

# Better Information in the Legal Services Market - Year One Evaluation of the Transparency Rules

15 October 2020

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[\[https://upgrade.sra.org.uk/globalassets/documents/sra/research/year-one-evaluation-of-transparency-rules\\_research-report.pdf?version=4a96ee\]](https://upgrade.sra.org.uk/globalassets/documents/sra/research/year-one-evaluation-of-transparency-rules_research-report.pdf?version=4a96ee)

## About this report

This report provides a summary of our wider evaluation into the impact of the SRA Transparency Rules, one year on from these being fully implemented.

As well as providing a summary of the independent research we commissioned to gather the views of consumers, law firms and wider stakeholders, this report provides context on our wider work in this area, and outlines the next steps we intend to take as we continue to monitor the long-term impact of these reforms.

## Background

Only one in ten people seek support from a legal professional such as a solicitor or barrister. One of the major barriers to people finding the help they need is the lack of accessible information to help them make informed decisions.

As part of our major 2014-2019 reform programme, we first introduced our [SRA Transparency Rules](https://upgrade.sra.org.uk/solicitors/standards-regulations/transparency-rules/) in December 2018 with further rules taking effect in 2019. The rules aim to make sure the public and businesses have easier access to the information they need to make informed decisions when purchasing legal services.

Introduction of the rules also followed the Competition and Markets Authority's (CMA) [legal services market study](https://assets.publishing.service.gov.uk/media/5887374d40f0b6593700001a/legal-services-market-study-final-report.pdf) of 2016, which concluded that the absence of sufficient information on price, quality and service hindered the ability of consumers and small businesses to engage with the market. It recommended that regulators set a new minimum standard for the information published by those firms they regulated.



Our rules mean that all regulated law firms must publish certain information on price, services and consumer protections. We also brought in online tools designed to help the public find out more information about specific law firms and solicitors, including the [SRA clickable logo](https://upgrade.sra.org.uk/solicitors/resources-archived/transparency/clickable-logo/) [https://upgrade.sra.org.uk/solicitors/resources-archived/transparency/clickable-logo/] and [Solicitors Register](https://upgrade.sra.org.uk/consumers/register/) [https://upgrade.sra.org.uk/consumers/register/].

With the majority of the transparency rules having been in place for nearly a year, we wanted to learn more about what the public and profession thought about their impact and how they were adapting to them.

This work is part of our wider five-year evaluation programme looking into the impact of our [Standards and Regulations](https://upgrade.sra.org.uk/solicitors/standards-regulations/transparency-rules/) [https://upgrade.sra.org.uk/solicitors/standards-regulations/transparency-rules/] and associated reforms.

## The SRA Transparency Rules

Our transparency rules require all law firms that we regulate to publish the following information upfront on their website:

- Price and service information for certain legal services
- Details on the teams/individuals who will provide services in these specified areas
- Details of their complaint's procedure, including how and when issues can be referred to us or the Legal Ombudsman

Firms who do not have a website must make this information easily available in other formats.

Since November 2019, all firms with a website must also display the SRA clickable logo. By clicking on the logo, online visitors link through to personalised information which confirms the firm is regulated and outlines the protections clients can expect to receive when dealing with that regulated firm.

We introduced our new Solicitors Register in October 2019. The register provides a searchable directory of 200,000 solicitors and over 10,000 law firms we regulate. It includes key regulatory information on each individual/firm, including their name, registered address, what type of solicitor they are and details of any disciplinary record.

As part of the transparency rules, we also committed to publishing an annual report detailing year-on-year complaints data across the firms we regulate. The [most recent report](https://upgrade.sra.org.uk/sra/how-we-work/archive/reports/first-tier-complaints-report/) [https://upgrade.sra.org.uk/sra/how-we-work/archive/reports/first-tier-complaints-report/] published in July 2020, found that 80% of complaints were resolved by the firms themselves in-house

during the previous year. This maintained the gradually improving trend since a rate of 71% was recorded in 2012.

