



## Costs Lawyer Standards Board

### AGENDA

Wednesday 17 September 2025 @ 10:30am  
Remotely via Teams

<b>Board:</b>	Rt Hon David Heath CBE	Lay NED (Chair)
	Stephanie McIntosh	Lay NED (Vice-Chair)
	Andrew Harvey	Lay NED
	Andrew McAulay	Non-Lay NED
	Paul McCarthy	Non-Lay NED
<b>In attendance:</b>	Paul Mosson	CEO
	Jacqui Connelly	Director of Operations
	Lori Frecker	Director of Policy

*Note: Agenda items in blue are standing items*

	Agenda item	Paper(s)	Publish <sup>1</sup>	Lead
1	<b>Opening matters</b> 1.1 <a href="#">Quorum and apologies</a> 1.2 <a href="#">Declarations of interest on agenda items</a>	- -		DH DH
2	<b>Minutes</b> 2.1 <a href="#">Approval of minutes (18 July 2025)</a> 2.2 <a href="#">Matters arising (18 July 2025)</a>	2.1 -	Yes	DH DH
3	<b>Strategy</b> 3.1 <a href="#">Progress against Business Plan: Q3 2025</a> 3.2 Communications strategy update 3.3 EDI strategy session follow up	3.1 - 3.3	Yes - Yes	PM PM LF
4	<b>Board matters</b> 4.1 Revised Board Governance Policy 4.2 Non Executive Board Recruitment process	4.1A, B, C 4.2A, B	No (D,G) No (D,G)	PM PM

<sup>1</sup> The letters used in this column indicate the reason for any non-publication of papers. They correspond to the reasons set out in our publication policy, which can be found on the [What we Publish](#) page of our website.

5	<b>Finance</b> 5.1 <a href="#">Quarterly report: Q3 2025</a> 5.2 Practising fee application update	5.1 -	No (D, E) -	JC PM
6	<b>Risk management</b> 6.1 <a href="#">Review of risk register</a>	6.1	Yes	DH
7	<b>Regulatory matters</b> 7.1 Complaints process review and reasonable adjustments 7.2 Supervision framework for client care letters	7.1 7.2	Yes Yes	PM JC
8	<b>Legal Services Board (LSB)</b> 8.1 <a href="#">Work updates</a> 8.2 Regulatory performance assessment input request 2027	- 8.2	- Yes	PM PM
9	<b>Stakeholder updates<sup>2</sup></b> 9.1 <a href="#">ACL Council meeting minutes</a> 9.2 <a href="#">Work updates</a>	9.1 9.2A, B, C	Yes	PM PM
10	<b>Operations</b> 10.1 Business Continuity and Disaster Recovery Plan update 10.2 Report of the complaints procedure audit 2025	- 10.2	- Yes	PM JC
11	<b>Publication</b> 11.1 <a href="#">Confirmation that papers can be published</a>	-		DH
12	<b>AOB</b>	-		DH
13	<b>Next full Board meeting</b> Date: <a href="#">29 January 2026 at 10.30am</a> Venue: <a href="#">Remotely via Teams</a>  <b>There will be another Board meeting with a single item agenda to approve the NED recruitment proposals</b> Date: <a href="#">10 November 2025 at 16.30</a> Venue: <a href="#">Remotely via Teams</a>	-		DH

<sup>2</sup> This agenda item is used to update the board on significant developments relating to the work of the Legal Services Consumer Panel, Association of Costs Lawyers, ACL Training, Legal Ombudsman (including exception reporting on service complaints) and other relevant stakeholders.

**DRAFT APPROVED BY THE CHAIR FOR PUBLICATION**  
**Subject to approval by the full board at its next scheduled meeting**

**MINUTES**  
**Costs Lawyer Standards Board Ltd**  
**Wednesday 18 June 2025 at 9:30 am**  
**In person at Woburn House, London**

<b>Board:</b>	Rt Hon David Heath CBE	Lay NED (Chair)
	Andrew Harvey	Lay NED
	Andrew McAulay	Non-Lay NED
	Paul McCarthy	Non-Lay NED
<b>In attendance:</b>	Paul Mosson	CEO
	Jacqui Connelly	Director of Operations
	Lori Frecker	Director of Policy
<b>Apologies:</b>	Stephanie McIntosh	Lay NED (Vice-Chair)

**1. OPENING MATTERS**

**1.1** The Chair declared the meeting quorate and noted apologies from Stephanie McIntosh. The Chair welcomed Paul Mosson to his first meeting in post as CEO of the CLSB.

**1.2** There were no declarations of interest on any agenda item.

**2. MINUTES**

**2.1 Minutes dated 26 March 2025**

The Board considered the minutes of its last scheduled quarterly meeting on 26 March 2025. The Board agreed the minutes as being a true record for signing.

***Actions: Publish approved minutes on CLSB website.***

**2.2 Matters arising**

There were no matters arising that had not been scheduled as agenda items or otherwise dealt with.

**3. STRATEGY**

**3.1 Feedback from strategy day (17 June 2025)**

The Board discussed the strategy day on 17 June 2025. The Board noted that discussions had been focused and energised, with concrete suggestions for how

various workstreams should be taken forward. The Board noted that the ideas generated would need to be staged and prioritised, taking into account available resources and capacity.

### **3.2 Progress against business plan: Q2 2025**

The Board was provided with an update against the Business Plan to Q2 2025. Paul Mosson noted that it had been an extremely busy period, and that remarkable progress had achieved despite the interregnum between CEOs. Three more Business Plan priorities have been delivered (workstreams 8, 11 and 14) since the last Board meeting. with more in train.

Paul Mosson highlighted the workstream relating to implementing the communications strategy, and expressed that he was keen to progress this swiftly now that he was in post.

Regarding workstream 9 (deepening understanding of the legal market in Wales), the Board was updated on recent discussions with ReciteMe, including the data security considerations related to using the ReciteMe toolbar on the main CLSB site. The Board was content to proceed with trialling the ReciteMe toolbar on the main CLSB website, subject to the Executive confirming to what extent this would align with its Welsh Language Act obligations. The Board noted that using the ReciteMe toolbar would also enable a wider range of accessibility options beyond Welsh language translation.

**Action: Executive to consider Welsh Language Act obligations and progress with adoption.**

In relation to item 3 (judicial appointments), the Board was informed that Paul Mosson and Lori Frecker will meet MoJ colleagues to discuss this in July. The Board noted the positive interaction that the Executive team had had with MoJ colleagues to date. Andrew Harvey informed the Board that an updated Judicial Skills Framework has been published.

### **3.3 2026 Business Plan**

Paul Mosson presented the 2026 Business Plan for consideration and approval, explaining how the priorities were linked to the mid-term strategy, and that some priorities from the 2025 Business Plan had been incorporated into business-as-usual.

The Board highlighted some minor amendments that would need to be made following the strategy day on 17 June. The Board was content to approve the Business Plan, subject to those minor amendments.

**Action: PM to update 2026 Business Plan.**

## **4. BOARD MATTERS**

### **4.1 2026 Board dates**

The Board agreed to schedule its next four quarterly meetings on the following dates:

Q4 2025 meeting: Thursday 29 January 2026 (in person TBC)

Q1 2026 meeting: Thursday 23 April 2026 (remote)

Q2 2026 meeting: Thursday 9 July 2026, with a strategy day on 8 July (in person)

Q3 2026 meeting: Thursday 22 October 2026 (remote)

Following a suggestion from Andrew Harvey, the Board agreed that the January 2026 meeting may be held in person if possible to enable new Board members to meet their colleagues.

**Action: Publish Board meeting dates on website.**

#### **4.2 Verify identity for Companies House**

The Board was reminded that all company directors and people with significant control ('PSC') need to verify their identity with Companies House, in line with new requirements under the Economic Crime and Corporate Transparency Act 2023. The Board noted that the ACL will also need to do this as a PSC.

### **5. FINANCE**

#### **5.1 Quarterly report: Q2 2025**

Jacqui introduced the quarterly finance report. The Board noted the financial position at the end of Q2, namely a small projected surplus for the year.

#### **5.2 2024 accounts, including audit report**

The Board noted that the 2024 accounts include the Independent Auditor's Report. This audit is not required by law, but was undertaken at the LSB's request in line with best practice. The audit confirms that the accounts give a true and fair view and have been properly prepared.

Jacqui Connelly informed the Board that the audit process ran smoothly and was not as much of an administrative burden as originally anticipated. The auditors were content with the CLSB's systems as being in line with good practice.

The Board noted that auditors' suggestions regarding segregation of financial duties, and confirmed they are content that the CLSB's arrangements are appropriate for an organisation of its budget and size.

The Board approved the auditor's report and authorised David Heath to sign the accounts and letter of representation accordingly.

In line with the LSB direction, the next set of accounts to be audited will be 2029.

**Action: Chair to sign accounts and letter of representation.**

#### **5.3 2026 budget and PCF consultation**

Paul Mosson introduced this item and explained how the proposed practising fee had been developed. Based on consideration of the resources that the CLSB is likely to need in 2026, and a calculated estimate of the number of Costs Lawyers the CLSB is likely to regulate, the consultation proposes an increase in the practising fee to £312 (from £305) in 2026. This is an increase of 2.3%, following an increase of 5% last year and 3% the year before.

The Board noted that the proposed figure for payroll is subject to approval by the Remuneration Committee.

The Board considered the proposed budget and practising fee and approved both. The Board considered the practising fee consultation and approved it for publication.  
**Action: Publish practising fee consultation.**

#### **5.4 Revised reserves policy**

Paul Mosson introduced this item. He explained that the CLSB's target level of practising fee reserves is six months' operating expenditure plus a 10% contingency to account for annual fluctuations in expenditure. When this policy was last reviewed in 2021, the reserves target was £100,000. However, six months' operating expenditure is now calculated as £113,000. The proposed new Reserves Policy is based on that plus a 10% contingency bringing it to £124,000. Paul Mosson further explained that the CLSB's committed reserves for planned future IT development work is proposed to increase from £30,000 to £36,500. The Board approved the revised policy.

**Action: JC to include new Reserves Policy in the Internal Handbook, and PM to share this with the LSB as part of the PCF application.**

### **6. RISK MANAGEMENT**

#### **6.1 Annual Risk Outlook**

The Board considered the 2025 Annual Risk Outlook, which built on and updated the risks identified in the 2024 version. The Board discussed the challenges of ensuring that the Risk Outlook remained relevant and up to date, given the extremely fast-moving geopolitical, technological and economical landscape. The Board agreed that a caveat reflecting the fast-changing landscape should be added, and highlighted some minor typographical amendments that needed to be made. The Board approved the 2025 Annual Risk Outlook for publication, subject to those amendments.

**Action: Incorporate changes and publish Annual Risk Outlook 2025.**

#### **6.2 Review of risk register**

The Board carried out its quarterly review of the risk register and agreed that no further amendments were required this quarter. The Board confirmed that it was content with the format of the risk register and that no format changes were necessary.

### **7. REGULATORY MATTERS**

#### **7.1 CPD audit outcome report**

Jacqui Connelly provided an overview of the audit of 2024 CPD which was undertaken in February to March 2025. This year, the audit included an evaluation of the Ongoing Competency Framework, in line with priority 10 of the 2025 Business Plan.

The Board noted that:

- Most Costs Lawyers passed the audit, but two failed and were asked to submit their 2026 CPD objectives and will be reaudited next year.
- The disciplinary outcome associated with the audit.
- The difficulty of assessing engagement with the Ongoing Competency Framework through the audit. The template for planning and recording CPD is not mandatory (unlike, for example, the template for providing information on Qualifying Experience). The executive suggested that the suggested template for planning and recording CPD should be made mandatory to

encourage greater awareness and engagement. The Board supported this approach, and the non-lay NEDs thought it would be a simpler and workable requirement.

**Action:** JC implement agreed changes to the planning and recording of CPD.

## 7.2 Conditions on return to practising

Paul Mosson introduced a proposal to introduce a new process whereby any practitioner returning after a period of two years or longer must show either:

- a) They have undertaken relevant 12 CPD points in the immediate 12 months prior, or
- b) They have a qualified Costs Lawyer willing to supervise them for a year while they obtain 12 CPD points.

The maximum length of time that this arrangement would be in place is one practising year, after which ordinary renewal procedures would apply.

This proposal addresses a gap whereby Costs Lawyers renewing their practising certificate for the following year, and Costs Lawyers reinstating after only a short break in regulation have to meet stricter CPD standards than someone who has been absent from the profession for a longer period. This proposal will therefore tighten up consumer protection and improve fairness for all practitioners, by ensuring ongoing competency checks are in place for **all** practitioners regardless of any gap in practising.

The Board approved the proposal, subject to confirmation that the proposed changes would not be inconsistent with the obligations and requirements for returning to the profession after a period of suspension, as set out in Practising Rule 3.4 . The Board asked the Executive to review whether Rule 3.4 adequately addresses the CPD requirements on Costs Lawyers returning to regulation after suspension.

**Actions: Executive to provide requested clarification; Publish the updated process and related Guidance Note.**

## 8. LEGAL SERVICES BOARD (LSB)

### 8.1 Work updates

The Board received updates in relation to:

- The LSB's publication of its final business plan and budget, and its response to its consultation on those documents.
- The CLSB's response to the LSB's consultation on upholding professional ethical duties.
- The May meeting of the EDI Regulators Forum.
- An LSB roundtable discussion on EDI held in May.
- The LSB's Technology and Innovation Forum meeting that took place in May.

David Heath informed the Board that he had recently attended a meeting of the LSB's group on Professional Ethics and the Rule of Law.

## **9 STAKEHOLDER UPDATES**

### **9.1 ACL Council meeting minutes**

The Board noted the minutes of the ACL Council meetings held in February, March and April 2025.

Paul Mosson informed the Board that he had a friendly and constructive introductory meeting with David Bailey-Vella of ACL, and that he will be joining the ACL Council meeting in June, and has been invited to give a presentation at the November conference in London.

### **9.2 Work updates**

The Board received updates in relation to the following:

- Cost Lawyer Apprenticeships;
- CILEx Royal Charter;
- Ongoing discussions with LeO regarding a model complaints procedure;
- The Regulatory Information Service; and
- Welsh Legal Regulators Forum.

### **9.3 Annual review of MoU and OP with ACL**

The Board was informed that the annual review of the MoU and Operating Protocol ('MOU') between ACL and the CLSB had taken place. It was agreed that no material changes to the document was needed, but that the date was updated.

**Action: Publish updated MoU on website.**

## **10 OPERATIONS**

### **10.1 Cyber security improvements**

The Board was updated on the CLSB's current cybersecurity arrangements and recent enhancements.

## **11 PUBLICATION**

### **11.1 Confirmation that papers can be published**

The Board agreed that all board papers for the meeting should be published, other than those noted on the agenda for the reasons stated.

**Action: Publish Board papers on website in accordance with agenda notations.**

## **12 AOB**

There was no other business.

## **13 NEXT SCHEDULED QUARTERLY MEETING**

The next meeting was scheduled for 17 September 2025 and would be held remotely via videocall.

There being no further business, the Chair declared the meeting closed at 11:27am.

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Chair

**Related documents**

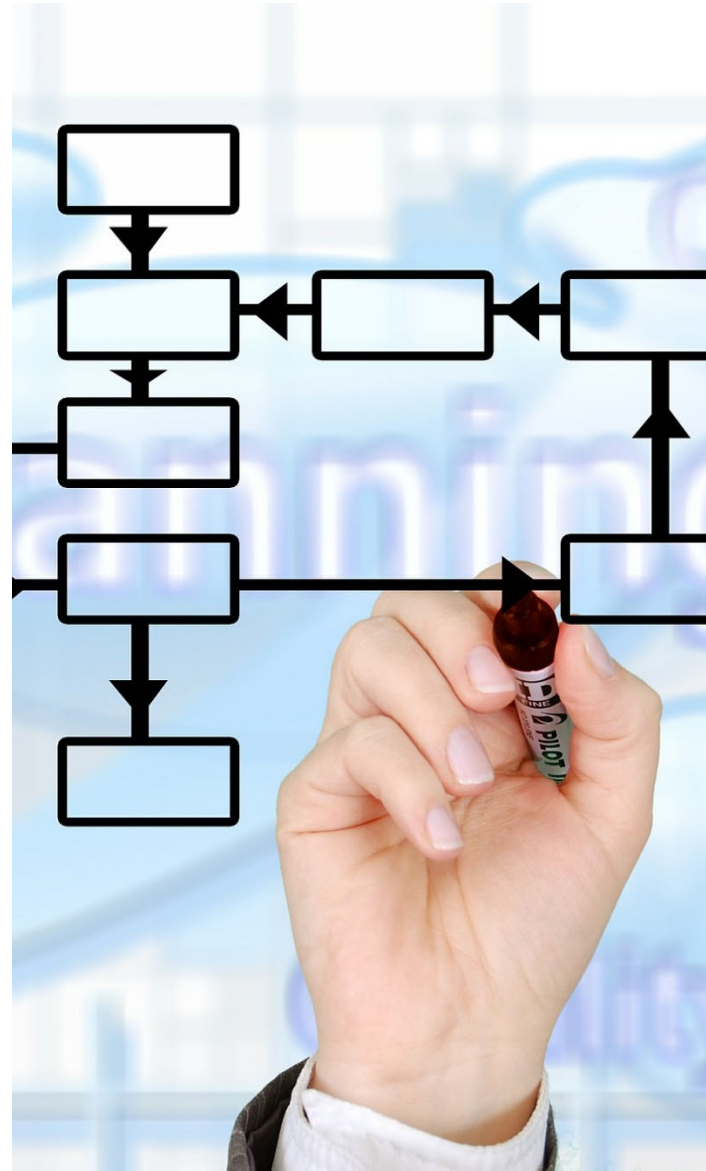
<b>Item</b>	<b>Document</b>	<b>Publication location (CLSB website)</b>
2.1	Board minutes	About ⇒ Our board
3.1	2025 Business Plan	About ⇒ Strategy and governance
6.1	Risk register	About ⇒ Strategy and governance
6.2	Annual Risk Outlook	For Costs Lawyers ⇒ Annual risk outlook
11.1	Board papers	About ⇒ Our board

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# Business Plan 2025

## Q3 board update

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17 September 2025

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Costs Lawyer Standards Board

