

**The Legal Services  
Complaints Commissioner's  
summary of the  
Law Society's progress against its  
Client Care Programme**

**Summary of progress and  
activity as at December 2009**

## THE LAW SOCIETY'S CLIENT CARE PROGRAMME

### Background

In June 2008 the Legal Services Complaints Commissioner announced that she would be imposing a penalty of £275,000 on the Law Society following her decision to declare the complaints handling plan submitted by the Law Society for the period 1 April 2008 to 31 March 2009 as inadequate.

On 4 March 2009, following a number of detailed discussions with both the Law Society and the Ministry of Justice, the Commissioner and the Law Society announced that they had reached a regulatory settlement whereby the monies will now be devoted to a range of Client Care measures costing £275,000, designed to promote diversity and excellence in the profession and to improve standards of client care and complaints handling.

### Agreed measures

The measures agreed by the Commissioner and the Law Society include:

- **Project 1** - the Law Society committing £100,000 to establish a Consultancy Service, which will involve the recruitment and training of over 20 consultants nationally. These consultants will work with around 200 firms identified as needing support and information on best practice in client care and complaints handling, and will evaluate and monitor firms' progress as they implement the necessary changes.
- **Project 2** - the Law Society will also launch a dedicated client care and complaints handling helpline, which will involve taking over the Legal Complaints Service (LCS) telephone helpline for solicitors (Lawyerline) and relocating it to its own Helpline team, staffed by solicitors. The Law Society has committed £30,000 to recruit additional resource, train the existing team and launch the new complaints helpline.
- **Project 3** - the Law Society will provide additional funding to the Solicitors' Diversity Access Scheme. With the support of the Law Society Charity, the Solicitors' Diversity Access Scheme is able to award scholarships to a number of students to enable them to undertake courses leading to qualification as a solicitor. The Law Society will make an additional £105,000 to fund two additional places per year for five years on its Diversity Access Scheme.
- Recruiting a Client Care Project Manager at a cost of £40,000, who will be responsible for overseeing the range of measures agreed, providing project plans and reporting to the Commissioner on a quarterly basis on progress and expenditure under each programme of agreed measures.

## The Commissioner's summary of progress and activity as at December 2009

On 4 January 2010 the Law Society provided the following update to the Commissioner giving details of the activities and lessons learned from delivering its Client Care Programme.

### Project 1 – Client Care Consultancy Service

The Client Care Consultancy Service was set up to help improve the client care and complaints handling performance of firms who had experienced the highest volume of matters (including complaints, remuneration certificate matters and enquiries) with LCS between 1 April 2008 and 30 September 2009. Visits have been taking place since June 2009 on a rolling programme and will continue until 31 March 2010.

**288 firms** were invited to take advantage of a free, confidential, supportive client care consultancy service that would be tailored to their specific needs.

Number of firms invited to participate in consultancy service	288 firms
Number of firms accepting invitation	147 firms
Number of firms declining invitation	9 firms
No response (includes at least 10 firms who closed/were intervened into)	133 firms
% total of firms who have accepted the offer of help	51%
Complaints handling talks delivered to local law societies	3

**147 firms** have taken up the offer of help. Feedback has been extremely positive with the vast majority of firms welcoming the support, with many calling it the most practical and helpful assistance they have received. The Law Society reports there are numerous examples of how firms have embedded change and improvements into their processes and culture as a result of these visits. **The total number of visits is likely to be 170/180 by the end of March 2010.**

Number of firm visits completed to date	63 firms
Number of firms with visits still to be completed	84 firms

The Law Society reports it is too early to measure firms against any improvement in their referral rate or on costs but the figures below provides a baseline against which they can be measured from mid 2010.

Number of LCS referrals generated by the 288 firms in the period 1 April 2008 to 30 Set 2009 ( <i>Referrals include enquiry files, complaints, remuneration certificate applications and/or waivers</i> )	3889
Number of referrals generated by the 147 participating firms	2021
Total cost to the profession of the <i>complaints</i> generated by the 147 participating firms (based on average cost per complaint of £1770)	£2,924,040

The following table provides information on the profile of the 288 firms broken down into groups by qualified fee earner size. The % share of the 288 firms for each group is shown as the % share of the total client referrals of the 288 firms. The % response rate by size of firm is also shown.

