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# **Our commitment: focusing on good consumer outcomes**

Regulation aims to make a make a positive difference for consumers. The consumer benefits of regulation can take many forms. In this policy statement we set out the types of consumer benefits that the CLSB focuses on (and measures where possible) in the course of regulating Costs Lawyers in England and Wales.

Culturally, we aim to be a regulator that takes into account, and collects evidence about, the end outcomes of our regulation. That is, whenever we make a regulatory intervention, we aim to have a clear line of sight to the positive difference for consumers that we intend to bring about in making that intervention.

We believe that there are many strategic and practical benefits to emphasising consumer outcomes. Regulators that have a focus on good outcomes are less inclined to evaluate success by looking only at whether firms and practitioners have followed a rule or implemented a process, but instead go on to critically evaluate whether a regulatory intervention had a positive impact on outcomes.

Our increased emphasis on consumer outcomes commits us to direct our resources and attention towards gaining a better understanding of the impact of our work on consumers, and making sure we use this insight to guide our actions and ensure that the regulation we impose is targeted and proportionate.

This commitment is not a statement of our regulatory approach to the type of regulation we intend to impose. We will chose the best regulatory tool (for example, choosing between imposing a rule or stating a principle) in order to best bring about a positive outcome and – as far as we are able to do so – we will look for evidence of improvement in consumer outcomes in order to measure our success.

In this context, by the term consumer we mean the end user or beneficiary of Costs Lawyers' services, regardless of whether those consumers are individuals or businesses, and regardless of whether they are direct clients of a Costs Lawyer or are clients of other professionals who are responsible for instructing a Costs Lawyer.

## Defining consumer outcomes

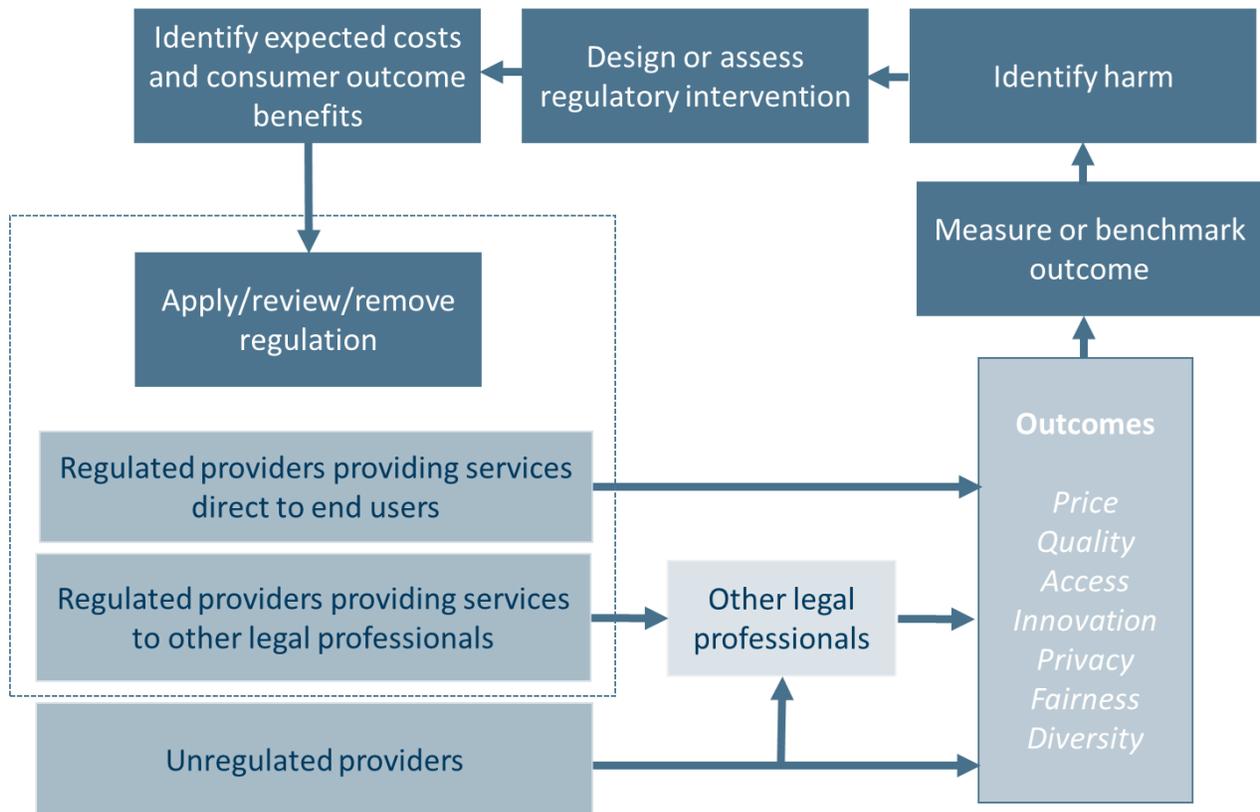
We have identified seven categories of consumer outcomes that are of interest to us in the market for Costs Lawyers' services.