CLSB



# Annual priorities

## Improving our regulatory arrangements

	Initiative	Progress status / expected completion
1.	<p>Implement the communications strategy developed in 2024, aimed at supporting each of the five strategic goals in our mid-term organisational strategy in a cohesive and systematic way.</p>	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: The CEO met with Consumer Voice in May to review the strategy and kick start the plan to develop the toolkit for Costs Lawyers to use. Cross-sector collaboration discussions were opened up with the LawtechUK group, Legal Neurodiversity Network (LNN) and Legal Futures to begin awareness raising of CLs and the CLSB across the wider legal sector. Consumer Voice has developed the first designs for the communications toolkit for Costs Lawyers to use. These have been approved by the CEO and Director of Operations and Consumer Voice are now moving to finalising the design assets.</i></p> <p><i>Outstanding: Once Consumer Voice has finalised the assets, we will seek feedback from some willing Costs Lawyers to ensure they hit the mark. Following this stage, there will be a roll out to the profession before the end of the calendar year.</i></p>
2.	<p>Identify and deliver workstreams to comply with the Legal Services Board’s anticipated new policy tools in the following areas:</p> <ul style="list-style-type: none"> <li>• professional ethics and the rule of law</li> <li>• the economic crime regulatory objective</li> <li>• disciplinary and enforcement processes</li> <li>• technology and AI</li> </ul>	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: We have published new resources about the rule of law in the Ethics Hub. The Board Chair sits on LSB working group on the rule of law. We have been liaising with the LSB in relation to disciplinary and enforcement processes through workshops and regulatory interviews. We responded to the LSB consultation on economic crime regulatory objective (February). We have developed an action plan in response to the Hook Tangaza report on Technology and AI, and implementation is on-going.</i></p> <p><i>We responded to the LSB consultation on Upholding Professional Ethical Duties in May. We have also added new scenarios to the Ethics hub.</i></p> <p><i>We attended the second meeting of the LSB Technology and Innovation Forum in May.</i></p>

		<p><i>We are waiting for the LSB to publish a final response to the economic crime regulatory objective before updating our guidance note, and will at that time add in some further information about sham litigation.</i></p> <p><i>The AI guidance has been drafted alongside three new scenarios on AI for the Ethics Hub. This has been circulated to the Advisory Group and subject matter experts for review. Following any feedback reviewed, the guidance will be finalised and will shortly be made available to the profession.</i></p> <p><i>Outstanding: We are in the process of scoping a roundtable with Costs Lawyers and software providers to explore gaps and opportunities of the current market, and how existing tech products might be improved, following the Hook Tanganza Tech and AI report. Other recommendations in that report will be taken forward throughout the rest of 2025.</i></p>
3.	<p>Work with the Ministry of Justice to pursue opportunities, following the general election, to table the relevant legislation to make Costs Lawyers eligible for judicial appointment.</p>	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: We contacted MoJ in February 2025. The updated Judicial Diversity Forum Action Plan was published earlier in February 2025. Action 3.2 (Work to review the barriers faced by professional groups such as legal academics and those regulated legal professions who are not currently eligible for judicial office) mentions broader consultation following feedback from the JDF in November 2024, that will be ongoing in 2025. We understand from MoJ that the proposal to expand eligibility was well received in principle by the Judicial Diversity Forum, but that MoJ has not yet been in a position to put anything in front of Ministers and determine how they want to proceed. The CEO and Director of Policy met with the MoJ to discuss next steps to move this forward. The civil servants leading on this remain positive and we were advised we are waiting for them to be allocated ministerial time. We also met with the Director of Policy at CILEx to understand their experience when seeking judicial eligibility for their members. During this meeting we explored whether the CILEx Judicial Academy could be promoted to Costs Lawyers.</i></p>

		Outstanding: <i>Follow up with the MoJ and CiLEX.</i>
4.	Build out and promote the new Ethics Hub, creating additional materials in response to emerging risks and themes identified through complaints and supervisory activities.	<b>Achieved (Q2)</b> <i>Achieved: We have added material on whistleblowing, complaints handling, AI, and bullying and harassment, as well as further ethical scenarios to the Ethics Hub. Sham litigation will be addressed when the LSB next responds on the economic crime regulatory objective.</i>
5.	Develop new guidance to support the materials in the Ethics Hub on (i) whistleblowing and (ii) bullying and harassment.	<b>Achieved (Q1)</b> <i>We published these two pieces of guidance in the Other resources section of the Ethics Hub.</i>
6.	Work with ACL Training and the employer Trailblazer Group to secure approval for a new Costs Lawyer apprenticeship standard, and implement changes to our regulatory arrangements and other resources to facilitate integration with the existing entry route.	<b>In train (expected Q4)</b> <i>Achieved: We have been approved as the End Point Assessment Organisation for the Costs Lawyer Apprenticeship and continue to liaise with the ACLT and Trailblazer Group developing the apprenticeship.</i> <i>Outstanding: ACLT has applied to deliver the new Costs Lawyer apprenticeship standard. The Trailblazer Group must now put a case to DfE for ACLT to apply as an apprenticeship provider as a gap in provision. Only once this is approved can ACLT register to deliver the training. The process continues to be highly bureaucratic and fraught with delay due to post-election DfE reorganization.</i>
7.	Investigate opportunities to benefit from recent international trade agreements made in the wake of Brexit by exploring the mutual recognition of professional costs qualifications from other jurisdictions and the scope for Costs Lawyers to offer services abroad.	<b>In train (expected Q4)</b> <i>Achieved: We are in the regulatory dialogue group established in conjunction with the MoJ in relation to the Australia-UK free trade agreement, and have made it clear that Costs Lawyers should be considered as part of any arrangements.</i> <i>Outstanding: We are waiting for the arrangements of the Australia-UK free trade agreement to be finalised, along with details of the other recent FTAs announced. We will continue to monitor any new trade agreements through the year.</i>
8.	Extend our work on ongoing competency to explore whether competency checks are warranted for	<b>Achieved (Q2)</b> <i>Achieved: The audit of 2024 CPD is complete and five Costs Lawyers self-identified as an experienced</i>

	<p>practitioners returning to authorised practice.</p>	<p><i>practitioner, a people manager, and/or a business manager. Of these, three demonstrated that they had engaged with the skills in the Ongoing Competency Framework. The fact that the CLSB's template for planning and recording CPD is not mandatory, means that it has been of limited value in evaluating engagement with the framework this year. We are reviewing this for the upcoming PC renewal process.</i></p>
<p>9.</p>	<p>Deepen our understanding of services offered by Costs Lawyers into and out of the market in Wales.</p>	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: We commissioned a Spotlight blog from Andrew Felton in the Welsh Government's Justice Policy team, who wrote about Welsh devolution, future changes to the Senedd, and the challenges and opportunities this presents for Costs Lawyers in Wales. The Director of Policy participated in the Welsh Legal Regulators Forum in May 2025.</i></p> <p><i>The ReciteMe toolbar was added to the CLSB website in July which enables the public areas to be translated into Welsh at the click of a button. The information is available in audio as well.</i></p> <p><i>Outstanding: We are progressing discussions with the Welsh Government to follow on from the roundtable, and are considering this as part of our ambitions around EDI.</i></p>
<p>10.</p>	<p>In collaboration with ACL Training, evaluate the second year of delivery of the new Costs Lawyer Qualification, including by:</p> <ul style="list-style-type: none"> <li>• carrying out the annual monitoring process under the Accredited Study Provider Scheme Handbook;</li> <li>• developing additional guidance and materials on the regulatory aspects of qualifying, based on student feedback; and</li> <li>• communicating the responsibilities and benefits of regulation to new student cohorts.</li> </ul>	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: We continue to add to the FAQs on Qualifying Experience in response to student queries. We delivered our induction session on Qualifying Experience to new students and a new session on becoming a regulated Costs Lawyer to students awaiting results in February 2025. We revised our Guidance Note on Qualifying Experience in light of experience with students over the last two years. Already noted is a reduction in % of those with a LLB (14% in 2024 vs. 42% in 2021) and increase in % of female entrants (54% in 2024 compared with 48% in 2021).</i></p> <p><i>An external consultant has been appointed to undertake the annual monitoring process for ACTL, and the Accreditation Panel membership has been confirmed.</i></p>

		Outstanding: <i>CLSB Accreditation Panel to meet in December 2025 to review the annual monitoring report.</i>
11.	Consider the resources required to develop a light-touch Annual Report for future years, to support our communications strategy.	<b>Achieved (expected Q2)</b> <i>Achieved: This has been incorporated into the Communications workplan to enable the CLSB to develop an Annual Report for 2025, which would be H1 2026 Business Plan action. This was approved as part of the Business Plan for 2026.</i>
12.	Conduct research into the lived career experience of under-represented groups of Costs Lawyers, providing evidence to inform the next phase of our diversity workplan.	<b>In train (expected Q4)</b> <i>Achieved: We are looking at the results of our career pathways survey, which will help us frame this research. We have identified a preferred approach and are moving forward with due diligence to deliver qualitative research.</i> <i>We had a constructive discussion with the Careers Research and Advisory Centre regarding how this research might be approached. It is likely that this will involve qualitative research with 20 Costs Lawyers to understand more about their pathways into the profession. The key outputs will be a research report, including case studies, and a spotlight blog.</i> <i>Outstanding: The research has yet to commence and is expected to straddle both 2025 and 2026.</i>
13.	Review and update our processes for making reasonable adjustments.	<b>Achieved (Q3)</b> <i>Achieved: The CLSB's reasonable adjustments policy for the Disciplinary Process has been implemented and is live on the website. This is also linked into the Ethics Hub.</i>
14.	Engage an independent agency to undertake a full financial audit.	<b>Achieved (Q2)</b> <i>Achieved: A full and independent financial audit has been carried out, and was included in the 2024 accounts approved by the Board in June.</i>
15.	Deliver the next phase of our digital workplan, including by:	<b>In train (expected Q4)</b> <i>Achieved: We have completed our review of the upgrades to the online application forms. Users report</i>

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	<ul style="list-style-type: none"><li>• reviewing whether the database and e-form upgrades implemented over the last three years are meeting functionality requirements and identifying areas for future improvement;</li><li>• reviewing options for taking credit card payments.</li></ul>	<p><i>they like the system and improvements made. We have completed the project to move all online application forms to a sub-domain of the website, and updated the underlying website code. This will ensure we can continue to meet future functionality requirements, and the website remains secure, robust and reliable.</i></p> <p><i>Outstanding: Complete viability review for credit card payments.</i></p>
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## Tuesday 17<sup>th</sup> June, CLSB Board meeting – EDI Strategy Discussion

### Summary of the Conversation

This document provides a summary of a 90-minute conversation with the Costs Lawyer Standards Board (CLSB) on Equality, Diversity, and Inclusion (EDI), along with recommended next steps.

#### Executive Summary

The conversation highlighted that EDI is a critical agenda item for the CLSB, driven by regulatory expectations, the need to attract and retain talent, and a commitment to being a role model for the profession's long-term sustainability.

An effective EDI strategy for the CLSB is seen as needing to be more inspirational and actionable than their current statement, focusing on better communication, genuine inclusivity (including neurodiversity), and enhanced social mobility within the legal profession.

Significant challenges include navigating external societal polarisation and the risk of DE&I de-prioritisation, as well as internal limitations due to the CLSB's small size, which necessitates careful prioritisation. This is to ensure the team do not over-commit and is realistic about the resource constraints.

Looking ahead, the CLSB holds ambitious "magic wand" aspirations for the profession's future, envisioning a truly representative and diverse landscape where EDI conversations are no longer necessary in 10 years, and with more immediate goals such as a partnership with Women in Costs by the end of the year.

To achieve these, the CLSB plans to leverage public legal education, partnerships with other professions and law societies, a targeted communication strategy, and various initiatives to attract diverse talent and foster internal role modelling.

**1. Why EDI is on the Agenda for CLSB:** We started by discussing why EDI is a critical topic for the CLSB, and why now. There was consensus on several factors.

- From an integrity perspective CLSB want to commit to taking the action that it expects of the Costs Lawyer profession.
- With this in mind, EDI is an important journey for CLSB and not simply a destination
- It is seen as a regulatory expectation and a responsibility of the role of a regulator. This expectation is influenced by international politics, and shaped by internal policies, the organisation's size, and the board's composition.
- There is a recognition that the CLSB can significantly influence the Costs Lawyer profession
- It was acknowledged that this was personal too, that EDI is important to individuals within the organisation and aligned with their values.

- It is crucial for attracting and retaining talent, fostering continuous improvement, and creating a safe space within the Costs Lawyer profession.
- There was agreement that CLSB aims to be a leader and role model in the area of EDI, contributing to the long-term sustainability of the profession.

**2. Understanding of an EDI Strategy for the CLSB:** We reviewed the EDI statement on the CLSB website as a representation of the 'current' state.

(<https://clsb.info/regulatory-matters/equality-and-diversity/>)

The group agreed that the current EDI statement on the CLSB website is perceived as lacking the "why" behind their commitment, feeling like a legal response that covers them rather than an inspirational document that guides future actions.

An effective EDI strategy for the CLSB would encompass:

- better communication,
- enhanced inclusivity,
- increased opportunities for social mobility, particularly within the legal profession.

This includes raising awareness about the profession's existence and attracting people to it, requiring a deeper understanding of various entry routes and decisions to become a Costs Lawyer. There was a personal reflection from a non-lay Board member on their journey and consensus that story telling held great value.

The strategy needs to consider three main lenses: the board and CLSB core team, the 700+ regulated members of the profession, and the regulations themselves. It means being inclusive across all areas of diversity. Specific mention was made regarding neurodiversity as part of a previous board commitment.

**3. Current Challenges Faced by the CLSB Regarding EDI:** Several challenges impede the CLSB's EDI efforts.

Geopolitics and societal polarisation, including "anti-woke" sentiments, are impacting the prioritisation of EDI within society and the law sector. DE&I initiatives can easily fall down the priority list for lawyers.

It's crucial to partner with people who can influence and engage with an EDI agenda. There is a need to work with Costs Lawyers to understand the "micro-annoyances" experienced by those in the profession.

There is a lack of certainty about what sort of action individuals and/or firms should be taking with regards to EDI. This uncertainty and lack of confidence about deciding what "should" be done versus what "could" be done is a limiting factor, creating a risk of "paralysis".

Internally, the CLSB faces limitations in role modelling due to its small size (a small executive team of three and a small board), necessitating careful prioritisation of work. The aim is to avoid creating a "box-ticking" culture, instead focusing on fewer,

more meaningful, and specific activities that ensure policy is put into practice, not just written down.

There's a strong desire for "see it to be it" role models within the profession and an acknowledgement of the long-term benefits of EDI work in influencing the profession's future. The long-term benefits may be hard to quantify and the ability to measure initiatives in the short-medium term should not become a barrier to action.

#### 4. Aspirations for the Future ("Magic Wand" Scenarios):

- **In 10 years:** The hope is that discussions about EDI would no longer be necessary. Costs Lawyers would be entering the judiciary, and the profession's make-up would reflect the community it serves. The title "Costs Lawyer" would be protected, multiple diversity groups akin to Women in Costs would exist, and the CLSB would be recognised as an exemplar. There would be ongoing engagement programmes, all Costs Lawyers would be regulated, and a clear career path would exist for Costs Lawyers. The career choice of 'Costs Lawyer' would be normalised and widely understood amongst those making decisions about their career.
- **In 5 years:** Multiple diversity groups would be established and active. Costs Lawyers would be eligible to apply for judicial posts, and the profession would be recognised as a career route at universities. The CLSB board composition would be more diverse, and the profession would be experiencing growth.
- **By End of Year:** Key short-term goals include establishing a partnership with Women in Costs to understand their operations, challenges, and ambitions. The CLSB are keen to understand what a mutually beneficial partnership would look like. Additionally, applications for board positions should be appealing to a diverse range of candidates.

**5. What the CLSB Can Leverage for EDI Advancement:** The CLSB has several avenues to promote EDI:

- **Education and Awareness:** Utilise public legal education to highlight the unique aspects of being a Costs Lawyer. Identify communities that value the profession.
- **Learning and Partnerships:** Learn from other professions, such as solicitors and CILEx. Identify potential partnership organisations and partner with local/regional law societies.
- **Communication:** Implement a communication strategy aligned with EDI ambitions. Revise the EDI vision statement to be more aspirational and update the website with an EDI statement of intent and action plan.
- **Attracting Talent:** Promote apprenticeship opportunities. Understand and address the barriers to regulation registration. Explore offering discounts for new members or those in their first five years. Engage with newer universities (e.g., Bath Spa) to potentially add Costs Law modules to curriculums or offer

guest lectureships. Reach out to younger individuals earlier, such as 6th formers.

- **Internal Initiatives:** Implement neuro-affirmative lens work. Create a shadow board. Truly understand and address specific blockers for EDI. Identify and leverage role models within the profession.

## Recommended Next Steps

Based on the conversation, here are some recommended next steps for the CLSB:

### Immediate (End of Year Focus):

1. **Revise EDI Vision Statement:** Develop a new EDI vision statement that is inspirational, clearly articulates "why" EDI is important to the CLSB, and provides actionable direction for the future. Update the CLSB website with this new statement of intent and an accompanying action plan.
2. **Seek to Emulate the Success of Women in Costs:** Initiate and establish a collaboration with Women in Costs to understand their operations, current challenges, and future ambitions, leveraging their insights for broader EDI initiatives.
3. **Plan the Current Board Application Process:** Review and adapt the board application process to ensure it is appealing to, and attracts, a diverse range of candidates, aligning with the "see it to be it" principle.
4. **Identify EDI Blockers:** Conduct focused internal discussions or surveys to truly understand the specific "micro-annoyances" and other blockers to EDI within the profession, moving beyond general concerns.
5. **Neuro-affirmative Work:** Begin exploring and implementing practices that adopt a neuro-affirmative lens, ensuring inclusivity for neurodiverse individuals within the profession and regulatory processes.

### Short to Medium-Term (Next 1-2 Years):

1. **Strengthen Apprenticeship Opportunities:** Develop and promote robust apprenticeship opportunities as a key entry route into the profession.
2. **Review Communication Strategy:** Review the current communication strategy to ensure alignment with CLSB's evolving EDI ambitions, reaching both current members and potential future entrants.
3. **Cultivate Role Models:** Proactively identify and leverage diverse role models within the profession to inspire future generations and demonstrate pathways to success.
4. **Explore Public Legal Education:** Begin planning and implementing public legal education initiatives to raise awareness about the Costs Lawyer profession, highlighting its unique aspects and value to different communities.