What may come as a surprise is that sole practitioners represent only a small proportion of the total number of firms, but frustratingly, were also least likely to respond of any group. Very large firms appear to generate a disproportionate number of referrals considering their relatively low numbers. They were, however the most likely to seek help.

No of qualified fee earners in firm	% of 288 firms invited to participate	% share of 3889 client referrals generated by the 288 firms	% of firms accepting offer of consultancy help
100+	4.5%	9%	61%
50 - 99	7%	8%	48%
25 - 49	19%	18%	60%
10 - 24	26%	27%	58%
2 – 9	39%	32%	35%
Sole Practitioners	4.5%	6%	21%

### Consultancy Service – qualitative outcomes

All firms were invited to provide feedback at the conclusion of the visit. Furthermore a telephone sample of firms was taken to gather feedback at the end of December. The following results show that the overall response to the help has been very good. Two visits generated poor feedback, primarily due to the dissatisfaction with the consultant. Both of these consultants were immediately removed from further involvement in the initiative.

Number of firms who have provided feedback on the visit	25
% of which who rated the service excellent or very good	91%
% of which who rated the service poor or very poor	9%

### Key points

- a) Simply receiving a letter from the Law Society about their complaints performance often had the effect of galvanising many firms into action. Firms welcome the power of an authoritative, supportive “outside voice” coming in to talk to them about client care.

*“Sometimes it is a change in a firm’s attitude that will make the difference. For example, a small firm said, much of what we heard was self evident but it cannot be rammed home enough. A great initiative ..... it has taught us to adopt a different, less defensive attitude towards complaints. We would welcome more support of this nature from the Law Society.”*

- b) Many firms do not realise that they have a problem with complaints. They have no reference to any meaningful benchmark to be able to judge what poor performance is.
- c) Most consultants have ensured that visits are followed up and action plans adhered to so as to drive through improvements. Such action plans include changes to processes, document improvements; training for staff, re-design of office space, changes in cultural attitudes based on structured plans.

*“This firm undertook the following activities as a result of the client care visit. All client care letters were re-written and rationalised. Client feedback is now being gathered and analysed to understand performance and identify any trends. Performance development of staff now incorporates feedback. Training was given to all staff on complaints handling, on soft skills training and on managing expectations.”*

- d) It was not always possible to delve deeply into a firm’s issues in the time available. The following example provides an instance where the service encountered barriers to its ability to deliver improvements.
- e) Some firms have gone on to request additional help and some have engaged the consultant on a private fee paying basis. Some firms have bought in outside consultancy at their own cost where the Law Society has not been able to provide follow up support. There is an appetite for more help once the firm begins to work with the consultant. Consultants have had success in promoting other Society services such as Lexcel and Lawyerline.

*“A volume conveyancing practise invited us to meet their client service team. Through a process of discussion and review the firm and the consultant agreed that the key issue facing the firm was in the lack of call handling skills and communication skills that face the fee earners in distance conveyancing transactions. The consultant was not able to provide specific training tailored around customer focus telephone call handling skills but as a result of the visit the firm were motivated to seek out a training company who could deliver this. Whilst this is a good result for the firm it is an example of where the service was unable to tailor its services to more specialised needs. On a more positive note however, it is an example of how a fee paying follow up element might be introduced to a future service.”*

- f) 20% of the firms contacted by the scheme had wide firm quality accreditations, such as Lexcel, and yet are generating many complaints. There appears to be a tendency for some firms to hide behind quality accreditations to avoid dealing with ingrained cultural issues that are real barriers to improved client care. This is being taken up with by the accreditation scheme managers so that appropriate follow up action is taken to improve performance.
- g) Delivering excellent care depends on achieving the right attitude and cultural balance. Many firms, however, see client care as a function of “compliance” and rely heavily on processes, procedures and financial target measures alone which works to the detriment of improving client care.
- h) Many firms do not understand the requirements of Rule 2 and 5 well. Many managers of teams in firms do not appear to have the requisite skill set to manage people well.

## Project 2 - Client care and complaints handling helpline

Lawyerline was transferred from LCS to the Law Society in March 2009 to provide on demand client care and complaints handling support for all solicitors. It has achieved a considerable 296% increase on a month on month basis in calls when operated by the law Society compared to the Legal Complaint Service.

