



Horizon Scan- January 2024

Meeting	OLC Board	For Information Paper No. 131.11
Date of meeting	30 January 2024	
Title	Horizon Scan - January 2024	
Sponsor	Steve Pearson - Deputy Chief Ombudsman	
Status	OFFICIAL	
Executive summary		
The Board are asked to note the contents of the horizon scanning paper.		
Recommendation / action required		
Board is asked to note the update and analysis provided		
Equality Diversity and Inclusion		
EDI implications	No	
N/A		
Freedom of Information Act 2000 (Fol)		
Paragraph reference	Fol exemption and summary	
<i>Insert details</i>	N/A	

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1. Overview

Issue	Impact	This will affect...	Likelihood (1-5)	Demand
Conveyancing and Land Registry changes	Low-Med	Complaints about conveyancing transactions - and the heads of complaint.	2	
Law firm closures and compensation fund update	Medium	Demand - people seeking redress for poor service from now closed firms	2	

2. Thematic Issues and news

Conveyancing and Land Registry changes

HM Land Registry has announced a pilot of changes to the way it updates lenders on the progress of applications, in order to reduce delays and ensure that conveyancers do not need to spend time updating lenders on the progress of their applications.

As part of the pilot, HM Land Registry will provide 10 of the top mortgage lenders and two panel managers (who represent the vast majority of the market) with data on the progress of their applications directly. It is stated that the new service will be more efficient, save time and deliver savings for lenders and conveyancers.

Process outside of the pilot scheme often sees lenders contact conveyancers to understand the progress of their applications to register mortgages. The delays at HM Land Registry have been well publicised and is often feedback LeO gets back from the sector when asked about issues which may be affecting the level of service which is being delivered to clients.

If the pilot is successful, HM Land Registry will explore the opportunity to extend it to other lenders in due course.

There are also other changes being mooted within the sector to ensure conveyancing transactions are more straightforward and include greater transparency earlier in the process. A newly formed steering group - the 'Digital Property Market Steering Group (DPMSG)', which is a cross-sector coalition of government, legal and business groups - has set out a roadmap for accelerated digital adoption in the conveyancing sector.

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The piloted changes at HM Land Registry and the greater upfront information being proposed by the DPMSG have the potential to improve the timeliness of conveyancing transactions and help remove communication barriers about the progression of an application or case. For context, in 2022/23, nearly half of all conveyancing complaints were about poor communication or delay and failure to progress a case.

The roadmap is underpinned by five principal aims:

- i. **No surprises and no delays:** *upfront information means there are no surprises after the buying decision and no waiting for searches.*
- ii. **Transparency and innovation:** *sharing information using an open protocol allows everyone to see what is happening in a transaction and support innovative new consumer-friendly digital services.*
- iii. **Convenient and secure:** *using digital ID checks (just once) and e-signatures makes the process easier and more secure.*
- iv. **Always improving:** *collaborative research across users and the PropTech sector will accelerate the use of emerging technology such as Artificial Intelligence.*
- v. **Open and collaborative:** *we will work in the open, publishing research, the programme of activities and an annual summary of progress.*

Key aspects of the roadmap include developing an action list to remove paper-based processes and see the adoption of digital ID and secure e-signatures; a research and development roadmap; and a charter detailing roles and responsibilities across the sector to generate upfront information.

LeO will continue to monitor the developments and outcomes from the pilot and any consequential changes on the nature of complaints as they arise.

Law firm closures and compensation fund impacts

LeO is continuing to work alongside the SRA to appropriately sign post clients of firms who have gone into administration or been intervened into. As flagged in December, following the closure of Axiom Ince, the SRA are signposting clients to LeO who want to raise a complaint about the standard of service provided by the firm. LeO has worked closely with the SRA to agree an approach to communicating with clients about the most appropriate avenue for them to take based on the details of their case.

LeO has also been working closely with the SRA to ensure appropriate lines of communication in relation to signposting customers of WW & J McClures - a dual regulated firm in Scotland - and recently closed firm, SSB Law - a firm who took on approximately 13,500 cavity wall insulation claims from the also-collapsed Pure

Legal. LeO is actively monitoring the number of enquiries and complaints being received in relation to these firms.

It was recently reported that the SRA have had to employ seven additional staff to help deal with the number of compensation claims from Axiom Ince clients. The cost will be met by the profession through its contributions to the SRA Compensation Fund. The SRA have confirmed that there will be no cap on the fund in relation to Axiom Ince claims - which is usually £5 million. This is because the scale of consumer loss, were the cap to be applied, would be too large, and 'would lead to an unacceptable loss in public confidence in solicitors'.

The Law Societies of Birmingham, Bristol, Leeds, Liverpool and Manchester have questioned this decision and are calling for the SRA to apply a cap to protect the solvency of the fund.

The external affairs team and ombudsman colleagues are continuing to actively monitor for consumer enquires and are in regular touch with the SRA about further developments. The OLC Board will be updated accordingly.

Consultation responses and publications

CILEx Consultation on transferring regulation to the SRA

CILEX have reported support for its proposal to transfer the regulation of its members to the SRA. 1,200 people responded to its consultation and 2,237 members of the public participated in a poll conducted by IPSOS Mori, which saw 'at least a 60% positive response'.

The Law Society was strongly against the switch - particularly in relation to the proposed change in title of authorised 'Legal Executives' to 'Chartered Lawyer', claiming that it will add another layer of confusion and complexity to consumers' ability to distinguish between legal executives and solicitors.

Additional assurances and clarifications are being sought from the SRA, including assurance regarding the cost of regulation and the principle of no cross-subsidy, in light of the Axiom Ince cases. The SRA is considering responses to its own consultation at a board meeting on 23 January.

Whilst the number of complaints LeO receives about Legal Executives is low, LeO is continuing to monitor the development of the proposed switch and the potential impact it may have on operational processes, including what changes may be required as part of established information sharing agreements and memorandums of understanding.

3. Announcements and appointments

Sam Townend KC has delivered his inaugural speech as the new Chair of the Bar of England and Wales. His speech set out two key priorities for 2024: securing more

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resources for the justice system and supporting the profession to become more resilient and sustainable.

Sam takes over from the 2023 Chair, Nick Vineall KC.