5. **Learn from Other Professions:** Conduct research into how other regulated professions have successfully approached EDI and career pathways, identifying best practices that can be adapted.

#### **Long-Term Goals (Ongoing Progress towards 5 and 10-year aspirations):**

1. **Career Pathway Development:** Work towards making the Costs Lawyer profession a clearly defined and recognised career route at universities and within broader legal frameworks, including acceptance by the JAC.
2. **Foster Diversity Groups:** Encourage and support the establishment of multiple diversity groups within the Costs Lawyer profession, like Women in Costs, to provide peer support and advocacy.
3. **University and School Engagement:** Initiate discussions with universities, particularly newer ones, about integrating Costs Law modules or guest lectureships into their curricula. Explore outreach programmes for 6th formers to attract talent earlier.

--- End of Document ---



# CLSB Risk Register

Last reviewed: 17 September 2025

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This risk register was developed in March 2023 following a review of the CLSB’s risk framework. It maps the potential risks that could impact the CLSB’s effectiveness, either directly or indirectly, through their influence on the market that we regulate. Previous versions of our operational and regulatory risk registers are available by [contacting us](#).

This risk register is divided into four sections:

A. Sources of risk for horizon scanning (market risks).....	2
B. Risk areas for ongoing monitoring .....	3
C. Key risk areas for mitigation .....	6
D. Risk areas for longer-term structural reform .....	8

## A. Sources of risk for horizon scanning (market risks)

These sources have the potential to generate new risks or exacerbate existing ones, and are therefore key targets for horizon scanning. They relate to what is happening in the costs law market, in areas such as:

- client demand and need;
- the supply of services by Costs Lawyers and other market participants;
- the overall legislative and regulatory environment affecting the market; and
- the impact of activity in other parts of the legal sector, including actions of other regulators.

Category of risk	Main sources of risk
Political/legal/regulatory	Changes in public sector spending, court rules or legislation driving costs control/capping.
Political/legal/regulatory	New regulation of ancillary industries, such as third party litigation funding.
Political/legal/regulatory	Changes in the Civil Procedure Rules or common law more broadly.
Economic	Trends in the litigation market and commercial developments in litigation funding options.
Economic	New entrants to the market and new service offerings, as well as consolidation of firms.
Social	Consumer use of online legal services, including the emergence of costs risk.
Social	Demand for different pathways to legal professional qualification.
Technological	Progress in court digitisation and e-billing.
Technological	Law firm take up of technology, including case management and billing systems, as well as the use of AI.
Technological	Adoption of blockchain technology and smart contracts.

## B. Risk areas for ongoing monitoring

These are specific risks, identified from horizon scanning across the risk sources described in section A above, that could foreseeably impact the regulatory objectives in section 1 of the Legal Services Act 2007. These risks are subject to ongoing monitoring to determine whether their impact can and should be actively managed by the CLSB (see section C below).

Even though many of these risks are outside of our control, their impact can be mitigated generally by fostering:

- Robustness – building strength and depth in the profession by increasing numbers, improving the quality of both initial and ongoing training and widening the range of expertise and skills the profession is able to offer.
- Resilience – improving the ability of Costs Lawyers to redeploy their skills within a changing market.

Regulatory objective	Costs law market related risk outcome	Relationship to risk sources
Protecting and promoting the public interest	<ul style="list-style-type: none"> <li>– Capping of recoverable costs</li> <li>– Reduction in the size of the NHS litigation budget</li> <li>– Wasting of court time by unqualified costs draftsmen, authorised practitioners lacking in costs competency, or poor practices of Costs Lawyers</li> </ul>	<ul style="list-style-type: none"> <li>– Risks from unqualified suppliers</li> <li>– Risks from ineffective regulation</li> <li>– Risks from public sector budget cuts targeting litigation, or other forms of intervention in the costs market, in ways that prioritise short term budgetary savings over longer term public interest</li> </ul>
Supporting the constitutional principle of the rule of law	<ul style="list-style-type: none"> <li>– Shrinking legal aid budget and falling solicitor numbers providing legal aid services</li> <li>– Court promotion of technology and mediation to overcome backlog</li> <li>– Civil procedure review designed to improve the functioning of the courts and introduction of e-billing as standard</li> </ul>	<ul style="list-style-type: none"> <li>– Risks from policy, legislative or rule changes that impact on demand for Costs Lawyer services or viability of providing services to those with legal need</li> </ul>
Improving access to justice	<ul style="list-style-type: none"> <li>– Individuals or groups excluded from access to justice by excessive costs or costs uncertainty</li> <li>– Expansion of fixed costs regime, reforms to PI regime, reforms to judicial review</li> </ul>	<ul style="list-style-type: none"> <li>– Risks from inadequate supply of costs information services</li> <li>– Risks from policy reforms designed to reduce availability of contested litigation</li> </ul>

Regulatory objective	Costs law market related risk outcome	Relationship to risk sources
	<ul style="list-style-type: none"> <li>– Solicitors unable to claim full legitimate costs from legal aid budget without Costs Lawyers</li> <li>– Third party funders discouraged by inadequate budgeting and uncertainty of rules around contingency arrangements</li> </ul>	<ul style="list-style-type: none"> <li>– Risks from insufficient numbers of legal aid trained Costs Lawyers</li> <li>– Risks from inadequate service from Costs Lawyers or unqualified costs draftsmen</li> </ul>
Protecting and promoting the interests of consumers	<ul style="list-style-type: none"> <li>– Consumers unable to access independent advice on costs</li> <li>– Consumers are excluded from civil litigation or are inadequately served due to limitations on funding options (including fixed fees on specialist legal services)</li> <li>– Self-represented litigants incur significant adverse costs risk/liability due to lack of individualised advice</li> <li>– Consumer risk from unregulated no win no fee advisors</li> </ul>	<ul style="list-style-type: none"> <li>– Risks from insufficient supply of Costs Lawyers focused on consumer market</li> <li>– Risks from “capture” of Costs Lawyer services by professional (mainly solicitor) clients</li> <li>– Risks from public sector budget cuts targeting litigation or policy interventions designed to stem legal costs</li> <li>– Risks from gaps in regulation</li> </ul>
Promoting competition in the provision of legal services by authorised persons	<ul style="list-style-type: none"> <li>– Law firm mergers hampered by lack of accurate information about WIP; investors discouraged by lack of clarity around value of law firms</li> <li>– New entrants to the legal sector cannot access independent information about value of certain areas of litigation activity</li> <li>– Increased use of technology in law firms substituting for Costs Lawyers</li> <li>– Concerns about market risks disincentivise new qualifiers or encourage qualified Costs Lawyers out of the profession</li> </ul>	<ul style="list-style-type: none"> <li>– Risks from insufficient supply of properly trained Costs Lawyers to provide essential services</li> <li>– Risks from new service areas with potential risks to clients and firms</li> <li>– Risks from the activities of other regulators</li> <li>– Risks from lack of awareness/ability of Costs Lawyers to embrace and adapt to technology</li> </ul>

Regulatory objective	Costs law market related risk outcome	Relationship to risk sources
	<ul style="list-style-type: none"> <li>– Costs firms offering new unregulated services alongside reserved legal activities, such as litigation funding options for clients</li> <li>– SRA regulation fails to prevent employer collapse creating problems in the Costs Lawyer market</li> </ul>	
Encouraging an independent, strong, diverse and effective legal profession	<ul style="list-style-type: none"> <li>– Insufficient numbers of Costs Lawyers are available to the market generally</li> <li>– Insufficient supply of independent costs law firms and practitioners in the market</li> <li>– Costs Lawyers’ independence is undermined by an actual or perceived conflict between the interests of their immediate (professional) client and their underlying client</li> <li>– Costs Lawyers are not appropriately trained and up-to-date</li> <li>– Costs Lawyer demographics do not reflect society</li> </ul>	<ul style="list-style-type: none"> <li>– Risks from insufficient supply of properly trained Costs Lawyers</li> <li>– Risks from Costs Lawyers being absorbed into solicitors firms/SRA regulation</li> <li>– Risks from “capture” of Costs Lawyer services by professional clients</li> <li>– Risks from ineffective CLSB regulatory arrangements</li> <li>– Risks from limited diversity of new entrants to the profession</li> <li>– Risks from amalgamation of costs law firms affecting culture and standards</li> </ul>
Promoting and maintaining adherence to the professional principles	<ul style="list-style-type: none"> <li>– Disciplinary issues/complaints about Costs Lawyers leading to poor consumer outcomes</li> <li>– Failure of Costs Lawyers to maintain proper standards of work</li> <li>– Costs law firms unwilling or unable to implement sufficient systems and controls</li> </ul>	<ul style="list-style-type: none"> <li>– Risks from ineffective CLSB regulatory arrangements</li> <li>– Risks from lack of entity-level regulation in the costs market</li> </ul>

## C. Key risk areas for mitigation

These consolidate the key risks identified in section B over which we have some degree of influence or control through our regulatory levers, and which we can therefore work to mitigate over time. The need to proactively manage these risks influences our regulatory activities, including our approach to supervision and the priorities in our annual Business Plans. The table below sets out the priority workstreams that are aimed at mitigating or managing these risks in the current year.

	Regulatory risks	Current priority initiatives for mitigating risks
1.	<p>Poor client outcomes arise from substandard conduct, inadequate service or lack of competence amongst Costs Lawyers.</p>	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 1: <i>The new communication strategy will seek to educate professional and lay clients about the importance of choosing a regulated Costs Lawyer over an unregulated costs advisor. Poor client outcomes are not limited to those we regulate, but the regulated profession can suffer reputational damage by the unregulated advisors, impacting client confidence in the entire costs law profession.</i></li> <li>• 2025 Business Plan priority 2: <i>Identify and deliver workstreams to comply with the Legal Services Board's anticipated new policy tools in the following areas: professional ethics and the rule of law; the economic crime regulatory objective; disciplinary and enforcement processes; technology and AI.</i></li> <li>• 2025 Business Plan priority 4: <i>Build out and promote the new Ethics Hub, creating additional materials in response to emerging risks and themes identified through complaints and supervisory activities.</i></li> <li>• 2025 Business Plan priority 8: <i>Extend our work on ongoing competency to explore whether competency checks are warranted for practitioners returning to authorised practice.</i></li> <li>• 2025 Business Plan priority 10: <i>We continue to add to the FAQs on Qualifying Experience and delivering induction sessions on Qualifying Experience to new students and a new session on becoming a regulated Costs Lawyer to students awaiting results. We revised our Guidance Note on Qualifying Experience in light of student practice over the last two years.</i></li> </ul>

		<ul style="list-style-type: none"> <li>• Update and augment supporting materials for CPD and complaints procedures, and publish “lessons learned” for the profession, following supervisory audits (H1 2025).</li> <li>• Implement new supervision framework for client care letters (H1 2025).</li> </ul>
2.	Costs Lawyers offer new areas of service without adequate consumer protections or assessment of risk to consumers.	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 2: See above.</li> <li>• 2025 Business Plan priority 7: <i>Investigate opportunities to benefit from recent international trade agreements made in the wake of Brexit by exploring the mutual recognition of professional costs qualifications from other jurisdictions and the scope for Costs Lawyers to offer services abroad.</i></li> <li>• 2025 Business Plan priority 9: <i>Deepen our understanding of services offered by Costs Lawyers into and out of the market in Wales.</i></li> </ul>
3.	Regulatory deterrents or barriers to innovation limit the Costs Lawyer profession.	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 2: See above.</li> <li>• 2025 Business Plan priority 3: <i>Work with the Ministry of Justice to pursue opportunities, following the general election, to table the relevant legislation to make Costs Lawyers eligible for judicial appointment.</i></li> <li>• 2025 Business Plan priority 6: <i>We are approved as the End Point Assessment Organisation for the Costs Lawyer Apprenticeship and continue to liaise with the ACLT and Trailblazer Group developing the apprenticeship. ACLT has applied to deliver the new Costs Lawyer apprenticeship standard and the Trailblazer Group must now put a case to DfE for ACLT to apply as an apprenticeship provider as a gap in provision. Only once this is approved ACLT can register to deliver the training.</i></li> <li>• 2025 Business Plan priority 9: See above.</li> </ul>
4.	Independence of the profession is compromised through capture by certain types of clients or practising arrangements.	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 4: See above.</li> <li>• 2025 Business Plan priority 5: <i>New guidance to support the materials in the Ethics Hub continues to be added, this includes (i) whistleblowing and (ii) bullying and harassment.</i></li> <li>• 2025 Business Plan priority 6: See above.</li> </ul>

5.	New Costs Lawyer Qualification fails to attract sufficient student numbers or sufficiently diverse cohorts.	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 1: <i>Implement the communications strategy developed in 2024, aimed at supporting each of the five strategic goals in our mid-term organisational strategy in a cohesive and systematic way.</i></li> <li>• 2025 Business Plan priority 6: See above.</li> <li>• 2025 Business Plan priority 7: See above.</li> <li>• 2025 Business Plan priority 10: See above.</li> </ul>
6.	The Costs Lawyer Competency Statement or Costs Lawyer Qualification fails to ensure that newly qualified Costs Lawyers are equipped for modern practice.	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 8: See above.</li> </ul>

#### D. Risk areas for longer-term structural reform

Our recent research and project work has identified structural risks in relation to the regulation of the costs law market. Mitigating these risks is fundamental to our regulatory approach and informs our longer-term strategic planning.

Risk statement	Source of risk	Strategic question to answer
There is a gap in how the public interest is defined/considered in the context of legal costs.	Costs Lawyers rarely serve consumers directly. There is a significant public interest issue at the heart of the costs market, but this may lie less in the protection of consumers and more in dealing with the market failure in legal costs management generally. Such a market failure appears to exist as there is no actor, outside the courts, that is currently tasked with ensuring the efficient use of resources to achieve appropriate and proportionate resolution of legal problems.	What does promoting the public interest mean in the context of the costs law market?
The authorisation of Costs Lawyers is not	If the CLSB regulates primarily to protect consumers, it risks becoming increasingly less relevant to Costs Lawyers, who can work outside the scope of authorisation. Yet the regulatory agenda driven by the Legal Services	What should the role of Costs Lawyers be in the legal market (i.e. what are Costs Lawyers for?) and

aligned with the public interest.	Board, in fulfilment of its remit under the Legal Services Act, is focused on consumer-facing work and addressing unmet legal need. This model is misaligned with the public interest problem that needs to be addressed in the costs law market, and thus with impactful regulation of the Costs Lawyer profession.	how can that best be differentiated, through the CLSB's regulatory framework, from the role played by unregulated advisers to promote the public interest?
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# Complaints process review

17 September 2025

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## Purpose

This paper outlines the outcome of a recent review of the CLSB complaints handling process, explains why the process is considered effective and requires no remedial action at this time, and summarises the introduction of a new policy on reasonable adjustments in disciplinary processes.

## Context

Complaints handling is a statutory and reputationally significant function. It provides an essential route to recourse for clients and/or consumers to raise concerns, and for the CLSB to demonstrate the effectiveness of its rules, transparency of process, and responsiveness. The Board reviews complaints data through the Annual Complaints Round-up report allowing it the opportunity to consider whether CLSB processes remain robust, proportionate, and aligned with best practice.

## Current position

### Complaints Handling Performance

- **No opportunities for improvement identified.** Recent internal reviews of our complaints handling procedures have found no material issues. Documentation is complete, timeframes are consistently met, and the executive team and consultant(s) are following agreed procedures effectively.
- **Low complaint volumes.** The volume of complaints received remains very low despite the unusual spike at the start of 2025. This is positive evidence that both our rules and approach to regulation is effective.
- **Monitoring challenges.** It has not been possible to observe or shadow the investigation of a live complaint in real time, yet. While this limits opportunities for monitoring, the documented case reviews confirm that the process would function effectively if volumes increased as we can increase consultancy support. While that would have financial implications, it would not impede effective complaints handling. Despite shadowing a live complaint not being possible, communications about potential complaints have been received that afforded an opportunity to review how we respond in those circumstances. For example a complainant had not contacted the Costs Lawyer in the first instance.

### Responsiveness and Accessibility

- The organisation continues to provide clear routes for submitting a complaint, with information available online, in written material, and through direct executive team

engagement. Accessibility measures are enhanced further with the introduction of the ReciteMe website toolbar.

#### Assurance

- Taking all available evidence into account, the complaints handling system is operating effectively, is proportionate to the CLSB's size and levels of demand, and does not require intervention or redesign.

#### Policy Development: Reasonable Adjustments in Disciplinary Processes

As part of our wider commitment to fairness, inclusivity, and compliance with the Equality Act, the Executive has introduced a new [Reasonable Adjustments Policy](#) applicable to all disciplinary proceedings. As an individual reaching the disciplinary process is the outcome of a complaint, it is worth noting in this report. The introduction of this policy reinforces the CLSB's commitment to procedural fairness.

The CLSB seeks to ensure that its disciplinary processes are fair and accessible to all involved, including those with physical or mental health conditions that may affect their ability to participate fully. The new policy applies to anyone engaged in a disciplinary process with the CLSB, including respondents, witnesses, panel members or case managers.

It is guided by the following key principles.

- a) **Case by case assessment.** Each request for adjustment is considered on its own merits. We weigh the nature of the need, the stage in the process and the operational capacity of the CLSB.
- b) **Proportional response.** We seek to support individuals while preserving procedural fairness and the integrity of the process.
- c) **Evidence informed.** Evidence is welcomed but not always required. We may request medical or professional input if a condition is not apparent or the impact affects the conduct or timing of proceedings.
- d) **Open and timely discussion.** We encourage early identification of needs. Where reasonable adjustments are agreed, they will be recorded and applied consistently.

#### Risks and Mitigations

- **Risk of under-monitoring due to low complaint numbers:** Although live monitoring is limited, mitigation is in place through regular review of documentation and feedback from those involved.
- **Reputational risk if accessibility is challenged:** The new Reasonable Adjustments Policy provides additional safeguards, demonstrating that the CLSB is proactive in embedding fairness and equality.

#### Conclusion

The complaints handling framework is functioning well, with no concerns identified. Complaint volumes remain low, which, while limiting opportunities for live monitoring, provides strong assurance that the CLSB is an effective regulator. No immediate action is

required by the Board but when a live complaint is received, it will be monitored with a view to reviewing how well the process works and should any opportunities for improvement arise, the Board will be informed in a timely manner.