## **Independent research**

Ahead of the one-year anniversary of the full suite of rules coming into effect, we commissioned independent research to help us understand what early impact they were having, and what consumers, law firms and stakeholders thought about them.

Importantly the research included a real diversity of people as well as engaging with organisations that support consumers, some of them vulnerable, and representative groups.

This research involved:

- Online surveys of 3,539 recent users of legal services (2,029 individuals and 1,500 small business)
- Detailed interviews with 120 individual consumers and 32 small business owners/managers
- An online survey of 524 law firms, followed by 25 more detailed interviews
- One-to-one interviews with key consumer, professional and regulatory organisations

This report provides a summary of the findings of the research provides context on our wider work in this area, and outlines the next steps we intend to take as we continue to monitor the long-term impact of these reforms.

## **Key research findings - consumers**

While it is still relatively early days since the new requirements were introduced, it is encouraging to see the extent to which the public are already referring to the information now available when they are in need of legal support.

Of those who reported looking at information on law firms websites before instructing a solicitor, more than three quarters believed that the information now being published had proven useful in helping them to make 'good choices'.

Notably, having more widespread access to information on price seemed to be opening up access to professional legal services with just 10% of consumers saying that, after reviewing prices on law firm websites, they now thought instructing a solicitor was an unaffordable option. This compares to more than half assuming using a solicitor was unaffordable in research we undertook before the rules came into effect.

The research also found that having easier access to information on price and service was most useful in helping people when they are initially considering which provider to use. Having understood their options most then hold direct conversations with potential providers before basing their final decision on who to instruct primarily on factors such as reputation, experience and recommendations.

Consumer groups broadly welcomed the range of information law firms are now making available. They did however express concern that the language and legal jargon used on many sites could be difficult for people to understand. A third of consumers agreed with about a third of members of the public saying information could be confusing or used too much jargon.

Although they are recent introductions, nearly 20% of consumers had already used either the SRA clickable logo or Solicitors Register. 90% of those who used the logo found it useful, as did 75% of those who used the register.

Separately, the research also asked about consumer awareness of [the Legal Choices website \[https://www.legalchoices.org.uk/\]](https://www.legalchoices.org.uk/), which provides consumers with information to help them navigate the legal landscape and which we run on behalf of most of the legal regulators. We have been working to develop the website over the last three years, in response to some of the wider recommendations of the 2016 CMA review, and it was positive to see that 37% of individual consumers were aware of Legal Choices and over half of the small businesses surveyed (52%) were aware.

The research also asked participants about digital comparison tools (DCTs). Recent years appear to have seen a significant increase in the public's appetite for using price comparison websites. Our survey found that 41% of individual consumers and 55% of SME consumers are aware of legal services price comparison sites and 13% of the public and 22% of businesses had used such sites to compare legal service providers.

On review sites, stakeholders and law firms were cautious about the potential of these tools to help people while consumers said they value customer reviews and testimonials and are more likely to use reviews placed on a firm's website than on comparison sites. Again there was higher awareness of sites with customer reviews and/or ratings amongst small business consumers, at 57%, while 51% of individual consumers were aware. Twenty six percent and 21% respectively have actually used such sites.

## **Key findings - Law firms**

Most law firms appeared to be embracing the rules with the majority saying they were publishing information as required.



The research also showed that publishing information could be good not just for consumers, but for the firms as well. Twenty-nine per cent of those surveyed said that they would recommend publishing price and service information as being good for business.

More than nine out of ten firms said they were displaying the SRA clickable logo (92%), and four out of five were publishing complaints procedures (80%).

Overall, 68% said they were publishing the required information on price and service. This represents a significant change, as prior to 2018 we found only 18% of firms publishing any pricing information online. Evidence from our own web sweeps confirmed that the majority of firms are making an effort to follow the rules, but also suggested that many may not be meeting all the requirements.

Encouragingly 28% of firms also reported that they are voluntarily publishing prices on wider legal services not covered by the rules.

