

LSB Consumer Empowerment policy statement



 READING TIME: 5 mins  ACTION: To take a decision

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FRAMING

Context

In 2022 the Legal Services Board (LSB) issued a policy statement on consumer empowerment (appendix 5) that sets out expectations of the legal services regulators in the interests of the public and consumers. The LSB has previously asked all legal services regulators to confirm that they would meet the expectations within the policy statement by 30 September 2024.

On 18 June 2024, the LSB wrote to ICAEW (appendix 4) to formally request assurance from the IRB by 30 September 2024 about how ICAEW is meeting the expectations set out in the policy statement. This should include details of the positive impact on consumers from the actions taken, with supporting evidence.

Purpose - For approval

This paper seeks the IRB's approval to send a letter of assurance to the LSB to confirm ICAEW meets the expectations in the LSB consumer empowerment policy statement.

This paper relates to the IRB's strategic aim to:

emphasise the importance of the regulated community doing the right thing and acting in the public interest

This paper is confidential at present as it relates to a draft submission to an oversight regulator. Once the submission has been made, we believe that it would be appropriate to publish this paper and appendices.

Questions to the reader

Does the IRB agree that ICAEW has met the expectations in the LSB consumer empowerment policy statement?

Does the IRB agree that the draft letter to the LSB from the IRB chair (attached as appendix 3) should be sent to the LSB on behalf of the IRB?

EXECUTIVE SUMMARY

1.How are we performing?

Analysis produced shows that ICAEW has met all of the expectations outlined in the LSB policy statement on consumer empowerment. However, we acknowledge that we have only limited evidence so far on the impact of our work.

2. How can the IRB be assured that the expectations are met?

The proposed response has been discussed with members of the legal services sub-group who are satisfied with the proposed contents.

THE PAPER

1. How are we performing?

1.1 How have we progressed against the expectations of the policy statement?

Regulatory policy staff have prepared an analysis (appendix 1) to demonstrate the work that has been done in relation to consumer empowerment, and how this meets the expectations within the LSB policy statement. The analysis provides links to any cross-referenced material. We consider that this analysis shows that ICAEW meets the expectations within the policy statement. Some of the areas of work are ongoing such as the collaborative project with all other legal services regulators to create a combined register of regulatory information. However, the LSB has noted that meeting the expectations of the policy statement is not a 'one and done' process and that it expected that regulators would continue pursuing the outcomes of the policy statement over time and should make continuous improvement against them on an ongoing basis. This is the approach that we have taken, and the draft letter to the LSB, and supporting analysis, notes that our work in relation to the expectations will be ongoing.

1.2 How can we evidence the impact on consumers?

Part of the request within the LSB's letter of 18 June was for details of the positive impact on consumers from the actions given, with supporting evidence. While we were asked previously by the LSB (in September 2023) whether we would have met the expectations by September 2024, the need for evidence of the impact is a new request. Clarification has been sought from the LSB, noting that this was not previously part of the commitment we were asked to give.

The LSB clarified that, in providing assurance to the LSB on how they are meeting the statement's requirements, regulators should be able to evidence both the progress and impact of their activities. The LSB believes that, while it may not be possible for regulators to provide conclusive causal evidence of the impact of individual projects and activities, regulators should have appropriate mechanisms in place to evaluate and report on the effectiveness of the steps they have taken in pursuit of the outcomes set out in the statement. The LSB also believes that regulators should be able to provide evidence to the LSB to show how those assessments are made and what has been achieved. However, the LSB is not prescriptive about how regulators should evidence their progress and the impact of their activities - regulators have the discretion to develop and use the metrics/measurements they deem appropriate.

On this basis, our analysis includes statistics on the engagement with consumer related content on the probate pages of the ICAEW website. These are metrics that we will continue to track over time, which we hope will show a growth in engagement with our consumer content given new consumer resources that we have published.

We are also working to develop a consumer survey that asks clients of our probate firms how empowered they felt in their choice of probate provider. This survey will cover questions on areas such as price, quality, regulatory status and complaints. It is intended that the survey would be repeated over time to show whether the impact on consumers increases as our work on consumer empowerment progresses.

1.3 What further work is planned in relation to consumer empowerment?

Many areas of our consumer empowerment work are ongoing activities such as:

- The monitoring of firm compliance with the price transparency requirements.
- The collaborative project to produce a single regulatory register of legal service providers.
- The seeking of feedback on the recently published consumer guides for beneficiaries and executors to identify if further work in this area would benefit consumers.

As outlined above, we are developing a consumer survey to seek to evidence the impact of our consumer empowerment work. This survey will be issued to all of our probate firms with a request that it is provided to new clients as part of the documents issued on engagement. The survey will be completed online and the results will come straight to PSD's communications team to avoid any data collection work for the firms.

1.4 What are the risks or concerns?

We are confident that the work we have done on consumer empowerment means that we meet the expectations within the LSB policy statement. At this time, however, we have limited evidence of the impact of this work. While we are hopeful that evidence can be gathered through the issue of a consumer survey for clients of our probate firms, we cannot mandate completion of this survey. We will therefore need to keep this evaluation method under review to identify whether any other approach is needed to evidence the impact of our work.

2. How can the IRB be assured that the expectations are met?

2.1. What has been the review process?

Members of the IRB legal services sub-group and the IRB chair have met with regulatory policy staff to review and discuss the analysis in Appendix 1 of how ICAEW has met the expectations of the policy statement. These IRB members and the IRB chair, agree that based on their review of the analysis and supporting information ICAEW meets the expectations and can provide the assurance requested.

Analysis of how ICAEW meets the expectations of the policy statement

Summary of probate monitoring process

Draft letter from Paul Brooks to the LSB

Letter from the LSB dated 18 June 2024

LSB statement of policy on empowering consumers