The introduction of a new Reasonable Adjustments Policy for disciplinary processes further enhances our organisational approach to fairness and compliance.

### Action

The Board is asked to:

1. Note the strong performance of the complaints handling process and the absence of any required remedial action.
2. Note the implementation of the Reasonable Adjustments Policy for disciplinary proceedings.
3. Agree that routine monitoring of complaints handling continues on the current cycle, i.e. the Annual Complaints Round-up report, with escalation to the Board only if significant issues arise.

Paul Mosson, **CEO**

21 August 2025

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# Supervision Framework

## Client Care Letters

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**17 September 2025 (version 1)**

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**Costs Lawyer Standards Board**

**CLSB**  
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## Introduction

1. This framework sets out how the CLSB supervises compliance by Costs Lawyers with regulatory requirements relating to the contractual information they provide to clients. This framework uses the term “client care letter” (CCL) to refer to this contractual information, but applies in the same way to whatever words you use to describe these contractual arrangements.
2. This framework forms part of a wider supervision programme, which involves the use of similar frameworks for other supervision activities such as auditing CPD attainment and compliance with the Accredited Costs Lawyer Rules. It should be read in conjunction with the CLSB’s [Supervision Policy](#).

## Regulatory context

3. Costs Lawyers who are regulated by the CLSB must provide clients, individually or through their organisations, with certain contractual information. Principle 3.4 of the [Costs Lawyer Code of Conduct](#) states that Costs Lawyers must advise new clients in writing of:
  - an estimate of fees / details of charging structure, and where that estimate subsequently becomes inaccurate or that charging structure changes, an updated estimate / notice of revised charges;
  - the client’s right to complain;
  - how to complain (that is, your first-tier complaints handling procedure);
  - if applicable, the client’s right to refer their complaint to the Legal Ombudsman in certain circumstances.
4. Under paragraph 4.6 of the Code of Conduct you must ensure that clients are able to make informed decisions about the work being undertaken on their behalf throughout the lifetime of the matter, including how it will be priced, the costs incurred and the likely overall cost of the matter (including any potential liability for the costs of other parties).

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5. In addition to the regulatory obligations, when dealing with consumers you have a number of legal obligations under consumer protection law. While our guidance seeks to assist you with this, it is your responsibility to ensure you comply with the latest prevailing legislation. This includes requiring that all your contract terms are fair, and that you draft all your terms in such a way that consumers can be expected to understand the potential consequences to them of entering a contract with you. We suggest that these requirements are met through a terms of business generic document that sits alongside your CCL. For more information see our [Guidance Notes](#) on Dealing with Consumers and Client Care Letters in the Costs Lawyer Handbook.
  6. If you work for an organisation that is authorised by another legal services regulator, such as the Solicitors Regulation Authority, your CCL must comply with that regulator's rules and guidance. However you should check that your organisation's CCL is sufficient to meet your individual obligations as a Costs Lawyer in the Code of Conduct.
  7. The main purpose of the audit is to improve the quality of Costs Lawyers' CCLs to establish clarity and certainty for both them and their clients.

## Audit criteria and process

8. The Costs Lawyer Handbook contains a [Guidance Note](#) intended to help Costs Lawyers and their organisations produce effective CCLs. The guidance details requirements for a CCL, and those requirements form the basis of the audit.
9. An audit of approximately 10 CCLs is undertaken annually.
10. Recognising that CCLs are usually adopted organisation-wide rather than by individual Costs Lawyers (other than sole practitioners), we only select one Costs Lawyer per organisation for audit in any given year.

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11. Costs Lawyers whose CCLs are selected for audit will be notified and asked to provide a recent, specific CCL (redacted only where necessary to protect the identity of the client if appropriate), or the current template CCL (if this is sufficient to demonstrate compliance or otherwise with the requirements) within a specified timeframe.
  12. CCLs are audited against the checklist at Annex A. A checklist is completed for each CCL that is audited. The completed checklist is stored against the relevant Costs Lawyer's record in the CLSB's internal database.
  13. Completed checklists are shared with Costs Lawyers where appropriate, including where non-compliance is identified or where the Costs Lawyer asks to see the completed checklist.
  14. The audit is undertaken in a manner which makes clear that the CLSB's intention is to support rather than castigate individual Costs Lawyers and organisations, in order to facilitate better client outcomes. However, failure to cooperate with the audit or to make necessary changes to a CCL without a reasonable explanation could result in disciplinary action being taken against a Costs Lawyer under the Disciplinary Rules and Procedures.

## Audit outcomes

15. Where a CCL is found to comply with the guidance, the Costs Lawyer will be notified of the outcome by email.
16. Where a CCL procedure is found to be non-compliant, the Costs Lawyer will be informed and asked to bring the CCL into compliance as soon as possible.
17. If the CCL is used by more than one Costs Lawyer (i.e. it is an organisation-wide procedure), the most senior regulated Costs Lawyer working at the organisation will be contacted about the non-compliance, even if they were not the Costs Lawyer initially selected for audit. This is because that Costs Lawyer is likely to be best placed to effect the necessary changes within the organisation.

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18. The Costs Lawyer will be asked to submit their revised CCL, following liaison with others in the organisation where appropriate, within a specified timeframe.
  19. No organisation's CCL will be audited more than once in three years, other than by way of follow-up in instances of non-compliance. If the random selection of a Costs Lawyer for audit in any given year would infringe this principle, the Costs Lawyer will not be audited and another Costs Lawyer will be randomly selected in their place.
  20. Upon completion of the annual audit a report of findings is provided to the CLSB Board. Learnings from the audit are used to provide feedback to the profession (for example, by highlighting anonymised examples of poor practice and good practice) and to inform our regulatory arrangements and guidance materials as appropriate.

# Annex A



## Client Care Letter Audit

### A. Introduction

1. The [Costs Lawyer Code of Conduct](#) provides that Costs Lawyers must provide clients, individually or through their organisations, with certain contractual information (Principle 3.4), and ensure that clients are able to make informed decisions about the work being undertaken on their behalf throughout the lifetime of the matter (Principle 4.6).
2. As part of its supervision activities, the CLSB undertakes a random audit of CCLs.
3. To carry out the audit, we assess CCLs against the criteria in the checklist below. This is based on the [Guidance Note on Client Care Letters](#) in the Costs Lawyer Handbook. For more information on each of the requirements listed below please refer to this guidance.
4. The CLSB will work with you to help you put a compliant CCL in place. Please do not hesitate to contact Jacqui Connelly ([enquiries@clsb.info](mailto:enquiries@clsb.info)) if you need support or advice during this audit process.

### B. Audit checklist

<b>Name and CL number of Costs Lawyer</b>		
<b>Name of organisation (if relevant)</b>		
<b>Section A: Information you need to provide</b>		<b>Complies?</b>
1	You must provide the client with the name and contact details of the primary contact for the instruction as well as an alternative contact.	
2	You must provide an outline of your understanding of the client's instructions and the course of action they have chosen.	

3	You must provide clients with a detailed estimate of fees and any associated costs they will incur. This must include any potential liability for the other side's costs.	
4	You must set out for the client how long you think the work will likely take.	
5	You must be clear about your regulatory status as a Costs Lawyer, including that you are authorised and regulated by the Costs Lawyer Standards Board.	
6	You must refer to the client's right to terminate the agreement and any potential liabilities they face in the event they terminate prior to conclusion of the matter.	
7	You must set out what a client can do in the event they have a complaint, including the information prescribed in paragraph 3.4 of the Code of Conduct.	
8	You must make clear that you cannot accept client money as a Costs Lawyer save for incurred disbursements and payment of your invoiced professional fees. If you offer clients the option of using a third-party managed account (TPMA), explain how the TPMA works.	
9	[Only required if you provide services to "consumers" as defined by the ADR Regulations <sup>1</sup> ]  Under the Provision of Service Regulations 2009, you must provide consumers with details of your professional indemnity insurance provider and the territorial coverage of that insurance.	
10	You must explain the arrangements you have in place to ensure compliance with data protection laws, including how you will process and store personal data.	

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<sup>1</sup> Regulation 3 of The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 provides that a consumer is an individual acting for purposes which are wholly or mainly outside that individual's trade, business, craft or profession.

<b>Section B: Checklist</b>		
11	<b>Does the CCL show a clear purpose?</b> Is it obvious to the client that the letter should be read up front? Is the title appropriate?	
12	<b>Is the CCL concise?</b> 1-2 pages is ideal. If it is longer consider breaking down the information into smaller sections and use sub-headings. Consider moving generic contractual terms into a separate document.	
13	<b>Does the CCL use plain language?</b> Accessible language is key to ensuring that all clients can understand CCLs regardless of their background. Seek to avoid using legal terms, or archaic or complex language.	
14	<b>Does the CCL prioritise information?</b> Costs information should be provided near the start of the CCL. If you choose to keep all the information in one CCL, make sure that generic information is provided towards the end.	
15	<b>Is the letter personalised to your client?</b> The scope of work should be specific to the individual case rather than generic. Exclude information that is irrelevant to the client. Language should also be tailored to the needs of the client.	
16	<b>Is it easy to read?</b> Break down information by using bold text, headers, summary boxes, tables, or diagrams to make it easier for clients to pick out key points. Avoid small font sizes.	
<b>Section C: Other comments or commentary on areas of non-compliance</b>		
11		

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## C. Next steps

1. Please revise your CCL as soon as possible, in liaison with others in your organisation where necessary, to address any areas of non-compliance identified above.
2. Submit your revised CCL to the CLSB by the deadline advised. Ensure the revised CCL is communicated to and used by all Costs Lawyers in your organisation
3. Please note that a failure to cooperate with this audit or to otherwise meet your regulatory obligations could result in [disciplinary action](#) being taken.

Please contact Jacqui Connelly [enquires@clsb.info](mailto:enquires@clsb.info) if you have any queries or need support or further guidance.

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25 June 2025

Dear Paul

### **Update on next annual Regulatory Performance Assessment**

I am writing to provide you with an update on the LSB's plans for its next Regulatory Performance Assessment (RPA), mindful that we have typically set out our proposed timeline by this point in the year.

As you will know, we keep our oversight approach, including the RPA, under review to ensure that we carry out our statutory functions effectively and efficiently while minimising the regulatory burden as far as possible.

We wrote to all regulators in May seeking feedback on your experience of the 2024/25 assessment which involved an assessment of the three standards in the framework. Thank you for your response which we are now considering carefully in reviewing our approach. The LSB Board will discuss our current approach, including your feedback, at its next meeting on 22 July.

However, mindful that you may need to make nearer-term planning decisions, whatever the outcome of the Board discussion, we do not expect to issue our assurance information request any sooner than January 2026.

I hope that this is helpful at this stage, and I will write to you again after the Board meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Danielle Viall', is written in a cursive style.

**Danielle Viall**  
General Counsel and Interim Deputy CEO



The Law  
Society

# 21st Century Justice Final Report

June 2025

# Foreword

**An effective civil justice system is a vital public service that benefits us all. Our vision for a 21st century civil justice system is one which is accessible to everyone who needs it, when they need it, and which constructively and safely makes use of technology to support the public's needs. It is one in which solicitors feel proud of their vital role in delivering justice for the common good and are supported to respond to changing consumer behaviours. The practical reforms outlined in this report will level the playing field for those of us seeking justice and enable more people to access legal advice.**

Currently, just one in five (21%) people believe justice is accessible.<sup>1</sup> Solicitors see civil justice from start to finish and they are deeply aware of the challenges and opportunities in the system. For these reasons, the Law Society launched its 21st Century Justice thought leadership project in November 2022 to examine potential reforms in civil justice that could increase access to justice for people facing the 'justice gap'.

Over the last few years and together with our members, expert advisory group and a wide variety of stakeholders, we have explored options to expand access to civil justice. We have advanced our thinking and research and considered a multitude of different ideas across policy and practice change to tackle barriers to justice.

Some of this work has looked at the impact of and potential for, technology to help more people to quickly and cheaply resolve their legal problems. Parts of the civil justice system remain heavily reliant on paper.

The master of the rolls recently expressed his disappointment that only 23% of cases have been fully digitised in the county courts.<sup>2</sup> The minister for courts and legal services Sarah Sackman KC acknowledged that there is room for improvement and that the goal is to deal

with the vast majority of claims in 'the digital space through a modern service fit for a modern economy and modern society.'<sup>3</sup> With the game-changing rise of large language models and AI, this brings new opportunities to revolutionise established processes and systems for legal services and the justice system to improve the efficiency and accessibility of services.

This year, the Law Society marks 200 years of championing solicitors and promoting justice and we want to continue to support our members to adapt to this constantly changing world, as people seek to engage with businesses and legal services in new ways.

Since we launched the project in 2022, pressures in the political and legal environment have continued to grow, requiring innovative solutions as well as targeted investment. We now have a government<sup>4</sup> seeking to solve a range of urgent problems across the justice system, simultaneously.

The primary concern for the lord chancellor has been on immediate crises in the criminal justice system, such as prison overcrowding and Crown Court backlogs. The economic outlook is challenging and non-protected government departments including the Ministry of Justice have been tasked with finding reductions in



**Richard Atkinson**  
Law Society president and  
chair of the 21st Century  
Justice advisory group

running costs of 15% by 2030.<sup>5</sup> This is despite analysis by the Institute for Fiscal Studies showing that the Ministry of Justice's budget has still not returned to pre-2010 levels.<sup>6</sup>

A strong civil justice system will become only more important in the prevailing challenging economic conditions. The public and businesses of all sizes will need to rely on legal services with greater frequency to resolve economic disputes and there may be more unmet legal need in the 'squeezed middle' in a period of sluggish economic growth. Yet, through its industrial strategy, the government has recognised the link between a well-functioning justice system and thriving legal sector as important components of economic growth.

Solicitors are at the heart of the high street, often running small businesses that serve their local communities. For many, their first point of access to legal help is through these trusted local firms. Protecting and supporting small legal firms is vital to maintaining a justice system that is genuinely accessible to everyone.

Ensuring access to a modern, effective civil justice system is therefore of pressing urgency for us all. As we conclude our project, we are confident that there are real, practical opportunities to do so and warranted optimism for the future of our justice service.

The government has taken early, welcome steps in the form of proposed fee increases for civil legal aid in housing and immigration and establishing a new Strategy Delivery Group for Legal Support, which includes the Law Society and advice sector.

We look forward to discussing our proposals with the government and parliamentarians. I urge the government to consider these reforms to help safeguard the future of our civil justice system and ensure it is there for all of us when we need it.

<sup>5</sup> BBC News, 23 March 2025.

<sup>6</sup> Institute for Fiscal Studies, [Justice Spending in England and Wales](#), 2025.

<sup>1</sup> YouGov for the Law Society and Legal Services Board, [Legal Needs of Individuals in England and Wales](#), 2023.

<sup>2</sup> Justice Select Committee, [Oral evidence: Work of the County Court](#), 18 March 2025.

<sup>3</sup> *Ibid.*

<sup>4</sup> References to 'the government' throughout the paper refer to the UK government.

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# Summary of our proposals for reform

A modern civil justice system delivers an important public service and will enable our communities to thrive. It will better support us to address and resolve common legal issues we may all face in our lives: from disputes with landlords, to fighting discrimination at work, to support setting up a new business.

As part of our proposals for improvements to civil justice, we have highlighted where there is benefit in central government policy change and where practice change in the legal sector might support increased access to justice.

## Recommendations for the government:

1. The government should commit to building a solutions explorer to provide a trusted, publicly funded resource and triage tool into the civil justice system, leveraging the rapidly developing technologies that can support it
2. The government should consider creating an online dispute resolution ombudsman using an application programming interface to create a 'single front door' to the civil legal system
3. The government and Online Procedure Rules Committee should prioritise strong data standards, analysis and transparency for the pre-action (pre-court) online dispute resolution sector
4. The government should prioritise improving levels of trust between the Legal Aid Agency (LAA) and legal aid practitioners. This is necessary before a 'high trust' model like the Netherlands model can be considered for England and Wales
  - Proposals for measures to increase trust, encourage a more collaborative

approach and streamline legal aid processes can be found in the [High Trust Legal Aid](#) report

5. The government should regularly uprate civil legal aid fees with inflation and establish an independent legal aid fees review body to periodically review fees to ensure they achieve and maintain sustainability
6. To enable access to justice that is fit for purpose in the 21st century, the government should prioritise addressing people's needs through technology-enabled justice. This is to ensure that technologically enabled solutions serve individuals and their unmet legal needs through a dynamic and open lawtech and justice technology market, safeguarded by regulation
7. The government should play a key role in facilitating collaborative opportunities and fora for solicitors, individuals and technology vendors to help address different stakeholder expectations, identify knowledge and opportunity gaps and support access to justice
8. The government should rationalise the ombuds' landscape to reduce overlap and make it easier for users to navigate. This could take the form of a single ombudsman for every major area of public life, or where there is high risk of consumer detriment and a lack of alternative redress

7. Please note 'ombudsman' is used in this report to refer to a single scheme and 'ombuds' is used as the plural.

## Recommendations for the legal sector:

9. The government should reform access to ombuds services and their delegated powers, including:
  - a. removing the MP access filter for parliamentary and health service ombudsman referrals
  - b. empowering ombuds schemes to undertake 'own initiative' investigations
  - c. allowing SMEs access to ombuds in energy and telecoms sectors, as has already happened with the Financial Ombudsman Service, to enhance small businesses' access to effective redress
  - d. increasing join-up between ombuds, courts and tribunals
  - e. ensuring all ombuds recommendations are followed by companies and public agencies
  - f. giving the Ministry of Justice the lead for ombuds policy in government

## Project methodology

The Law Society's 21st Century Justice project has followed a considered and thorough approach to exploring practical policy solutions and issues in the civil justice system. This began with a landscape analysis by Public First in 2022 to identify areas of focus and the development of working groups comprised of Law Society members and external stakeholders to scope workable policy solutions.