Other key findings from law firms included:

- 65% said they found the transparency rules clear and the guidance we issued useful
- More than half (59%) of firms actively use the Solicitors Register to validate details of other solicitors they deal with

## **Our wider work**

### **Supporting the profession**

We have regularly promoted the transparency rules, both directly and indirectly, to the legal profession, including by providing support to firms around what they are required to do to meet them. This has included publication and promotion of:

- [our transparency rules](https://upgrade.sra.org.uk/solicitors/standards-regulations/transparency-rules/) [https://upgrade.sra.org.uk/solicitors/standards-regulations/transparency-rules/]
- [guidance and Q&As on publishing price and service information](https://upgrade.sra.org.uk/solicitors/resources-archived/transparency/transparency-price-service/), [https://upgrade.sra.org.uk/solicitors/resources-archived/transparency/transparency-price-service/] including easy-to-use templates
- dedicated guidance on [publishing complaints procedures](https://upgrade.sra.org.uk/solicitors/guidance/publishing-complaints-procedure/) [https://upgrade.sra.org.uk/solicitors/guidance/publishing-complaints-procedure/]
- guidance and Q&As on [using our clickable logo](https://upgrade.sra.org.uk/solicitors/resources-archived/transparency/clickable-logo/) [https://upgrade.sra.org.uk/solicitors/resources-archived/transparency/clickable-logo/]
- guidance for firms on [engaging with online reviews](https://upgrade.sra.org.uk/solicitors/resources-archived/transparency/customer-reviews/engaging-online-reviews/) [https://upgrade.sra.org.uk/solicitors/resources-archived/transparency/customer-reviews/engaging-online-reviews/]

We have also staged a number of webinars on various aspects of the transparency rules, as well as delivering a dedicated session at our annual Compliance Officers Conferences.

## Checking compliance

Complying with the transparency rules is a regulatory requirement for law firms we regulate. To support this, we are actively engaging with law firms through a programme of websweeps and direct contact with firms.

In a [summary of our initial web sweeps](https://upgrade.sra.org.uk/sra/how-we-work/archive/reports/web-sweep/1) [https://upgrade.sra.org.uk/sra/how-we-work/archive/reports/web-sweep/1] published in November 2019, we outlined how we had found the highest levels of compliance among firms offering probate and conveyancing services, where around three quarters were at least partially publishing the required information.

Taking into account all the websites checked during 2019, the most common areas of non-compliance included firms not:

- providing the required information in one of law area but not another
- specifying the amount of VAT applied to costs and disbursements
- displaying information on key stages and/or timescales
- providing a description or costs of likely disbursements

While our primary aim is to help and support firms to comply, we will also take enforcement action where firms do not meet their obligations in this area. Where we identify firms that are not complying with the rules, we have in the first instance sought to advise and support them on how to bring themselves into compliance. If they do not engage with us or make the necessary changes, we can and have begun enforcement action as appropriate.

## Promotion to the public

The aim of the transparency rules is to make sure the public have access to the information they need in order to make more informed decisions when potentially in need of legal support. Raising public awareness of what is available is a long- term process and the first step is to make sure firms are publishing the necessary information.

Since 2018 we have provided a range of information on our website targeted not just at individual users of legal services, but also to third parties and consumer groups who play a key role in advising the public. We have been running an online advertising campaign promoting what the new rules mean for the public across both social media and Google. This campaign uses graphics, videos and animation to highlight what information law firms should now be providing online, as well as explaining how the public can use tools such as the SRA clickable logo and Solicitors Register to validate information about law firms and solicitors.

This campaign has resulted in:



- Google adverts appearing more than 40 million times online
- Price transparency content appearing more than 5 million times in social media feeds
- More than 81,000 people engaging directly with our adverts or social media content (viewers commenting on, sharing our content or clicking through to more information)

In addition to this advertising campaign we continue to work directly with key customer representative groups, including those who work with vulnerable people, to both share the benefits of the rules and also better understand how best we can further develop and promote them.

## **Conclusion and next steps**

The transparency reforms aim to achieve the type of change that can only happen over the longer term. As such, this first-year evaluation gives an early (and promising) view of the direction of travel but it will be some time before we fully understand the way the market is changing.

