulation is currently consulting with its practitioners around CILEX's intention to switch regulator.

Whilst complaints brought to the Legal Ombudsman about CILEX regulated individuals remain low, we will continue to keep abreast of any developments in this space and consider how changes may impact on current operational processes.

3. Consultation responses and publications

Ombudsman Association- terms and Rules

The Ombudsman Association are [currently consulting](#) on proposed changes to its existing membership criteria, as set out in their Terms and Rules.

The changes to the terms and Rules, which outline criteria for Ombudsman members includes placing more emphasis on the importance of the Ombudsman's role in sharing learning from complaints to drive service improvements across the relevant sector.

This is very much in line with the Legal Ombudsman's plans to place more emphasis on learning and insight and a short consultation response is being prepared which supports the Ombudsman Associations overall aims.

4. Announcements and appointments

Legal Services Board- Board members

The Ministry of Justice and Legal Services Board (LSB) have announced the appointments of Kate Briscoe and Lizzie Peers as new lay members of the Board of the LSB. Barrister Clare Brown has also been appointed as a new non-lay member of the Board.

Kate Briscoe and Clare Brown have been appointed from 1 June 2023 for four years. Lizzie Peers has been appointed from 1 October 2023 for four years.

Non-Lay member Jemima Coleman will step down from the Board on 31 May 2023, having served two terms.