In October 2023, we launched a public green paper consultation to seek views on a range of proposals, receiving responses from organisations and individuals. We are very grateful to Law Society members and stakeholders who have engaged with the project and lent their considerable expertise and insights. In addition:

- in December 2023, a workshop was held with 38 local Law Societies across England and Wales to gather further feedback on the green paper from practitioners
- in January 2024, a short quantitative survey was conducted with members of the Law Society's Insights Community panel regarding the green paper proposals. Between mid-January and early February 2024, the survey received a total of 145 responses

The project has primarily focused on key areas with the potential to increase access to the civil justice system, including:

- assessing the potential of technology and modernisation to expand access to justice
- exploring greater use of non-court resolution, such as the ombuds sector
- alternative approaches to delivering and commissioning legal aid
- exploring ways to help people meet legal costs, such as via unbundled legal services and legal expenses insurance (LEI)

In May 2024, we published an interim report updating our thinking on proposals following analysis of responses to the green paper. Since then, we have further refined our ideas with our members and stakeholders, the conclusions of which can be found in this report.

We have robustly considered potential risks, pitfalls and benefits associated with each area. Throughout the project we conducted and commissioned extensive additional research, which has been published on the Law Society's [website](#).

### December 2022

landscape analysis of access to justice issues in the civil justice system

### January – August 2023

working groups and public engagement workshops held to scope workable policy solutions

### March 2023

expert advisory group formed

### October 2023

launched public green paper consultation to seek views on a range of proposals

### December 2023

workshop held to gather feedback from 38 local Law Societies

### January – February 2024

survey conducted with the Law Society's Insights Community panel

### May 2024

interim report published following analysis of responses to the green paper

### June 2025

final report published following further policy research

## Engagement and consultation

The strength of this project has lain in our collaboration with experts across the justice, technology and consumer sectors and in the generous time Law Society members have given to engage with the project. Engagement and consultation conducted in each workstream is outlined in the relevant sections in this report. A full list of organisations we have worked with during the project is outlined in the **acknowledgements section**.

We are particularly grateful to the advisory group who have supported the project. The advisory group played an essential role in providing critical feedback on the work of the project, convening experts from a variety of fields - academia, consumer groups, legal tech companies and the justice and ombuds sector - to bring their independent expertise to bear on the project's areas of focus.

## Key project achievements

As part of the project, the Law Society has expanded understanding of a diverse range of policy issues, collaborating closely with individuals and organisations across sectors. Some of the project's notable achievements have included:

- boosting the case for a holistic single-entry point to the civil justice system for those with a legal need, a 'solutions explorer'
- contributing to research with regulators on the growing landscape of online dispute providers in the pre-litigation space and on the potential of generative AI tools to support consumers navigating the legal system
- identifying areas of law which are suitable for online dispute resolution and those where safeguarding concerns persist
- contributing to research and understanding of the future of AI in the legal sector and developing recommendations to support consumer protections and joint tech-legal sector innovation to overcome access to justice barriers

- commissioning research exploring the Netherlands 'high trust' model of delivering legal aid and the steps required to improve relationships between legal aid practitioners and the Legal Aid Agency before such a model could be introduced in England and Wales
- convening an industry group with insurance and LEI providers to explore customer journeys and support for those with before-the-event legal expenses insurance
- developing consumer guidance LEI for existing policyholders and updated Law Society guidance for solicitors to ensure members are aware of their obligations in relation to discussion with clients around LEI
- progressing a mutually agreed definition of unbundled legal services for the insurance industry and legal profession

## Related work on access to justice

Alongside the 21st Century Justice project, the Law Society also concluded the [Reimagining Justice in Wales 2030](#) project. We analysed the unique challenges facing the legal sector in Wales over the next decade, including access to justice. For example, difficulties in accessing legal aid are further exacerbated for people in Wales by the rural and dispersed nature of much of the country, poor broadband provision and an inconsistent and expensive public transport infrastructure, which can make accessing legal aid practitioners even more challenging.

We developed a suite of recommendations to reform access to justice in Wales and ensure that any future change of the devolution of justice powers from the UK government to the Welsh government is implemented effectively.

The Law Society also continues work to support our small legal firms. These local firms serve as the first point of contact for many people seeking legal assistance on everyday issues such as housing, employment and family matters. Their accessibility and local presence make them an indispensable community service and ensure that justice is not just a theoretical concept but a practical reality and an essential public service for all.

Solicitors provide services to small businesses across all industries and often operate in a small

firm themselves, deeply embedded within our communities. Solicitors are therefore not only the cornerstone of the justice system but also integral to the sustainability of our high streets.

However, the future of these small legal firms is under threat. Rising operational costs coupled with stagnant legal aid fees place immense financial strain on these practices. Our research<sup>8</sup> shows that millions of people do not have access to a local legal aid provider for their legal issue, as charities and small law firms face an uphill struggle to keep legal aid afloat. This financial pressure is exacerbated by recruitment and retention challenges, changes in client expectations and the increasing complexity of regulations, which small firms must navigate without the more extensive resources available to larger practices.

The decline of small high street law firms has broader implications for access to justice. As these firms close or reduce services, legal aid deserts expand, leaving vast areas without adequate legal support.

To safeguard our justice system and make civil justice work for the 21st century needs, it is imperative our government supports and protects small legal practices. This includes boosting legal aid funding, reducing bureaucratic burdens, and providing resources to help these firms adapt to technological advancements. By doing so, we ensure that the justice system remains accessible and equitable, for the common good of all communities.

8 For example, 53 million people do not have access to a local education legal aid provider. Law Society, February 2024.



# 1 One trusted entry point for those with a legal need and safer online dispute resolution

Someone facing a legal problem may search for advice online. Hundreds of thousands of web search results will appear, with no way to determine what is reliable and relevant. There has also been a growth in online dispute resolution providers, offering to use technology to help resolve disagreements between individuals or businesses without going to court (pre-action) by using technology. Investment in the development of a single, trusted website to help people understand and navigate legal options underpins many of our proposed reforms.

Following our research with members of the public into their ability to use online resources to research options for resolving a legal dispute,<sup>9</sup> in our interim report we recommended that the government should build a 'solutions explorer'. This would act as a trusted, public and online one-stop shop for assessing legal issues and signposting people to different dispute resolution options.

Early in our project, we recommended that the process for assessing the nature of a legal issue could be achieved with 'decision tree' technology and that to begin with, the tool should only focus on one or two areas of law, with more to be added over time.

In the Law Society's submission to the 2025 comprehensive spending review, we highlighted the anticipated cost savings the solutions explorer could deliver. A cost-benefit analysis undertaken by Social Finance found that the explorer could save approximately £72 million in direct costs over a five-year period, delivering more than twice the savings of the estimated costs of development (£30m).<sup>10</sup>

In response to our green paper consultation, concerns were raised by solicitors and online dispute resolution providers about the potential difficulties of developing decision trees across multiple and complex areas of law and the scale and upfront cost of such a project as well as the risk of being incorrectly triaged.

To further explore the digital justice landscape, the Law Society carried out research last year with solicitors on barriers to online dispute resolution (ODR). This was done in conjunction with the SRA and the Access to Justice Foundation, as part of the SRA-led Regulators' Pioneer Fund project.<sup>11</sup> This research with solicitors demonstrated there is significant potential to address unmet legal needs in certain areas, such as employment law and disputes between small and medium-sized businesses.

## Small / Micro Business Solicitor

“ODR has benefits against litigation... there is more opportunity to preserve face-saving positions, commercial relationships in a way that solves things without it being finite and detrimental to a relationship.”

“I see the biggest benefits as time, cost and mental health, because litigation can be such an investment of time, health, emotion and personnel.”

However, the project also highlighted concerns around safeguarding and ensuring the best outcomes for people experiencing particularly stressful legal problems, those with limited financial resources or those who are digitally excluded.

“A lot of the time my clients don't understand needs around internet security, so I have to be very careful about what document I send... How do I know they're able to keep that secure?” Social welfare and housing solicitor

“They [vulnerable clients] are going to lose because the online system is going to beat them, work against them. But if you've got someone whose life is so difficult that they struggle to manage and they've got someone like me and a landlord who's good at managing those sorts of things... then all of that is levelled up.” Social welfare and housing solicitor

Evidence from those practising in private family law suggested this area of law is particularly ill-suited for encouraging people to settle their case via ODR. The intricate and emotional nature of family law, especially involving finances, children and domestic abuse, means human interaction is key to minimise stress and to ensure fair treatment and outcomes for all.

“Most financial divorces from clients are probably not suited to ODR... They need advice. There is too much risk that information isn't fully understood and isn't dealt with.” Family solicitor

“Quite often people don't know it. You may have somebody comes to you and they're describing their home situation, and they cannot recognise that they are in a home or relationship that features domestic abuse. Financial and coercive control is very rarely seen by the person receiving that sort of behaviour.” Family solicitor

“They'd be at home, on their own. They haven't got you with them to help them deal with some really hard stuff and decisions... You're talking about removal of children or not getting to see children. Not having someone there to support them is a major issue.” Family solicitor

Working with our research consortium partners, we shared these research findings with officials at the Ministry of Justice to highlight the serious risks of encouraging divorcing couples into online dispute resolution.

We have also shared the findings with the Online Procedure Rule Committee (OPRC) to inform the development of their inclusion framework. The OPRC, established by the Ministry of Justice in 2022, will make rules to govern the practice and procedure in the pre-action space, in the civil and family courts and in the tribunals. In April 2025, the OPRC was given the power to make these rules, and it will initially focus on developing online procedure rules for property proceedings, to support the development of a property portal for landlords and tenants through the Renters' Rights Bill.<sup>12</sup>

The creation of a body with holistic responsibility for digital justice reforms is a welcome development and we encourage the Ministry of Justice to provide sufficient funding to the OPRC.

12. Online Procedure Rules (Specified Proceedings) Regulations 2025, laid 28 January 2025.

9. August 2023 workshop with members of the public - please see 21st Century Justice Green Paper for further detail.

10. Published in the Annex of the 21st Century Justice Green Paper (2023).

11. Solicitors Regulation Authority, Solving legal issues through technology, 2024.

Since our interim report, the Law Society, SRA, and Access to Justice Foundation have collaborated with Bangor University to develop an employment law tool which used generative AI to assess a person's legal needs and then signpost to online dispute resolution options ranked by suitability. To assess legal accuracy, we invited employment law experts to test the tool. The findings were encouraging, with a high degree of accuracy in assessing the potential legal issues at play in the scenarios provided by the employment law specialists.

It is important to note the time and resource limitations this tool was developed under. With some input from the Law Society, SRA, and Access to Justice Foundation, this tool was built in less than six months by a small team of academics at Bangor, with most of the work being carried out by a single PhD student. Despite these constraints, the user testing results indicate the significant potential that AI has for addressing unmet legal need at a low cost. And beyond developing such tools, they are inexpensive to operate as well.

The main issue the tool developers faced was signposting a user to a relevant online dispute resolution option due to a lack of data, for example on outcomes and demographic data from ODR platforms. This once again highlights the need for the Ministry of Justice and OPRC to prioritise the collection, analysis and, where appropriate, publication of key datasets to allow for monitoring and evaluation as well as ensuring users can be signposted to the most effective form of dispute resolution.

As part of the Regulators' Pioneer Fund project, a number of online dispute resolution platform providers took part in workshops organised by the Access to Justice Foundation to discuss barriers to greater uptake of online dispute resolution. A key finding from these workshops was that a signposting service, enabling and directing users to identify, assess, and navigate to the most appropriate non-court dispute resolution (NCDR) service was seen as "imperative," highlighting the public value of a solutions explorer.

The ODR developers also identified that partnership working was vital to create the cross-sector relationships needed to support effective signposting, with input from regulators, professional bodies, Tier 1 and Tier 2 providers<sup>13</sup> and frontline advice and support organisations.

There was strong support for a single, central point of access to Tier 2 ODR platforms, acting as a trusted source of information and a starting point for dispute resolution.

However, the ODR developers identified a number of barriers hindering the development of a Tier 1 signposting service. These included the lack of a register of NCDR providers, as well as there being no governing body or association for NCDR providers. There is also currently no way to link to existing lists or registers of service providers. For example, the Application Programming Interface (API) for the Law Society register of solicitors cannot legally be accessed by third parties. An API acts as an intermediary to allow different software applications to communicate with each other.

The ODR platform developers also noted that there can be large costs to building technological solutions and without guaranteed market access it can be difficult to attract private investment. The developers were concerned that a lack of centralised funding for aspects such as Tier 1 support meant that the effective coordination and navigation of services could be jeopardised. Separately, the Civil

Justice Council's Future Group recently recommended creating a central hub to develop a strategy for digital inclusion, as well as calling for greater focus on data collection, unmet legal need, and how they impact the development of digital tools.<sup>14</sup> The Prisoner Content Hub - a platform used by prisoners to access data, content and services to support their rehabilitation - was cited as an example of good practice in inclusive design. A similar approach could be replicated in the digital justice system with the creation of a 'one-stop shop' platform, informed by inclusive design principles, to assist people in finding the most appropriate way to resolve their disputes as well as collecting data to monitor legal need and evaluate services provided.

Given the positive feedback from online dispute resolution providers themselves and from other key stakeholders, as well as the potential demonstrated by the AI-powered employment law tool to increase access to justice at a low cost, we recommend that the Ministry of Justice commits to supporting a government-backed solutions explorer as a means to ensure consumer protection, enforce behaviour standards and collect, analyse and publish key data. In addition to identifying options for non-court dispute resolution, a solutions explorer could also provide information to people about litigation funding and legal aid, as well as signposting them to local solicitors or law centre and advice clinics.

One of the many benefits of using a solicitor to assist in a legal matter is that they are regulated and covered by professional indemnity insurance (PII) and therefore consumers have protection and right of redress if something goes wrong. In contrast, a key issue which has featured throughout our research into online dispute resolution is that the current pre-litigation online landscape is largely unregulated, leaving consumers with limited options for redress when something goes wrong.

The Competition and Markets Authority (CMA) published new guidance for some unregulated providers in 2024 designed to promote compliance with existing legal requirements, following their investigation the previous year into services providing will writing, online divorce and pre-paid probate plans.<sup>15</sup> The CMA then wrote a warning to seven unregulated providers of wills and online divorce services about their "aggressive upselling, the refusal of refunds and failing to respond to complaints".<sup>16</sup> However, the CMA's enforcement powers are very different from those of legal service regulators and as there is no register of unregulated providers there is no way of getting guidance into the hands of those it is aimed at. Moreover, the CMA cannot step in or advise on individual complaints.

It has previously been proposed that legal services regulation should be expanded to unregulated providers, including those providing online services, with consumers able to take a complaint to the Legal Ombudsman.<sup>17</sup> It is in the public interest to address consumer protection gaps in the legal services market and the Law Society is supportive of this work. However, we would be concerned about expanding the remit of the Legal Ombudsman to cover complaints relating to unregulated providers due to capacity issues and increased costs falling on for the regulated professions and their clients.

<sup>14</sup> Civil Justice Council, *Futures Group Report on Digital Disadvantage*, May 2025.

<sup>15</sup> Competition and Markets Authority, *Will Writing and Other Unregulated Legal Services*, 2023.

<sup>16</sup> Legal Futures, *CMA Targets Seven Unregulated Wills and Divorce Provider*, 2024.

<sup>17</sup> Stephen Mayson, *Reforming Legal Services*, 2020.

<sup>13</sup> Based on the 2016 Lord Justice Briggs review of the civil court structure, the Law Society defines three tiers of engagement with the legal system: Tier 1 – Legal Advice Services, Tier 2 – Non-Court Dispute Resolution, Tier 3 – Court.

Nevertheless, the ombudsman model provides a useful solution to the current lack of consumer protections. We propose the OPRC and Ministry of Justice consider the creation of such a scheme, funded by online dispute resolution providers. ODR providers would have to sign up to the ombudsman to gain access to the OPRC's Application Programming Interface (API). Such an API would act as a bridge for data to flow from ODR into the court system. This would allow effective redress for people without having to create a new regulatory regime or expand an existing one.

## Recommendations for the government:

1. The government should commit to building a solutions explorer to provide a trusted, publicly funded resource and triage tool into the civil justice system, leveraging the rapidly developing technologies that can support it.
2. The government should consider creating an online dispute resolution ombudsman using an API to create a 'single front door' to the civil legal system
3. The government and OPRC should prioritise strong data standards, analysis and transparency for the pre-action (pre-court) online dispute resolution sector



# 2 Protecting legal consumers in the age of AI

The recent explosion in awareness and use of artificial intelligence (AI) creates both opportunities and challenges for the civil justice system. We have considered the potential impact of AI on access to justice, working with organisations across the lawtech and justice sectors to develop new policy solutions to better protect legal consumers when AI-powered justice tech goes wrong.

Wider use of AI in the justice system could help improve speed, efficiency and access to justice, freeing up solicitors' time by performing some routine tasks. Our research on how lawtech is being adopted shows a growing willingness by legal professionals to embrace technology.<sup>18</sup> Through the Law Society's wider work on AI, we will continue to work with government to harness AI innovation for the benefit of both legal firms and clients.

As part of the 21st Century Justice project, we focused on two key uses of AI in civil justice and examined consumer protections in these areas: generative AI and case outcome predictive tools.

Firstly, we considered the use of generative AI (GenAI) tools, such as ChatGPT and Microsoft Copilot, by members of the public to source legal advice. People often turn to online resources for help with legal issues - the Law Society's Legal Needs Survey found that 53% of people with a legal need looked online for information to help resolve their legal issue.<sup>19</sup> Increased public awareness of genAI during the 2024 'AI boom' led to an enormous rise in the number of people using these tools. ChatGPT has been deemed the fastest growing consumer application in history,<sup>20</sup> increasing from an estimated 1 million

weekly users in November 2022 to 400 million in February 2025.<sup>21</sup>

But this growth in take-up is not without risk. In our interim report, we examined cases where people had used genAI tools for answers to legal questions, but the information provided turned out to be inaccurate. Such cases illustrate a risk in the use of AI by legal consumers.

Secondly, we considered the use of case outcome predictive tools, which detect patterns in past litigation cases and use these to predict future outcomes. The high cost of these tools mean that they are mainly used by larger law firms and organisations, to help inform their litigation approach.

However, as with genAI tools used more commonly by the public, the effectiveness of these tools is reliant on the availability and quality of data used to train the models.

Predictions based on historic data and judgements risk reinforcing existing biases within the justice system, such as those associated with predictive policing tools targeting racialised communities, who have historically been over-

<sup>18</sup> The Law Society, [Lawtech Adoption by the Legal Profession](#), 14 February 2019.

