

<b>Meeting</b>	OLC Board	<b>Agenda Item No.</b>	n/a
		<b>Paper No.</b>	125.15
<b>Date of meeting</b>	25 January 2023	<b>Time required</b>	n/a

<b>Title</b>	<b>Horizon Scanning – January 2023</b>
<b>Sponsor</b>	Steve Pearson – Deputy Ombudsman
<b>Status</b>	OFFICIAL
<b>To be communicated to:</b>	Members and those in attendance

<b>Executive summary</b>
The board are asked to note the contents of the Horizon Scan.
<b>Recommendation/action required</b>
Board is asked to <b>NOTE</b> the update and analysis provided.

## 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.

## Horizon Scan – January 2023

### Overview

*Likelihood score refers to how probable it is that we will be impacted. Demand is effect on complaint volumes.*

Issue	Impact	This will affect...	Likelihood (1-5)	Demand
Metamorph Group	Medium	Complaints relating to firms who have been closed as part of the SRA's intervention	1	
Land Registry delays and strike action	Medium	Complaints about delay and communication	2	
Belsner- future of costs disputes	Medium	Remuneration certificates and the future of costs disputes	3	

# Thematic issues and news

## Metamorph Group

The Metamorph Group, an Alternative Business Structure (ABS), which reported to deliver legal services and support to over 50,000 individuals and SMEs a year has been shut down by the SRA. This follows a long running chain of events whereby uncertainty over the future of the Metamorph Group was widely published in the legal press. In January 2023, the SRA closed down a number of law firms that were part of the Metamorph Group to protect the interests of current and former clients.

Those firms we have closed down are:

- MLL Ltd
- BPL Solicitors Ltd
- Beaumont ABS Ltd
- Atray Ltd
- Knowles Benning LLP
- Knight Polson Ltd.

As part of the closure, the SRA has advised that there are over 1,000 boxes of live matters, including many deeds, that need to be dealt with and are advising the clients to find alternative solicitors. LeO is monitoring closely the impact on complaints that are being investigated or which are currently sit within the Pre-Assessment Pool. There may be a number of complaints which are brought to the organisation as further action is taken and affected clients

## Land Registry- delays and strike action

The Land Registry has updated conveyancers on current wait times as part of its latest performance summary. The update details wait times which vary between minutes (as part of automated processes) and months. On a daily basis, the Land Registry is receiving hundreds of thousands of queries, with 430,000 applications to update the register in December alone.

Land Registry stated over half of their applications are for transaction such as changing a name or transferring a property title, and in the large part these take four weeks, with most being completed in just under four months. However, there are instances of applications taking just under eight months to complete, causing lengthy delays to clients. In response, the Land Registry are exploring short-term approaches to dealing with the backlog of cases, including creating two teams focused on the oldest complex cases with a specific goal to reduce the processing times for those applications.

Staff at the Land Registry have also announced strike action, with members of the PCS Union due to strike on 1 February in dispute over pay, pension and job security.

Delay and failure to advise and poor communication are consistently one of the biggest reasons for complaints being brought to LeO. Last year saw a 5% increase in the number of complaints for conveyancers and therefore LeO will continue to be mindful of the impact of delays in Land Registry times and the associated impact this may have on the number of complaints which may progress to second tier.

## Belsner- future of costs disputes

As part of its response to the Civil Justice Council’s Costs review, the Association of Costs Lawyers has suggested that the Law Society and Legal Ombudsman revive the system implemented by the Solicitors’ (Non-Contentious Business) Remuneration Order 1994 which required a solicitor’s costs to be fair and accurate, and gave clients the opportunity to seek a ‘remuneration certificate’ from the Law Society where total costs were less than £50,000. The Society would then, in appropriate cases, issue a certificate stating what it believed would be a fair and reasonable amount for the client to pay. The ACL has proposed a form of collaboration with the Law Society and Legal Ombudsman whereby an independent panel of cost lawyers and other cost specialists could deal with lower-value disputes on the papers.

The review was reopened temporarily in the light of issues raised by the Court of Appeal decision in Belsner. In the ruling, master of the rolls Sir Geoffrey Vos criticised the costs incurred through bill disputes over relatively small amounts reaching court and said these matters were better suited for the Legal Ombudsman.

## Consultation responses and publications

### LSB end of year performance inspection

In January 2023 the LSB published their annual assessment of the performance of each legal regulator against 5 standards; well-led, regulatory approach, authorisation, supervision and enforcement.

A matrix of the result can be found below:

Regulator	Well-led	Regulatory Approach	Authorisation	Supervision	Enforcement
Bar Standards Board	Insufficient	Partial	Partial	Partial	Insufficient
Council of Licensed Conveyancers	Partial	Partial	Sufficient	Sufficient	Partial
Costs Lawyers Standards Board	Sufficient	Sufficient	Sufficient	Sufficient	Sufficient
CILEx Regulation Limited	Partial	Partial	Sufficient	Sufficient	Sufficient
The Faculty Office	Partial	Partial	Partial	Sufficient	Sufficient
The Institute of Chartered Accountants in England and Wales	Partial	Sufficient	Sufficient	Sufficient	Sufficient
Intellectual Property Regulation Board	Partial	Partial	Sufficient	Partial	Sufficient
Solicitors Regulation Authority	Sufficient	Sufficient	Sufficient	Sufficient	Partial

As well as scoring each regulator against each standard, the assessment identified several common themes that need to be addressed by all regulators.

The main of these themes remains around transparency. The report highlight that there is a need for increased transparency, particularly in relation to how regulators make decisions, with the LSB noting that it is difficult from published material to understand the decisions made by regulators and reasons for these decisions.

A full copy of the report can be found at: <https://legalservicesboard.org.uk/wp-content/uploads/2023/01/LSB-2022-Regulatory-performance-report-Final.pdf>

## **BSB Pilot**

The BSB has launched a digital comparison tool (DTC) pilot, which will allow consumers to locate and select service providers, using criteria such as location, ratings and reviews. The pilot will enable the BSB to deliver against its regulatory objectives protecting and promoting the public interest, improving access to justice, promoting competition in the provision of services, and protecting and promoting the interests of consumers. The pilot initially focuses on employment law but does not prevent Barristers who specialise in other areas of law from signing up.

Whilst complaint data is not listed as criteria, there are similarities to the pilot run by the SRA earlier this year, and links to the wider transparency agenda. LeO will continue to monitor the progress of the pilot and the findings which come from it.

## **Legal Choices**

LeO has been sharing its Ombudsman decision data with the Legal Choices website since mid-2021. Linked to our increased transparency agenda, and the sector wide focus on improving the information available to consumers before purchasing legal services, the Legal Choices website enables a customer to view regulatory and complaint information about a legal services provider within a single website, as opposed to having to go to multiple information sources.

Over the last 12 months, the site has become increasingly more popular, having been visited more than 1.3 million times in 2022.

Videos linking to legalchoices.org.uk have also been watched more than 1.7 million times while more than 400,000 people have visited the site for information about lawyer disciplinary records.

LeO is continuing to engage through quarterly steering group meetings which will enable developments to be made in how consumers access our information. The growth in reach and in the quality of users' engagement with Legal Choices content is encouraging and shows that Legal Choices is meeting a need.

## **Announcements and appointments**

### **SRA appoint new Executive Director of Strategy**

The SRA have appointed Aileen Armstrong as Executive Director Strategy and Innovation, taking up the post in mid-June 2023. She will be responsible for continuing to develop the SRA's strategic direction and in particular their policy and research work, with a focus on supporting the delivery of innovation and technology in the legal sector. Aileen has been an Executive Director at Ofwat since 2016.