Monthly calls to Lawyerline	
Law Society	Legal Complaints Service *
April 2009: 166 May 2009: 195 June 2009: 220 July 2009: 228 August 2009: 254 September 2009: 209 October 2009: 260 November 2009: 249	August 2008: 40 September 2008: 63 October 2008: 63 November 2008: 61 December 2008: 50 January 2009: 57  <i>* Data provided by LCS</i>
<b>Monthly average at the Law Society: 222</b> 296% increase on LCS performance	<b>Monthly average at LCS: 56</b>

The increase in call numbers can, in part, be attributed to the sustained marketing and awareness campaign of Lawyerline that has occurred in 2009. To promote Lawyerline ten diverse marketing techniques have been used over the 8 month period:

- Gazette articles
- Direct mail out
- Internet promotion
- Brochures
- Website
- Helpline call cards
- Education
- Direct contact
- Gazette advertisement
- Promotion of firms visited by the client care consultancy service

Advice and assistance has been given to **1,781 callers**. Positive written feedback has been received from some users of the service who have expressed their support for this service and satisfaction with the assistance they have received.

The most common subject area on which callers seek assistance involves queries relating to the implementation of their own internal complaints handling process. In this regard, the service has achieved one of its primary objectives, namely to be a robust and pro-active service which delivers improvements in client care and assist solicitors in reducing the level of formal complaints.

In the coming year, Lawyerline will continue to enhance its marketing and awareness to build on its reputation as a prominent resource for solicitors to use when improving their client care processes.

### Project 3 - Diversity Access Scheme

In October the Law Society reported that:

- 96 applications to the Diversity Access Scheme were received in total of which 24 were short listed and invited to interview with the selection panel at Chancery Lane.
- 12 places were finally awarded following the interview, 2 of which were met through the ring fenced funds as agreed with the Legal Services Complaints Commissioner (£21,000).

In all cases, those awarded places through the scheme were selected on the basis that they not only demonstrated through their written application and during interview potential as a solicitor, but would not have been able to undertake the LPC without assistance from the scheme.

A formal awards ceremony took place on 7 October, which also marked the launch of a fundraising campaign by the Law Society Charity to raise £250,000 for additional places on the scheme.

### Recruiting a Client Care Project Manager

During 2009 the Law Society reported to the Commissioner that a full time Client Care Manager had been seconded into the role to manage delivery of the programme.

### Cumulative costs summary for the Client Care Programme

<b>Programme Budget</b>	
Client Care Services (including Lawyerline)	£170,000.00
Diversity Access Scheme	£105,000.00
<b>Total Budget</b>	<b>£275,000.00</b>

<b>Programme Expenditure</b>	
Lawyerline costs (inc salary costs to year end)	£33,257.58
Client Care Manager costs (inc salary costs to year end)	£45,193.15
Consultancy Service costs (inc all costs up to 10 Dec 2009)	£34,735.46
<b>Sub total client care direct expenditure</b>	<b>£113,186.19</b>
Diversity Access Scheme (£21,000 per year for next 5 years)	£21,000.00
<b>Total Interim Expenditure</b>	<b>£134,186.19</b>

Estimated additional consultancy service costs (to be incurred by 31/3/2010)	£41,000.00
<b>Estimated final expenditure at 31 March 2010</b>	<b>£175,186.19</b>

Diversity Access Scheme – Budget for 2010 to 2013	£84,000.00
<b>Envisaged anticipated spend by 31 March 2010</b>	<b>£259,186.19</b>
<b>Estimated under spend as at 31 March 2010</b>	<b>£15,813.81</b>

**Any underspend as at 1 April 2010 will be ring fenced and used for an approved purpose to be agreed with the OLSCC. Law Society proposal is assign the underspend balance towards an additional place on the Diversity Access Scheme.**