Our large scale research has confirmed that there is a real public and small business appetite for better information about legal service providers. It also shows that people value that information and find it useful as they make their choices and access legal services.

It is encouraging that laws firms appear to be responding to this demand and are actively embracing the transparency rules. To move from only 18% of firms displaying any information on price and services in 2018 to 68% saying they are doing so today for those areas covered by the rules is a significant change.

We welcome the extra steps many firms are taking with 28 per cent of firms voluntarily displaying prices in areas beyond those covered by the rules. This demonstrates that firms are seeing real benefits

With more than 90% of firms saying they are displaying the SRA clickable logo, and 80% publishing their complaints procedures online, it is not just in the areas of price and service where information is becoming ever more available.

Crucially the research also shows that firms should have nothing to fear from publishing information. Our research shows not only that there are potential business benefits to making more information available, but also suggests that fears that some had that competitors would advertise falsely low prices in order to win business appear to be unfounded.

Providing information on price helps dispel the misconception many previously had about the cost of engaging a solicitor or law firm. Debunking this misconception will not only help broaden access to legal services, but it should also help firms themselves compete for more

business – potentially more important now than ever as in an economy still impacted by the ongoing Covid-19 pandemic.

While we found that consumers will ultimately base the final decision on who to instruct on a broad range of factors, there is a real possibility that only firms who are proactively transparent about basic price and service information will make the shortlist of those with whom people go on to have more detailed follow-up conversations.

While widespread consumer awareness of tools such as the SRA clickable logo and Solicitors Register is understandably limited at this point, it is encouraging to see that the vast majority of those who have used these have found them useful. As the usage and profile of these grows it is clear they can prove highly effective in helping consumers check and validate the credentials of solicitors and law firms they are considering working with.

Looking beyond the transparency rules, we know there is more work to do to help consumers judge and compare the quality of advice and services on offer. This was a key theme identified by the CMA in its 2016 report, but our review identified participation with online schemes that allow this is still very low among law firms.

As a result, we will be looking to further engage with the profession and online comparison and review providers to discuss barriers that might be deterring firms signing up to such platforms. We will also relaunch and publicise our [guidance for firms on effective engagement with online review sites](https://upgrade.sra.org.uk/solicitors/guidance/) [<https://upgrade.sra.org.uk/solicitors/guidance/>].

Our early insight into the developing information market is just the starting point.

We want to allow our reforms to take effect before deciding if we need to make further changes. We will continue to monitor the impact of our reforms on an ongoing basis to identify any unintended or detrimental impacts at an early stage. We will carry out a detailed evaluation of these reforms at the three-year stage when they have had time to bed in, and we hope we can begin to see trends in how the information being published is being used by customers.

We will also increase our focus on sharing what the rules mean for the public. This will be by both promoting their benefits and availability of products such as the Solicitors Register directly to potential users of legal services, and also by working with a wider network of third-party organisations who can help us share this information directly on the frontline.

Clearly there is still more work to be done as the market matures to make sure that the information being provided by firms is as accessible and useful as possible to consumers. We will continue to support firms



and will further develop our transparency rules guidance and publish best practice examples. This will help address uncertainty which some have expressed over issues such as what types of, and how much, information they should be publishing.

We also need to continue to promote and deepen understanding of the full requirements the transparency rules place upon firms, and the benefits they will see from meeting these. While many firms are clearly working to comply, and believe they are doing so, evidence from our web sweep exercises suggests that many might be overlooking certain key elements of the requirements. We will continue to proactively check that firms are complying with the rules and will contact them directly where we find this is not the case.

We know there is more to do to realise the benefits of the better access to understandable information about legal services. At a time when the Covid-19 pandemic is creating difficult trading for many businesses, including in the legal sector, making more information easily available can also help law firms reach potential new clients. And with the Covid-19 pandemic compelling people to conduct even more of their day-to-day affairs online, the need to make sure such information is readily accessible online has never been greater.