<sup>19</sup> Includes both contentious and non-contentious legal issues. YouGov for the Law Society and Legal Services Board, [Legal Needs of Individuals in England and Wales, 2023](#).

<sup>20</sup> Reuters, 2024.

<sup>21</sup> ChatGPT Users, 2025.

represented in police datasets<sup>22</sup>, as well as existing AI tools developing in favour of large law firms and repeat players who have access to their own large repositories of data, to the detriment of individual consumers.<sup>23</sup>

The use of AI in legal services could be transformative, but guardrails will clearly be required to ensure the technology is deployed safely and ethically.

There is no specific redress for consumers impacted negatively by either of these forms of AI in context of access to justice, and there is currently no specific AI regulation in the UK. The government published its *AI Opportunities Action Plan* in January, providing a general direction of travel regarding its AI regulatory approach, with a key focus on AI boosting economic growth and pro-innovation.<sup>24</sup> However, the detail of how AI products and services will be regulated including in the legal sector is not yet known, although an AI bill is expected in 2026.

Our analysis of the policy landscape has identified several challenges. There is a lack of clarity on where regulatory responsibility sits and who should regulate for what and when. For example, there is a preference from legal sector regulators to understand government's plans and responsibilities first, whereas the government is currently asking regulators to take a sector-specific approach to regulating the use of AI, whilst also promoting a pro-growth agenda. But a key concern is how consumers can be safeguarded across the legal landscape as they draw on advice from both regulated and non-regulated sources and providers.

In addition, many of the popular and free AI tools accessible to consumers were built outside the UK, making the policy context extraterritorial. The European Commission is currently progressing work on digitising justice following the "digital justice" regulations 2023, and we look forward to seeing the outcomes of this work.

While positive steps have been made towards modernising justice and courts in England and Wales, challenges around infrastructure and the responsible and ethical adoption of

technology are difficult to solve without a clear set of principles and guidelines that reflect user needs and protect their rights. Incentives that encourage the much-needed investment in the development and adoption of AI and other technology-driven solutions are also required.

In 2024, the Law Society worked with our members to develop an AI strategy to guide our work in supporting solicitors to navigate the changing landscape of AI. The strategy ultimately aims to ensure the responsible and ethical use of AI to support access to justice and the rule of law and that access to justice challenges are addressed through appropriate public and private sector solutions. To achieve this, we identified three long-term outcomes to work towards:

- 1. Innovation:** AI is used across the legal sector in ways that benefit both firms and clients in legal service delivery
- 2. Impact:** there is an effective AI regulatory landscape that has been informed and influenced by the legal sector
- 3. Integrity:** the responsible and ethical use of AI has been used to support the rule of law and access to justice. This should include:
  - regulators setting standards for data within the AI lifecycle based on research and evidence
  - courts establishing guidance of use of AI
  - firms establishing codes of conduct around use of AI

Given the current lack of clarity on the future of AI regulation and policy, we have engaged extensively with key stakeholders to understand issues and contribute to research on regulatory gaps and opportunities to expand access to justice through AI. This involved sitting on the board of observers for LawtechUK's AI Access to Justice Blueprint, supporting the development of a playbook for start-up companies innovating in the business-to-consumer lawtech space who want to address access to justice gaps through AI.<sup>25</sup> In addition, we contributed to LawtechUK's Access to Legal workshop in November 2024, to

help identify barriers that frontline practitioners face in closing the justice gap alongside those practitioners, technology companies, law firm innovation leads and corporate representatives, with the aim of making legal support more accessible.

We have also engaged with academics and civil society more broadly, such as the University of Surrey in hosting an AI and access to justice roundtable as well as supporting RAI UK projects across law, justice and legal training. This collaborative approach has been beneficial, given the emerging and quickly changing nature of AI and related policy frameworks.

Building on this engagement and research, we propose that the government should facilitate a dynamic and open lawtech and justice technology market, safeguarded by adaptable, principle-based regulation and firm legislation. New technologies need to be used ethically and responsibly in line with domestic regulation, assurance, and transparency standards to ensure that bias is reduced and mitigated and that judicial outcomes are fair and accountable. At present, generative AI tools still have the risk of providing inaccurate legal advice and false citations, with no regulatory structure in place to protect consumers directly impacted. This directly contrasts to protections available by a regulated solicitor profession, such as through transparent training regimes, professional indemnity insurance, and disciplinary sanctions. The value and benefit of seeking legal advice from solicitors, who use lawtech and AI tools in their practice, should not be understated, particularly given the profession's regulatory oversight and existing consumer protections.

Legal regulators should assess the supply and value chain<sup>26</sup> of AI technologies. They should facilitate sandboxes to encourage experimentation and development and conduct research to understand where the market gaps are and whether technology may be an appropriate solution.

In addition, the Law Society recommends the creation of an AI Knowledge Hub by government

to house legal best-practice guidance, use case results, case-studies and open-source solutions. These steps would allow all solicitors the clarity, accountability and confidence needed to adopt AI-powered legal technologies. We therefore welcome the work by JUSTICE who have developed the first rights-based framework to guide AI use across the UK justice system.<sup>27</sup> This framework calls for all those involved in the deployment of AI in the justice system to be under a duty to act responsibly in the design, development and use of AI. It also calls for AI to be 'goal-led' – focused clearly on improving core goals of access to justice, transparency and lawful decision-making.

Our 2023 Legal Needs survey demonstrated the public's concern with a lack of human oversight in use of AI for delivering legal services. 49% saw this as a barrier to AI use in legal services.<sup>28</sup> Tasks and decisions within the justice system that should be handled by humans should be clearly defined, along with those which can be handled by AI and other forms of technology. For example, the government and courts are considering the use of lawtech to address the heavy costs of court transcription services. In our submission to the House of Lords Public Services Committee's 2024 inquiry on court interpretation and translation services, we highlighted that despite improvements in and the potential for AI-powered interpretation and translation, in particular speed and cost-effectiveness, such tech may fail to capture the subtleties and cultural nuances as accurately as a human translator might.<sup>29</sup>

More widely in the courts, the government has been interrogating the use of computer evidence in the criminal justice system, to prevent future miscarriages of justice following the Post Office Horizon scandal. In our response to this call for evidence, we recommended the government should consider applying similar safeguards to computer evidence used in civil cases as well, to prevent different standards of computer evidence being brought to proceedings. AI and genAI outputs also need to be carefully considered within the scope of computer

<sup>26</sup> The value chain 'illustrates progression from the foundational elements required to build generative AI models, through to the hardware, platforms and infrastructure that support their deployment, and finally to the application and services that utilise these models to create real-world solutions.' InclusionCloud.

<sup>27</sup> JUSTICE, *AI in Our Justice System*, 2025.

<sup>28</sup> YouGov for the Law Society and Legal Services Board, *Legal Needs of Individuals in England and Wales*, 2023.

<sup>29</sup> House of Lords Public Services Committee, *Oral evidence: Interpreting and Translation Services in the Courts*, 23 October 2024.



evidence. Any changes to the law on computer evidence should align with existing regulation, industry best practice and automated decision-making transparency requirements.

The government should also act as a convenor for meaningful collaboration between the legal sector and the technology industry to address access to justice barriers. We are pleased the government has provided further funding of £1.5 million for LawtechUK to support digital transformation in the legal sector for another year.<sup>30</sup> Investment in this work will benefit the government's growth agenda as well as consumer choice and confidence, given that legal services support businesses to grow and thrive, securing more jobs and better livelihoods for our communities.

## Recommendations for the government:

1. To enable access to justice that is fit for purpose in the 21st century, the government should prioritise addressing people's needs through technology-enabled justice. This is to ensure that technologically enabled solutions serve individuals and their unmet legal needs through a dynamic and open lawtech and justice technology market, safeguarded by regulation
2. Legal regulators need to assess the supply and value chain of AI tools ensuring that at each stage, vendors and practitioners understand consumer needs and impacts on them and adhere to the regulatory frameworks in place including protecting and promoting consumer rights
3. The government should play a key role in facilitating collaborative opportunities and fora for solicitors, individuals, and technology vendors to help address different stakeholder expectations, identify knowledge and opportunity gaps and support access to justice

<sup>30</sup> Legal IT Insider, 2025.

# 3 A sustainable civil legal aid system

Civil legal aid is a pillar of our public services. It levels the playing field for people facing an uphill struggle to pay for legal advice and representation. Yet cuts over many years mean the legal aid system is creaking under pressure. Changes to and investment in legal aid will help create a more sustainable, accessible system for us all.

In 2023 the then government began a long-overdue review into the sustainability of civil legal aid. The Law Society submitted substantial evidence to the Review of Civil Legal Aid, outlining the difficulties legal aid solicitors face in providing these vital services.<sup>31</sup> Due to reductions in legal aid funding, there are significant advice deserts across England and Wales where people cannot access legal aid. For example, nine in 10 provider do not have access to a local legal aid provider for education matters and four in 10 do not have a housing legal aid provider in their local area.<sup>32</sup>

Legal aid fees for solicitors have not increased since 1996 and in 2011 were cut by 10%. Conversely, according to inflation data, typical costs have increased 95% since 1996 and by 40% since 2011.<sup>33</sup> It is incredibly challenging for firms to deliver legal aid work at such low costs and in the face of the often onerous and bureaucratic Legal Aid Agency systems. Government underinvestment has led to a crisis in the legal aid system, which our communities rely upon for support with legal disputes, such as with landlords and employers.

As part of our evidence submission to the government's Review of Civil Legal Aid, we commissioned an in-depth study by Frontier Economics to explore the financial pressures facing civil legal aid providers.<sup>34</sup> This research found that:

- 82% of legal aid providers sampled were making a loss on civil legal aid work
- all housing legal aid providers in the sample were loss-making from their civil legal aid work. In most cases (77%), housing legal aid provider fee earners were not even able to recover the cost of their own salaries
- the number of civil legal aid providers in England and Wales has reduced by 19% in the last five years

Our submission and engagement with the review was influential. The Ministry of Justice originally excluded consideration of legal aid fees from the review but the government announced in January 2025 that it was proposing to increase rates for legal aid work in housing and immigration by 24% and 30% respectively. This represents the first uplift in civil legal aid fees for nearly 30 years.

<sup>31</sup> The Law Society, [Civil legal aid](#), final submission in February 2024.

<sup>32</sup> The Law Society, [Legal Aid Deserts](#), 2024.

<sup>33</sup> The Law Society, [Civil Legal Aid: Sustainability Research](#), 2024. The Law Society analysis, 2025.

<sup>34</sup> Frontier Economics, [Research on the sustainability of civil legal aid](#), 2024. The Law Society analysis, 2025.

This announcement is a welcome step, but there remains further work to do to ensure the long-term sustainability of the civil legal aid system. The government admits its proposed increase will still leave a quarter of housing legal aid providers making a loss if they continue to try to help people who desperately need advice.

A 95% increase in legal aid fees would be needed to restore fees to the 1996 levels in real terms.<sup>35</sup>

The underfunding of civil legal aid denies us a vital public service. The Law Society's submission to the consultation on housing and immigration fee increases in March 2025 highlighted our long-standing recommendation to introduce a mechanism to regularly review legal aid fees, potentially via an independent review body, given any benefits of the current increase may soon be eroded by inflation.<sup>36</sup>

More broadly, we have supported and welcomed greater flexibility in tendering for legal aid contracts and the move from three to five-year contract cycles to an 'always on' approach. This enables firms to obtain civil legal aid contracts at any time and significantly reduces the time between tendering for and starting contracts. These changes should help improve the running of legal aid and better serve the public's needs. However, a key challenge that must still be addressed is the need to improve trust between legal aid practitioners and commissioners at the Legal Aid Agency (LAA). Legal aid practitioners report that they feel they are not trusted by the LAA, that they are subjected to micromanagement and scrutiny even when they have a good record and that the LAA adopts a transactional approach to the relationship.

## Exploring the Netherlands 'high trust' model

To explore international comparisons of delivering and commissioning legal aid, we commissioned a scoping study of legal aid in the Netherlands. As part of the Review of Civil Legal Aid, the Ministry of Justice indicated interest in the 'high trust' model developed to deliver legal aid in the Netherlands. We are pleased to publish this study, *High Trust Legal Aid*, undertaken by Vicky Ling, an experienced legal aid consultant and former member of the Civil Justice Council, alongside this report.

The Dutch legal aid system consists of three tiers. There is a preliminary state operated first and second tier of services, with online, telephone and face-to-face services provided at Legal Services Counters. The counters offer information on legislation and legal procedures as well as giving advice. The third tier of representation and more complex advice is then delivered by private practice lawyers. There are 30 Legal Services Counter offices and 13 services points around the Netherlands, providing local support and advice. This initial service is provided free of charge and without a means test. The more complex cases that require representation from private practice lawyers are means tested. Over 36% of the Dutch population qualify for legal aid. There is also greater reliance on individual legal expenses insurance to fund cases in the Netherlands.

For the complex cases that private practice lawyers undertake, the Dutch Legal Aid Board uses a 'high trust' method for commissioning services. The intention behind this process was to create a more collaborative and less transactional approach to contracting for services. Solicitors operating under the high trust model are required to demonstrate greater compliance with Dutch Legal Aid Board procedures and in return, application requirements are streamlined for trusted providers and it takes less time for them to receive verification. First piloted in 2009, by 2021 82% of applications were made by firms in the high trust scheme.

Drawing on feedback from the Dutch Legal Aid Board and focus groups conducted with legal aid practitioners in England and Wales, the *High Trust Legal Aid* research has provided an assessment

of the Dutch model in comparison to contract management by the Legal Aid Agency (LAA) in England and Wales. The research identified the 'fundamental need to improve the level of trust' between practitioners and the LAA before 'high trust' features of the Netherlands model could be adopted in England and Wales.

The development of trust between legal aid commissioners and practitioners is essential. One issue raised by legal aid practitioners in focus groups is that they feel unable to rely on advice received from LAA staff, as they can receive conflicting advice from different staff, or later be told advice was incorrect and be required to make a repayment and/or be served with a contract notice. This damages trust. In the Netherlands, advice given by Dutch Legal Aid Board staff is binding on the Legal Aid Board, providing reassurance to providers.

Several further practical steps are proposed in the *High Trust Legal Aid* study to shift the dial on the relationship between the LAA and practitioners, including:

- recognition by the LAA that most providers want to and do get processes right, so systems should be designed around the majority
- collectively assessing needs for legal aid services, designing services to meet those needs and working together on implementation
- ensuring practitioners are involved from an early stage in the design of all LAA systems from inception to delivery and business as usual
- ensuring that all LAA staff have the right level knowledge to deal with provider queries and will escalate to specialist colleagues where necessary
- investing to modernise LAA digital systems
- using an annual provider survey to measure progress towards a more trusting relationship

The study drew on comparisons to the NHS moving away from the usual commissioning cycle of planning, purchasing and monitoring services, to an enhanced collaborative and horizontal

approach to assessing population needs and designing services to meet those needs. Legal aid practitioners interviewed for the research would welcome greater points of contact between the LAA and practitioners to foster personal relationships and increase trust. The LAA could, for example, adopt an explicit commitment to improve perceived trust by providers through a key performance indicator, using an annual provider survey to measure progress.

In addition, under the Netherlands model, the means test is carried out by the Dutch Legal Aid Board. Legal aid practitioners in England and Wales responded positively to this element of the Dutch system, subject to the relevant safeguards being in place. Means test evidence requirements are complex in England and Wales and errors may result in financial penalties for firms. There have been some positive steps taken recently by the LAA to address this, such as a new scheme for more direct involvement in evidence gathering from self-employed clients. To build on this, it would be helpful if providers could easily obtain guidance and confirmation of accuracy from the LAA at the point of collecting evidence of eligibility, for work such as giving legal advice to clients and assistance not involving court proceedings (controlled work). The LAA should introduce a means test 'check' email service and dedicated telephone line to enable practitioners to check that decisions on the financial eligibility of cases are correct.

We also urge the government to make the necessary investments to modernise the LAA's outdated IT systems. The system is antiquated and impedes many proposals for legal aid reform. Indeed, the Ministry of Justice, in its review of the legal aid means test, said its proposed changes to the means test 'require a significant set of changes for the Legal Aid Agency's (LAA) digital systems'.<sup>37</sup> Investing in and modernising these systems will help create efficiencies for both legal aid providers and LAA staff. The recent cyber-attack in April 2025 on the LAA's online digital services, in which the group responsible is thought to have accessed and downloaded a significant amount of personal data, has demonstrated the need for investment to bring the LAA's IT system up to date and ensure the public have continued trust in the justice system.<sup>38</sup>

<sup>37</sup> Ministry of Justice, *Government response to legal aid means test review*, 2023.

<sup>38</sup> Legal Aid Agency and Ministry of Justice, *Legal Aid Agency data breach*, 19 May 2025.

## Co-located services and partnerships with the advice sector

Our green paper and interim report identified the potential of co-located legal and health services to enhance existing civil legal aid provision. Co-located services have the benefit of people only needing to explain their needs and story once at the 'one stop shop'. The Law Society's Legal Needs Survey illustrates that people frequently turn to their doctors first with legal problems, meaning a health-justice agency partnership makes good practical sense. 10% of those surveyed reported that their main adviser for handling a contentious issue was a doctor, the second most common choice after a solicitor (19%).<sup>39</sup>

The Ministry of Justice has also recognised the opportunity of co-location and has provided funding for a pilot project, the Flourish Wellbeing Hub in the Wirral. The hub opened in 2022 as a collaboration between local charities, including Citizens Advice Wirral. A final government-led evaluation of the Wirral pilot was originally scheduled for autumn 2024 but remains to be published. Whilst co-located services have clear value in offering a more human-centred approach, such services must also be able to offer a seamless interface between legal support and specialist legal advice to ensure a smooth,

joined-up journey for users and allow co-located service staff to refer to specialist local legal advice provision. The partnerships between legal aid solicitors and advice sector professionals are crucial to the success of co-located services. Such services will only work where civil legal aid services are properly resourced to ensure users get the local specialist advice they require.

The Ministry of Justice's new Legal Support Strategy Delivery Group – which convenes the advice sector, the Law Society and other stakeholders – aims to improve legal support through grant funding and partnership between relevant stakeholders. Whilst the terms of reference specifically exclude legal aid services, the Ministry of Justice has acknowledged the need for a holistic approach which includes the ability to make effective referrals from advice services to legal aid providers. Recognising the importance of specialist legal advice provided under legal aid is vital for delivering effective services to communities.