## Lessons learned

- a) Many firms who generate the most complaints and cause the most damage to the profession do not have the self awareness to see that this is the case and/or will simply not seek help unprompted. If the society is going to drive up standards across the board it has to be prepared to challenge such firms through supportive initiatives. The Consultancy service has shown that a pro-active and supportive approach by the professional body, rather than the regulator, does galvanise firms into action. Some firms are prepared to contribute towards the longer term cost once they see that there is an imperative to improve.
- b) There is an appetite for a diverse range of client care related services and products. Firms are willing to pay for them and see the Society as an authoritative and credible supplier of such services. In addition to considering limited free consultancy services for firms most in need, it will be developing a proposition to continue the service on a paid for basis in 2010, to embed client care into the Society's member services.
- c) The Consultancy Service demonstrates opportunities to cross sell other Society products very well, including Lexcel, Lawyerline and anti money laundering services. It was able to connect with firms in a meaningful, positive and tangible way that firms applauded.
- d) We cannot rely on SRA to deliver improved client care. The focus of the SRA is regulatory and rules based. Firms inevitably feel more cautious in talking to a PSU consultant. A future service needs to take care however not to overlap with the work of the PSU. We will be seeking to explore whether a future service could find a way of working collaboratively with PSU towards the common goal of improved client care, whilst guaranteeing the promise of confidentiality and the trust of firms.
- e) The methodology for identifying firms is one of the more problematic aspects. Larger firms feel that their proportional impact is smaller than was acknowledged by our approach. Nevertheless some large firms are generating multiple complaints at great cost to the profession, and yet, they do often have like for like competitors who manage to avoid this problem. There is no one perfect or ideal way to profile firms and many approaches carry with them the risk that we could be accused of singling out or discriminating against different types of practice. Any future service offered by the Society will benefit from a more detailed study of this aspect.
- f) Having a virtual team of consultants has some advantages of cost and flexibility but it is harder to achieve consistency of approach and to control the outcome of visits using a dispersed team.
- g) Some firms are over reliant on firm accreditation schemes such as Lexcel to deliver client care. It appears that this can sometimes generate a "tick box" culture in firms which leads to a failure to recognise and tackle ingrained cultural client care issues in firms.
- h) Firms are heavily dependent on processes, procedures and financial targets to measure their client care, rather than seeing it as a matter of culture. Firms confuse client care with compliance and many do not have awareness that is vital for the future of their

business. This confusion might begin to be tackled if we begin referring to “client service” rather than “client care”.

- i) The growth in demand for Lawyerline shows that, even with only limited advertising to date, there is a demand in the profession for such a service. With the OLC likely to charge up to £400 per complaint in case fees, it is likely that demand for ongoing complaint handling support will increase substantially as firms increase their effort to resolve complaints internally, in order to save costs.
- j) Feedback about the SRA generally was quite poor. More positively, although firms commonly felt extremely worried about the prospect of a visit from the Practise Standards Unit, most expressed pleasant surprise at how helpful and constructive they had found such visits to be.
- k) Feedback on LCS, perhaps surprisingly given the audience, was more balanced. Many firms were positive but some concerns were raised over individual investigations. The quality of the case worker seemed to be the determining factor. A large number of firms did, however, express a view that the pendulum has swung too far in the direction of the consumer because they feel that the system is now weighted against them. Firms feel that the complaints handling system operates on a default presumption of “guilt” rather than “innocence”. Firms are therefore likely going to find the approach of the OLC a shock if, as expected, it pursues a strong consumer led focus in its approach.
- l) Few firms knew about the OLC and even fewer knew the details of OLC plans in any depth. Firms were alarmed by the prospect of case fees once these were explained. Firms seem to be unprepared for the changes in approach and culture that the OLC will demand.
- m) Many firms expressed concern at the impact the recession is having on client behaviour. Many more clients are disputing bills than used to be the case and many firms see this as a consequence of the economic situation. This does not bode well for a smooth start for the OLC.
- n) The Society should begin discussions as soon as possible with the OLC to explore how information on complaints performance in the profession will be shared moving forward.
- o) It was clear, overall, that firms dealing with mental health law, housing law and criminal law face the most challenges on client care and complaints. Many such firms are clearly trying hard in difficult circumstances but are simply working in an area where complaints are hard to avoid. It would be good if the Society and the OLC in due course could do something extra to help these firms.

## **Conclusion**

The consultancy service has proven that there is a role for the Society to provide supportive, yet frank and performance driven support to firms who are not performing as well as they should.

Despite many misgivings and concerns at the outset of this project, the profession did not raise the red card to the Society taking a more direct role to help improve its members' performance. In fact the opposite is true. Many firms commented it was a long awaited and welcome intervention from the representative body that deserves much praise.

The Society now has an opportunity to drive significant improvements in client care and complaints handling that will go towards fulfilling its obligation in this regard to the LSB and OLC and which will of course benefit all of its members in a truly pragmatic, supportive and tangible way.