Outcome	Consumers:
<p><i>Price</i></p> 	<ul style="list-style-type: none"> <li>• pay a competitive price;</li> <li>• experience services that represent good value for money;</li> <li>• understand the cost before they buy;</li> <li>• have a meaningful choice of the price they wish to pay.</li> </ul>
<p><i>Quality</i></p> 	<ul style="list-style-type: none"> <li>• experience good quality services;</li> <li>• have a meaningful choice of the quality they wish to buy.</li> </ul>
<p><i>Access</i></p> 	<ul style="list-style-type: none"> <li>• can easily access the services they need;</li> <li>• have a meaningful choice of provider.</li> </ul>
<p><i>Innovation</i></p> 	<ul style="list-style-type: none"> <li>• benefit from innovative ways to supply services, and innovation reduces prices and drives up quality and accessibility.</li> </ul>
<p><i>Privacy</i></p> 	<ul style="list-style-type: none"> <li>• have their data and information handled in a way they expect, to protect their privacy.</li> </ul>

<p><b>Fairness</b></p> 	<ul style="list-style-type: none"> <li>• are treated fairly, including in particular: <ul style="list-style-type: none"> <li>- where they are vulnerable;</li> <li>- in terms and conditions;</li> <li>- during disputes and complaints;</li> <li>- in being protected against any conflicts of interest.</li> </ul> </li> </ul>
<p><b>Diversity</b></p> 	<ul style="list-style-type: none"> <li>• have their needs met by a diverse profession;</li> <li>• accessing services do not experience a worse outcome depending on their characteristics (either as an individual or in the transaction).</li> </ul>

## Measuring outcomes and using evidence

In an ideal world, we would be able to accurately measure, or benchmark, a consumer outcome, and also measure and benchmark the impact that our regulation had on that outcome, as shown in the diagram below.



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In practice, data will often be unavailable or will be inaccessible at a reasonable cost, particularly in a small community of practitioners such as Costs Lawyers. Nevertheless, we commit to collecting evidence to benchmark outcomes where we are practically able to do so, and the results of our efforts are likely to improve over time as we build our evidence base.

Notwithstanding the practical limitations on setting metrics and performance indicators around outcomes, there are still many benefits to be captured from our approach, including that we will:

- align our forward looking business plans with our categories of outcomes, ensuring that we have a balanced focus across things that matter to consumers;
- ensure that we are able to state, when introducing or reviewing regulation, how we expect our intervention to improve consumer outcomes, sharpening our focus on benefits, costs and risks;
- align our routine data collection to cover our consumer outcomes, providing us with a framework to guide our efforts and research.

## Implementing the approach

In order to assess the impact of our work on consumer outcomes, we first need to understand existing consumer outcomes in both the regulated and (to some extent) the unregulated parts of the market for costs law services.

To build this evidence base, we will carry out a programme of work against each outcome category, starting in 2021. Aspects of the work programme are also included in our annual [Business Plans](#) from 2022 onward.

Examples of next steps in the work programme are set out in the table below.

Type of outcome	Main policy / evidential questions	Next steps
<p><i>Price, quality, access</i></p>   	<p>What is the price consumers pay to access Costs Lawyers?</p> <p>How are these prices changing over time?</p> <p>Do consumers think they get good value for money?</p> <p>Do consumers understand the price they will pay?</p> <p>How do consumers access and use information before making a choice?</p> <p>Do consumers think the services they bought were good quality?</p>	<p>Update CLSB’s client survey to align with our outcomes framework and explore consumer ranking of price and quality.</p> <p>Follow up with any individual consumers who agree to take part in further research, and explore experiences across all outcomes.</p> <p>Conduct research interviews with Costs Lawyers who have the highest proportion of lay clients.</p> <p>Carry out a research project to better understand the pricing structures used by Costs Lawyers and to benchmark prices for different types of costs services.</p>
<p><i>Innovation</i></p> 	<p>What innovative services exist in other legal and professional services sectors, that are not apparent in the services of Costs Lawyers?</p> <p>What barriers to innovation do Costs Lawyers experience?</p>	<p>Deliver a project to benchmark the level of innovation in the profession and to explore any regulatory or statutory arrangements that might hinder or assist innovation in the market for Costs Lawyers’ services.</p>
<p><i>Privacy</i></p> 	<p>What are consumers’ expectations, and is there any evidence these are not being met?</p>	<p>Deliver a project to investigate consumers’ expectations – including looking at existing research in similar markets – and assess whether there is any evidence that expectations are not being met.</p>

<p><b>Fairness</b></p> 	<p>What is the incidence of vulnerability markers in the users of Costs Lawyers' services?</p> <p>Do potential conflicts of interest arise where the services of Costs Lawyers are secured via other professionals?</p>	<p>Refresh and promote CLSB's client survey to collect data on the characteristics of consumers using Costs Lawyers.</p> <p>Carry out an interview-based project exploring the potential for conflicts of interest to arise.</p>
<p><b>Diversity</b></p> 	<p>How diverse is the profession, and what initiatives can be introduced to improve diversity?</p> <p>Do consumers experience equal outcomes depending on their characteristics?</p>	<p>Deliver the next phase of our diversity and inclusion work in the three broad areas identified in our 2021 report.</p> <p>Refresh and promote CLSB's client survey to collect data on the characteristics of consumers using Costs Lawyers.</p>

## Resources

- NAO, [performance measurement by regulators](#), 2016.
- NAO, [regulating to protect consumers](#), 2019.
- Oxera, [why we need to consider holistic consumer outcomes](#), 2018.
- BEIS, [modernising consumer markets](#), 2018.
- CMA, [review of progress in legal services sector](#), 2020.
- BEIS, [goals based and rules based approaches to regulation](#), 2018.