The philosophy of partnership working between health and justice agencies, and the role of specialist legal advice in such models, is demonstrated well by the health-justice partnership (HJP) between the Central England Law Centre and local Primary Care Network.



<sup>39</sup> YouGov for the Law Society and Legal Services Board, [Legal Needs of Individuals in England and Wales](#), 2023.

## Case study: Central England Law Centre Health-Justice Partnership

**Central England Law Centre at Coventry is the lead agency for a number of HJPs that operate in the Coventry and Nuneaton areas with funding assistance from the Coventry and Warwickshire Integrated Care Board.**

Whilst each project has its own specific arrangements, the basic model is that the Law Centre works with primary care providers who offer 'social prescribing'. This involves prescribing non-medical solutions for problems that impact negatively on a patient's health, which can include legal problems.

The Law Centre employs a triage officer who considers referrals from the social prescribers and is able to refer them either for general advice that can be offered by other providers or specialist legal advice provided by the Law Centre. The main areas covered are housing and welfare benefits; but the scheme also includes family, immigration, community care and employment law. This model allows the Law Centre to provide holistic solutions as it

can identify problem clusters which often lie behind the initial problem the client presents with.

Over 400 patients have been referred by Coventry GP practices since May 2023 and data collected so far indicates that around 50% of patients referred to the HJP have fewer subsequent GP appointments than those who have not, so reducing demand on the NHS. Overall, around 46% of clients have required specialist debt or legal advice and casework, which demonstrates the importance of being able to offer specialist legal advice alongside generalist advice and offers valuable insights into legal need within the project's catchment area. Moreover 97% of patients surveyed reported a positive impact on their mental or physical health.

## Remote provision of civil legal aid advice

We have also explored how greater flexibility to deliver civil legal aid advice by phone and online may support more people to access justice. In our interim report we highlighted that some people may prefer the convenience of remote services, particularly if they live in remote areas where transport is expensive or limited, or if they have caring responsibilities, mobility issues, or difficulties travelling for other reasons.

As part of the consultation on legal aid fee increases, the Ministry of Justice is also considering removing the current contractual requirement on civil legal aid providers to limit remote advice to 50% of clients. The Law Society welcomes

this proposal. In our consultation response, we highlighted that the 50% limit is arbitrary and creates logistical problems for providers seeking to plan over a 12-month period as client demand can vary.<sup>40</sup> People will have different preferences for how they access legal aid advice. Some will prefer remote provision, while others will require face-to-face advice, either because they cannot access remote advice or would benefit more from face-to-face support due to the complexity or sensitivity of their case. Such decisions on how services are provided should be determined by genuine client choice and professional discretion.

Clients should not be forced into online only services due to lack of funding and resources.

<sup>40</sup> The Law Society, [Civil legal aid](#), 2025.

## Recommendations for the government:

As highlighted earlier, the Netherlands legal aid model provides a holistic online and face-to-face service at the early advice stage. This service is provided universally and free of charge. It ensures that online and telephone provision is supported by easy access to face-to-face services. Law Society research has illustrated a statistical link between getting early legal advice and resolving problems sooner.

People who do not receive early advice are 20% less likely than average to have had their issue resolved.<sup>41</sup>

There is presently limited and fragmented access to legal aid for early advice in England and Wales, reducing the possibility of early problem resolution. The government should widen access to legal aid for early advice creating a seamless process of legal aid provision. Services should be designed in response to client needs, whether that be face-to-face, co-located or online.

**1. Development of trust between legal aid commissioners and practitioners** – the government should prioritise improving levels of trust between the LAA and legal aid practitioners. This is necessary before a ‘high trust’ model like the Netherlands model can be considered for England & Wales

- proposals for measures to increase trust, encourage a more collaborative approach and streamline legal aid processes can be found in the [High Trust Legal Aid](#) report

**2. Regular fee increases** – The government should regularly update civil legal aid fees with inflation and establish an independent legal aid fees review body to periodically review fees to ensure they achieve and maintain sustainability

**3. Simpler legal aid processes** – The LAA should introduce a means test ‘check’ email service and dedicated telephone line to enable practitioners to check decisions on the financial eligibility of cases are correct

**4. Simpler contracts** – the LAA should continue working with practitioners to remove unnecessary complexity from existing contracts

# 4 Maximising the potential of ombudsman schemes to deliver access to justice

Ombuds services help people to resolve disputes with businesses or public bodies. The ombuds sector has the potential to act as a gold standard for out-of-court dispute resolution, adopting different dispute resolution techniques to fit the circumstances and seeking a fair outcome for all parties.

Ombuds can play a key role in ensuring greater access to justice, as they are free to access, they can use a range of techniques to resolve different issues, and they are designed to be simple to use for a layperson. However, currently there are a plethora of ombuds based on a sectoral structure, and it is not always clear which ombudsman someone should turn to for help.

There are currently around 22 ombudsman schemes in the UK.<sup>42</sup>

In some sectors, there can be considerable overlap. For instance, the Housing Ombudsman Service handled 26,000 complaints in 2021-22, but it also signposted 6,500 people to other services because the complaint was outside their remit. Of these, nearly half (48%) were signposted to either the Local Government and Social Care Ombudsman or the Property Ombudsman.<sup>43</sup>

This fragmented landscape makes it difficult for people already facing an uphill struggle for redress and justice. In 2013, the then-Legal Ombudsman Adam Sampson warned that the

UK’s ombuds landscape was a ‘mess’ where overlaps are common and gaps ubiquitous.<sup>44</sup> Dr Richard Kirkham of the University of Sheffield has previously warned that these overlaps can lead to ‘claimant fatigue’ whereby people ‘can get a bit lost and disillusioned’ and may ‘feel like [they] complain at one level, get rejected, so go up to the next level and eventually get to an ombuds’.<sup>45</sup> We welcome efforts by the Ombudsman Association to map the ombuds landscape and the creation of the resource ‘A Guide to Ombudsman Offices in the UK’.

The ombuds landscape in England and Wales needs to be reformed and rationalised by amalgamating services in the same sector, enhancing enforcement and investigation powers, and improving access for SMEs to ombuds services. This could reduce burdens on the courts by resolving issues effectively at an earlier stage, before disputes are brought to court, as well as improving people’s experiences of this public service and ensuring decision-makers are held to account when things go wrong.

In our interim report we recommended a new government should give the Ministry of Justice the lead for ombuds policy across government to provide one point of oversight and drive

<sup>42</sup> Ombudsman Association, [Find An Ombudsman](#).

<sup>43</sup> Housing Ombudsman, [Annual Report and Accounts 2021-22](#), 2023.

<sup>44</sup> [The Guardian](#), 2013.

<sup>45</sup> Joint Committee on Human Rights, 2023.

<sup>41</sup> Law Society and Ipsos-MORI, 2018.

forward reform of the sector from an access to justice perspective. The identification of a lead government department for ombuds policy is particularly important given the creation of new ombuds – such as the upcoming Private Rented Sector Ombudsman – and a drive from central government to review the number of public bodies to reduce public spending.<sup>46</sup> It is important that, as part of these efforts, consumer protections are not lost. As highlighted on page 13, we believe there is a gap in current protections for people using online dispute resolution providers and we recommend this be filled via the ombuds sector.

The Law Society supports the principles for more joined up ombudsman services as set out in the Parliamentary and Health Service Ombudsman's (PHSO) call for a single new Public Service Ombudsman (PSO).<sup>47</sup> Reform could also take the form of a single ombudsman for every major area of public life, or where there is high risk of consumer detriment and a lack of alternative redress. This will ensure that people have a single, simple route to raising a complaint. Even in advance of significant structural change, increased joined up working and own initiative investigatory powers are needed to achieve a step change in ombuds effectiveness, and improved outcomes for consumers. This would be in line with public sector ombuds in Scotland and Northern Ireland. Such ombuds have 'own initiative' powers of investigation, allowing them to start an investigation without having received a specific complaint. In our interim report we also explored the benefits of greater join-up between ombuds and the courts, such as by allowing tribunals to refer complaints to the relevant ombudsman service. Both these steps could help the ombuds sector to more efficiently investigate in addition to addressing systemic issues and enhancing accountability of service providers.

While it is hoped these reforms would create easier and quicker routes to resolve complaints and address systemic issues, as well as improving access to justice and outcomes for consumers, there is also the potential to save public money with these proposals. Merging various ombuds and enhancing their enforcement and investigatory powers would have minimal upfront costs but would achieve significant downstream savings over time. Economic modelling predicted a saving of £9m per year once a new Public Services Ombudsman was fully established, with savings of at least £40m per annum through improvements in frontline public services driven by the new ombudsman.<sup>48</sup>

The Law Society continues to support the ombuds sector as a route to expanding access to justice, but it is important that complainants are not discouraged by unnecessary barriers which delay effective redress. Reforms proposed by the sector should be carefully considered by government. This includes the proposal to remove the MP filter for Parliamentary and Health Service Ombudsman referrals. This requirement means that people in dispute with government departments must first persuade their MP to refer their complaint before the Ombudsman can investigate. Whilst people bringing complaints relating to the Victims Code no longer need an MP referral, the MP filter remains for other cases. This acts as a barrier to justice – 86% of people turned away from the Ombudsman for not having an MP referral will never return and give up on their complaint.<sup>49</sup>

## Recommendations for the government:

1. The government should rationalise the ombuds landscape to reduce overlap and make it easier for users to navigate. This could take the form of a single ombudsman for every major area of public life, or where there is high risk of consumer detriment and a lack of alternative redress
2. The government should reform access to ombuds services and their delegated powers, including:
  - removing the MP access filter for Parliamentary and Health Service Ombudsman referrals
  - empowering ombuds schemes to undertake 'own initiative' investigations
  - allowing SMEs access to ombuds in energy and telecoms sectors, as has already happened with the Financial Ombudsman Service, to enhance small businesses' access to effective redress
  - increasing join-up between ombuds, courts and tribunals
  - ensuring all ombuds services' recommendations are followed by companies and public agencies
  - giving the Ministry of Justice the lead for ombuds policy in government



<sup>46</sup> BBC News, 2025.

<sup>47</sup> Parliamentary and Health Service Ombudsman, [Ombudsman reform: Improving access to justice](#), 2023.

<sup>48</sup> Social Finance, [PHSO – Value of Reform](#), 2023.

<sup>49</sup> Ombudsman Association, 2025.

# 5 Addressing the risks and opportunities of unbundled legal services

Solicitors typically offer legal services on a full retainer, handling all aspects of a case from initial instruction to conclusion. ‘Unbundled’ legal services differ as consumers who are willing take on some work traditionally undertaken by a solicitor. Given the reduction in eligibility for legal aid and legal costs being seen as too high by some, unbundling may play a role in enabling access to justice as it offers the potential to provide a lower cost option. However, it is not without its risks for the client and solicitor.

Estimates suggest that the proportion of legal services consumers choosing to use an unbundled service has increased in recent years, reaching an estimated 19% in 2023.<sup>50</sup> To better understand the risks and opportunities of unbundled legal services, we consulted with Law Society members and stakeholders throughout the project, and conducted additional research with solicitors delivering unbundled legal services.<sup>51</sup> This engagement highlighted a range of views on unbundling.

## The advantages are that:

- it can help more people to access justice from a regulated service provider who may otherwise have been unable to pay for a full legal service, or who may have turned to an unregulated online dispute resolution provider, for which there is no protection or redress if the consumer is not happy with the service provided
- it improves cash flow for firms through faster payments and an increased client base

## The disadvantages are:

- it is difficult to develop a limited retainer precise and effective enough to delineate the work of the client and solicitor which gives rise to the potential for ‘scope creep’
- there are concerns that solicitors could be held liable for work outside retainer agreement, given recent court decisions that have found solicitors liable for work that was not on the face of it within the scope of the retainer agreement with the clients<sup>52</sup>
- it can be unclear whether professional indemnity insurance covers unbundled work, and potential negligence claims brought by clients
- there are concerns that unbundled services may not deliver positive outcomes for clients who may lack the skills to fulfil their role within the process, potentially leading to further disputes

There has been appetite from regulators and the previous government to position unbundled legal services as an access to justice solution for consumers who cannot afford legal fees, but who are not eligible for legal aid. For example, a recent report on access to justice for the Legal Services Consumer Panel and Legal Services Board recommended frontline regulators work with the insurance sector to review professional indemnity insurance cover to identify and remove any regulatory barriers that impede access to justice.<sup>53</sup> Further work is required from government to assess the concerns and considerations highlighted in our research if such efforts are to continue.

Our research also highlighted some confusion about what unbundled legal services entail, and whether firms were delivering them or not. As part of our engagement with the insurance industry regarding professional indemnity insurance (PII), it became clear that some PII insurers also held similar concerns. Some insurers were uncertain about whether firms they provided insurance for delivered unbundled services, and if so, how any attendant risks should be priced. Our research, although based on a small sample, suggested that a third of firms that said they were providing unbundled services had informed their insurer. It is likely that due to this lack of clarity, insurance underwriters are unable to price risks accordingly as they lack the data to assess the specific risk. The costs of insuring unbundled work are therefore potentially being born by solicitors across the profession, rather than those firms that are offering unbundled services.

As a result of these insights, we identified a targeted approach to our work on unbundling to develop a mutually agreed definition of unbundled legal services with the insurance industry. This pragmatic approach recognises that some legal firms, such as those practising in family and employment law, are routinely providing unbundled services and that confusion and uncertainty are to the benefit of neither the legal profession nor consumers seeking legal help at a lower cost.

Together with the SRA and the International Underwriting Association (IUA), which represents participating insurers, we have progressed towards a commonly agreed plain-language definition. This involved a review of existing definitions used across the legal sector to explain unbundled services, and a review of case law on the scope of a limited retainer, to identify the key elements for a workable, comprehensive definition. We assessed the principles applied to limited retainers by the courts in decisions such as *Minkin v Landsberg* [2015] EWCA (Civ) 1152 and *Dennning v Greenhalgh Financial Services* [2021] EWHC 143 (QB). This review suggested that key components of unbundled services relate to agreement between solicitor and client on the division of work and on which tasks are to be performed by whom.

We expect the definition will be agreed in summer 2025, after careful review and consideration of the workability of the definition by different stakeholders. Once agreed, a definition could be used by participating PII insurers in their proposal forms, to identify firms that provide unbundled services, and price their policies accordingly. This may help make the costs, risks and responsibilities for both consumers and practitioners engaged in unbundling more transparent, to the benefit of all. In addition, more effective identification of firms delivering unbundled services can help to build a better picture of the scale of unbundling across England and Wales and help identify scope for improvements that could make unbundling a more feasible option.

<sup>50</sup> Legal Services Consumer Panel Tracker Survey 2023, March 2023.

<sup>51</sup> Mustard Research, [Qualitative research with firms who practice unbundling](#), 2024.

<sup>52</sup> For example, *Padden v Bevan Ashford Solicitors* [2011], *Sequence Properties Limited v Kunal Baiwambhal Patel* [2016] EWHC 1434, and *Lewis v Cunningtons Solicitors* [2023] EWHC 822 (KB).

As part of this work, the Law Society and SRA also considered alternative terminology to describe unbundled services, thinking particularly about building consumer understanding of what unbundling entails. Suggestions have included 'pay as you go' legal services, 'targeted legal services', and 'professionally assisted legal services'. Further work would be required across the legal and consumer sectors to implement a meaningful change in terminology which leads to an increase in consumer understanding. The Law Society is also in discussions with the IUA and SRA about potentially producing guidance for practitioners on unbundling to help them understand the benefits and risks, including the clarity and transparency needed for consumers who choose unbundled services.

## Recommendations for the legal sector

1. The legal sector, legal regulators, insurance industry, and consumers should build a greater understanding of what unbundled legal services involve, and the benefits and risks
2. The SRA should take steps to collate data on which firms deliver unbundled services and provide clear guidance on the opportunities and risks for consumers and firms



# 6 Legal expenses insurance that works better for consumers

Around 14 million people have some form of legal expenses insurance – a type of insurance which could be used to help pay legal fees.<sup>54</sup> But very few people ever claim on their policies.<sup>55</sup> Our work on legal expenses insurance has focused on existing policyholders and empowering them to make informed choices about how their insurance could assist them in accessing legal support.

As part of our research, we identified that many consumers are unaware that they may hold a before-the-event Legal Expenses Insurance (LEI) policy. These policies can be part of other insurance policies, such as home or car insurance, or bought as a standalone insurance policy. An estimated 29% of adults in the UK hold an LEI policy, according to the Financial Conduct Authority (FCA).<sup>56</sup>

However, research for the Legal Services Board has highlighted that many people have little understanding of legal expenses insurance and how to use it. Research we conducted with solicitors in January 2024 found that 41% believed that client awareness and understanding was the main barrier to better use of legal expense insurance.<sup>57</sup>

As LEI can be a standard feature of home insurance, or other common types of insurance, many policyholders may not know they have a policy.<sup>58</sup>

An important first step is therefore to help raise awareness among those who already have LEI, to ensure people are informed of all the options available to them. The Law Society does not propose to advocate for or against the use of LEI more generally, partially due to the potential that significant increases or decreases in purchase of LEI products could lead to a change in the availability and cost of these policies.

The potential for LEI to support policy efforts to widen access to justice is currently under consideration by legal regulators and advisory bodies. The recent report for the Legal Services Consumer Panel and Legal Services Board, 'Regulatory Leadership of Access to Justice', recommended frontline regulators, facilitated by the Legal Services Board, work with the insurance industry to explore the feasibility of an expansion of the legal expenses insurance market and its potential to impact unmet legal needs<sup>59</sup>. Similarly, the Civil Justice Council has conducted a review of litigation funding and has considered access to justice and elements on LEI as part of this<sup>60</sup>. The Council delivered its final report in June 2025. We look forward to seeing the government's

<sup>54</sup> Based on an estimation that 29% of UK adults hold an LEI policy (Financial Conduct Authority, [Financial Lives 2020 survey](#), 2021), and ONS [2023 Population Estimates](#) for population aged 18 and over.

<sup>55</sup> Data on claims accepted by LEI providers; Financial Conduct Authority, [General Insurance value measures data 2022](#), 2023.

<sup>56</sup> Financial Conduct Authority, [Financial Lives 2020 survey](#), 2021.

<sup>57</sup> Law Society Insights Community, 2024.

<sup>58</sup> Community Research for Legal Services Board, [Legal expenses insurance](#), 2021.

<sup>59</sup> Curran, Liz, [Regulatory Leadership on Access to Justice](#).

<sup>60</sup> Courts and Tribunals Judiciary, [Civil Justice Council review of litigation funding](#).

consideration of the recommendations as presented by the Council, as well as future activity by legal regulators.

Our focus on awareness for existing policyholders aligned well with new standards introduced by the FCA in July 2023. The new consumer duty sets a higher standard of consumer protection in financial services, requiring companies to put their customers' needs first. This includes ensuring that customers understand the products they have purchased.<sup>61</sup> In addition, research commissioned by the Legal Services Board concluded that it may be helpful to highlight to consumers that LEI products can also include access to resources such as legal document templates and legal helplines delivered by panel solicitors, and others with legal expertise, on behalf of LEI insurers.<sup>62</sup> We agree that information on these resources, and on how legal expenses insurances works, could be more readily available to existing policyholders.

To achieve this, the Law Society and the Association of Consumer Support Organisations convened leading stakeholders in the legal expenses insurance and broader insurance industry to form an Industry Information Sharing Group in 2025. The industry group aimed to deepen our understanding of the benefits and drawbacks of LEI, how such insurance products can assist individuals or small businesses who may need legal assistance and how LEI providers are complying with the new consumer duty. The industry group provided vital insight into the customer journey for individuals and businesses who are current holders of a before-the-event LEI policy.

Using these insights, the Law Society is developing **guidance for consumers**<sup>63</sup> on the background, workings and best practice of before-the-event legal expenses insurance. This aims to provide a trusted source of neutral, impartial information on how someone might go about becoming aware of any potential LEI policy they may have, and how that policy could potentially help them to access justice. The guidance signposts to other trusted sources and draws attention to the potential utility of LEI

legal helplines which can serve as an invaluable source of information to a consumer who may not be sure of which steps to take when they encounter an issue.

As well as the FCA's new consumer duty, we also explored with the industry group the potential for the FCA to add data on LEI helpline use and outcomes to its 'value measures'. This could help build evidence on how helplines included in LEI products are delivering for consumers and to better understand gaps in provision. However, it was deemed unlikely that such data would be frequently used or engaged with by most consumers.

In addition to the consumer guidance, we identified an opportunity to better support our members to hold conversations with prospective clients about whether they hold an existing LEI policy. Our past research with members explored how solicitors communicate the potential availability of LEI to clients:

- 57% communicate in writing
- 25% via verbal communication
- 15% said they do not raise it unless clients ask<sup>64</sup>

To support solicitors to have more proactive conversations with prospective clients about LEI policies they may hold, we are updating the Law Society practice note on **Client Information Requirements** to make explicit reference to LEI.

Whilst Legal Ombudsman guidance is clear that solicitors should discuss LEI with clients, and the SRA Codes of Conduct outlines expectations for solicitors to ensure clients are 'in a position to make informed decisions about... the options available to them' and understand likely overall costs,<sup>65</sup> that guidance does not provide detail on what such conversations should entail. Our newly updated practice note therefore will provide relevant information on solicitors' obligations to discuss LEI with clients. This should always be included in the initial conversation between the solicitor and their prospective client, to ensure the client is aware of all potential options available to them for funding their legal case if it has merit.

<sup>61</sup> Financial Conduct Authority, *Consumer Duty: Firms*, 2023.  
<sup>62</sup> Community Research for Legal Services Board.

<sup>63</sup> More details can be found at: [www.lawsociety.org.uk/21stcenturyjustice](http://www.lawsociety.org.uk/21stcenturyjustice).

<sup>64</sup> Law Society Insights Community, 2024.  
<sup>65</sup> Solicitors Regulation Authority Code of Conduct for Solicitors, RELs and RFLs section 8.6-8.7 and Code of Conduct for Firms section 71(C)

Our practice note also provides detail of case law and instances where solicitors have been found negligent for not making inquiries about LEI.

## Recommendations for the legal sector

1. Solicitors should routinely ask their clients if they hold an existing legal expenses insurance policy, as a potential option for meeting legal costs
2. The sector should contribute to wider efforts to increase awareness and understanding of before-the-event legal expenses insurance products among existing policyholders, alongside the insurance industry, consumer support organisations and others.

## Conclusion

**A modern, accessible civil justice system supports us all when we face an uphill struggle for justice. It can mean the difference between a home and homelessness; survival or collapse for small businesses; or it can help level the playing field between employers and people experiencing discrimination at work.**

Investing in and protecting our civil justice system will restore what our communities need to prosper and will mean no one is priced out of seeking justice.

Together with our members and partners, we have analysed and examined options to widen access to justice in ways that are practical and low cost to government. This set of proposals sit in parallel with the need for sustained government investment in justice, to rebuild and safeguard all parts of the civil justice system. This investment will help to unlock further prosperity, create new jobs and support businesses to grow.

We are confident the variety of reforms and practice changes outlined in this report present

an opportunity for the government to start to deliver a civil justice system fit for the 21st century. One which brings shared benefits to our communities and in which legal professionals feel proud of their contributions.

The Law Society will promote these proposals and share widely with decision-makers. We welcome feedback and discussion on our ideas to continue envisioning a modern justice system fit to serve us all.

If you would like to get in touch, please contact [campaigns@lawsociety.org.uk](mailto:campaigns@lawsociety.org.uk)



# Acknowledgements

We are very grateful to the huge number of organisations and individuals that have contributed their time and expertise to supporting the 21st Century Justice project, whether this be responding to our green paper consultation or attending workshops and meetings. Thank you in particular to Law Society members, policy committees and elected members and staff who have engaged with the project.

## Advisory group

- Chair: Richard Atkinson, president of the Law Society
- Shruti Ajitsaria, partner and head of fuse at Allen and Overy
- Lola Bello, Legal Services Consumer Panel
- Edward Bird, chief executive of Solomonic
- Dr: Natalie Byrom, UCL Faculty of Laws
- David Cox, legal and compliance director at Rightmove
- Lucy Dennett OBE, director of policy at the Law Society
- Brett Dixon, deputy vice president of the Law Society
- Rebecca Hilsenrath KC (Hon), Parliamentary and Health Service Ombudsman
- Sue James, chief executive of the Legal Action Group
- Alexandra Lennox, legal transformation advisor at Orbital
- Jelena Lentzos, head of strategy and policy at the Legal Services Board
- David McNeill, director of public affairs and campaigns at the Law Society
- Ashish Patel, justice programme head at Nuffield Foundation
- Matthew Pennington, chair of the UK Legaltech Association and director at Safe Capital
- Phil Robertson, director of policy at the Bar Council
- Fiona Rutherford, chief executive of JUSTICE
- Sir Ernest Ryder, master of Pembroke College, Oxford and former senior president of tribunals and Lord Justice of Appeal
- Neil Roberts, head of legal services at Which? at Which?
- Elisabetta Sciallis, principal policy adviser at Which?
- Kevin Williamson, director at the Housing Ombudsman and ombudsman at the Financial Ombudsman
- Yasmin Wajjee, lead of social impact practice and head of pro bono at Hogan Lovells
- Paul Wilson, policy director at the Federation of Small Businesses
- Stuart Whittle, partner and chief innovation and technology officer at Weightmans, and member of Legal IT Innovation Group Board
- Aleksandra Wawrzyszczuk, programme director, LawtechUK

## With warm thanks also to:

- Vicky Ling
- Dutch Legal Aid Board
- Association of Consumer Support Organisations
- Public First
- Mustard Research
- Community Research
- Social Finance
- International Underwriting Association
- Solicitors Regulation Authority

## Respondents to green paper consultation:

- Association of Personal Injury Lawyers
- City of London Law Society
- Civil Court Users Association
- Costs Lawyer Standards Board
- Dispute Resolution Ombudsman
- Disputes E-filing.com
- Dr. Liz Curran, Nottingham Law School
- Forum of Insurance Lawyers
- Independent Betting Adjudication Service (Gambling Dispute Resolution)
- Jonathan Wheeler (member, Law Society Civil Justice Committee)
- Junior Lawyers Division
- Legal Services Consumer Panel
- Liverpool Law Society (Access to Justice Committee, Civil Litigation Committee and Family Law Committee)
- Manchester Law Society (Civil Litigation Committee)
- Ombudsman Association
- Property Ombudsman
- Richard Owen (Chair, Law Society Access to Justice Committee)
- Sue Bramell (Law Society Leadership and Management Section Committee)
- UNISON
- Valla
- Young Legal Aid Lawyers

## Members of policy working groups not otherwise listed previously, including:

- Citizens Advice
- Family Mediation Council
- Civil Mediation Council
- Law Centres Network
- Housing Law Practitioners' Association

## Members of the before-the-event Legal Expenses Insurance Industry Information Sharing Group:

- Admiral Insurance
- Allianz Insurance
- Arag Plc
- Arc Legal
- Lyons Davidson Solicitors
- Association of Consumer Support Organisations



## About the Law Society

The Law Society is the professional body for solicitors in England and Wales.

For 200 years, we've championed solicitors working in the public interest and their role in protecting rights and promoting justice.

We're here to support solicitors at every stage of their career and to advocate on the issues they've told us matter most, including the rule of law and access to justice.

[www.lawsociety.org.uk](http://www.lawsociety.org.uk)

**From:** [Sarah Gilbert](#)  
**Subject:** Office for Legal Complaints 2024/25 Annual Report and Accounts  
**Date:** 08 July 2025 17:54:29  
**Attachments:** [image001.png](#)

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## **Sent on behalf of Chief Ombudsman, Paul McFadden**

Good afternoon,

The Office for Legal Complaints (OLC) has today (8 July) published its [Annual Report and Accounts for 2024/25](#).

The Annual Report demonstrates how the Legal Ombudsman has maintained a positive momentum in delivering a substantially improved service – continuing to deliver high performance and resolve historically high numbers of complaints. Across the year LeO simultaneously invested in building the insight-sharing capability needed to make a positive, lasting difference in our sector – all against a backdrop of a substantial increase in demand for LeO’s services.

In 2024/25, the first year of the OLC’s 2024-27 Strategy, LeO:

- Handled 117,534 contacts, providing support and signposting to consumers and legal service providers.
- Received 10,447 new complaints from consumers unhappy with the legal service they had received.
- Resolved 8,270 complaints – 45% of all cases in under 90 days and with almost half of all complaints resolved through early resolution in an average of 53 days.
- Where assessed, found evidence of poor service in 69.5% of complaints, and poor complaints handling in 51.1%.
- Received 11.8% more cases for early resolution or in-depth investigation (core demand) than it took on in 2023/24.
- Continued to grow its learning and insight programme, including through the ongoing development of a model complaints resolution procedure for the sector, and the publication of a new ‘Spotlight’ series of insight articles.
- Was a diverse, inclusive and engaging place to work, with high proportions of employees from ethnic minority backgrounds and lower socio-economic backgrounds, who are connected with its purpose.

LeO is now partway through the second year of the OLC’s 2024–27 Strategy, which focuses on using LeO’s insight and experience to help deliver better legal services for consumers. This includes not only resolving complaints fairly but also helping to prevent them from arising in the first place. Against a backdrop of increasing demand, continued collaboration with the sector is critically important to



ensure LeO remains a strong voice for improvement.

A full copy of the annual report can be found [here](#).

If you would like to discuss anything in the report, please do not hesitate to get in touch.

Best wishes,

Paul McFadden

Paul McFadden  
**Chief Ombudsman**

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23 June 2025

Dear Paul,

### **Legal Ombudsman's Tailored Support programme**

As part of the Legal Ombudsman's ongoing strategic commitment to using its insight to help drive better legal services, I am pleased to inform you of the launch of a new programme of 'Tailored Support'. The initiative has been designed to identify service providers where we have seen a trend of poor complaints handling, and customer service issues. We will then support those service providers to address the issues and raise standards in how complaints are managed and resolved. I am writing to give you an overview of our plans.

High-quality service delivery and effective complaint handling are fundamental to maintaining public trust and confidence in the legal progression, and LeO is focused on ensuring our insight and experience supports continuous improvements across the sector. It's important to recognise that while we see examples of legal providers who demonstrate good practice, we know that more can be done to give service providers who need more support access to the right tools to improve.

The Tailored Support programme has been developed to provide bespoke support through constructive, practical assistance that reflects the specific needs of individual providers. To support this work, we have implemented a new framework to identify the service providers driving demand for LeO's services and at what stages of our process. The intention is to work directly with these firms to deliver sustainable improvements to how they manage their complaints and serve their customers.

### **Who will we be working with?**

Initially, the Tailored Support programme will work with a small group of individual service providers we have identified as having a high level of escalated complaints to LeO, and whom we believe would benefit from specific improvements to the way in which they deliver services or handle complaints. The aim is to ensure both an improved customer experience for the identified service provider's customers and a reduction in the number of cases being escalated to LeO requiring an in-depth investigation.

At present none of those service providers are regulated by you. We intend to start reaching out to service providers before the end of June; and will work with the first group for around 4

months, before we identify further service providers to work with. We will contact you if the next group of identified service providers includes any service providers regulated by you.

### **How will we work with the providers identified?**

Through the programme we aim to offer constructive, practical assistance that reflects the specific needs of individual providers. In the first instance we will reach out to each identified service provider to offer a discussion about what support we can offer in terms of first tier complaints handling and improving customer service.

Following this, we will work with the firm to develop an individual action plan aimed at increasing the number of complaints which can be resolved at first tier, or in cases where the complaint is escalated to LeO, resolved through one of our early resolution processes. Complaints resolved at early resolution benefit all parties – first and foremost customers, who receive a quicker resolution to their complaint. Where it is appropriate, early resolution also reduces the time and cost associated with taking a complaint to full investigation, and complaints resolved this way do not incur a case fee.

### **How we will engage with regulators**

Before reaching out to a service provider, we will contact you to ensure it is suitable to do so. In the event a service provider is not willing to participate in the Tailored Support programme, we will also keep you informed and may request support in encouraging the service provider to work with us.

We also propose to provide a bi-annual update of the work we have undertaken with each of your regulated firms, and the results we are seeing. We will also be providing an overview of the programme at the next Regulators Forum, to be held on 9 July 2025.

### **Next steps**

If you have any questions about the Tailored Support programme, please feel free to contact me directly. I am grateful of your ongoing support and look forward to working closely with you to help improve complaint handling across the legal services sector.

Best wishes,



Paul McFadden  
**Chief Ombudsman**

# Complaints Procedure Audit 2025

## Board report on outcomes

3 September 2025

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The annual audit of complaints procedures was carried out during July. This paper summarises the outcomes and future work arising from the audit.

### Outcomes summary

1. The complaints procedures of 14 Costs Lawyers were selected for audit in 2025:
  - a. 10 of them had complaints procedures noted as being non-compliant with the [Guidance Note on Complaints Procedures](#) when they submitted them with their application for a 2025 practising certificate. (1 of these had been previously audited, revised their complaints procedure, and then reverted to the original version.)
  - b. 2 were requested from Costs Lawyers working in SRA firms in line with the changes to the supervision framework last year.
  - c. 2 were the complaints procedures covering Costs Lawyers about whom we dealt with second tier complaints last year. These were both compliant, and were not sent an audit checklist.
2. At 27 August the responses from those sent an audit checklist were:
  - a. 2 – submitted revised procedures which now comply (down from 6 last year)
  - b. 1 – submitted revised procedures which require further changes to comply
  - c. 9 – acknowledged email (4 following chasing), but have not submitted revised procedures to date.
3. The table below shows how many of the 19 audited did not comply (or had out of date information) in each of the areas checked.

<b>Audit checklist – Number of procedures <i>not</i> complying with Guidance or out of date</b>		
1	State date effective or last updated	12
2	Be clear and simple with as few steps as possible	1
3	Identify the person to whom the complaint should be made	7
4	Be reasonable, fair, proportionate and responsive	1
5	Encourage complaints to be made as soon as possible, and set out the time limits for raising unresolved complaints with CLSB and the Legal Ombudsman	17
6	State clearly the timeframe for a complaint to be resolved	5

7	Advise that if the complainant is not satisfied with the outcome of the complaint under the complaints procedure, or the complaint has not been resolved within eight weeks, then the complainant has the right to refer a service complaint to the Legal Ombudsman, or refer a conduct complaint to the CLSB, and provide the timeframes for referral	10
8	Provide [correct] contact details for the Legal Ombudsman and CLSB	17

### Feedback from Costs Lawyers

4. Not all those audited are positive about the experience, but some do welcome it:

“That is very helpful and very much appreciated. I am disappointed that we have allowed this to happen and allowed our procedures to become out of date... I have immediately raised this internally and will ensure that this is rectified as a matter of urgency.”

### Future work

5. The revised complaints procedures for the 11 Costs Lawyers where a compliant procedure has not yet been seen will be checked after submission with applications for a 2026 practising certificate.
6. At this time the complaints procedures of all staff in organisations where a Costs Lawyer has been audited this year will also be checked, to ensure everyone is using the revised document.

### 2024 Complaints Procedure Audit – issues outstanding from last year’s Board Report

7. 16 Costs Lawyers were included in the 2024 audit, none of which were compliant with the requirements.
8. 6 of these submitted revised complaints procedures that were compliant during the audit. In March 2025 we confirmed that Costs Lawyers working in the same organisation submitted the new complaints procedure with their application for a 2025 practising certificate.
9. The procedures of the 10 Costs Lawyers (submitted with their applications for a 2025 practising certificate) who did not submit revised versions in 2024, were reviewed in March 2025.
10. 9 of these 10 Costs Lawyers submitted revised complaints procedures that are compliant with the guidelines, and used by all Costs Lawyers in their organisation.
11. 1 Costs Lawyer had not revised their complaints procedure, and had to be chased repeatedly to achieve a compliant procedure.

### **Future complaints procedure audits**

12. Since 2021 93 complaints procedures have moved to be compliant with the requirements as a result of our annual audits. Given the number of Costs Lawyers working in costs law firms this has impacted a large (but not calculated) proportion of Costs Lawyers working as sole practitioners and in costs law firms. With the inclusion of SRA firms from 2025 this impact will continue to extend.
13. Given that new supervision arrangements for dealing with consumers and client care letters will be introduced from 2026 we propose to reduce the number of complaints procedures audited in future years to 10, with 2 of those being SRA firms.