



Consultation response

Legal Services Board Public Bodies Review: Call for Evidence

9 March 2026

Note: This document sets out the CLSB's responses to the Ministry of Justice's Call for Evidence on the Legal Services Board Public Bodies Review, which were submitted online via the Call for Evidence website on 9 March 2026.

1. What is your name?

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2. What is your email address?

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3. What organisation are you from?

The Costs Lawyer Standards Board ('CLSB')

4. To what extent do you think the LSB's statutory objectives reflect the current needs and priorities of the public and the legal services sector? Please provide example of where the LSB's strategy or activities have supported/or could better support its aims.

- The CLSB considers that the LSB's statutory objectives adequately reflect the current needs and priorities of the public and the legal services sector. The CLSB shares the nine regulatory objectives with the LSB, which are:
 - Protecting and promoting the public interest
 - Supporting the constitutional principle of the rule of law
 - Improving access to justice
 - Protecting and promoting the interests of consumers of legal services
 - Promoting competition in the provision of legal services
 - Encouraging an independent, strong, diverse and effective legal profession
 - Increasing public understanding of the citizen's legal rights and duties

- Promoting and maintaining adherence to the professional principles (which are set out in the Act)
- Promoting the prevention and detection of economic crime
- We have provided examples of where the LSB’s strategy or activities have supported/or could better support its aims against these objectives below.

Protecting and promoting the public interest; supporting the constitutional principle of the rule of law; and promoting and maintaining adherence to the professional principles.

- Like all legal professionals, Costs Lawyers have a professional and ethical duty to uphold the rule of law and the proper administration of justice. By upholding the rule of law and acting ethically, Costs Lawyers and other legal professionals help to ensure access to justice, the protection of human rights, the equal application of the law to all, and public trust in the legal system. Conversely, unethical conduct undermines the rule of law and access to justice, and diminishes public trust in the profession as a whole. Recent events such as the Post Office Horizon scandal have increased public scrutiny of lawyers’ conduct, placing even greater emphasis on the importance of the legal profession acting in accordance with their professional and ethical obligations.
- The CLSB therefore welcomed the LSB’s work and 2025 consultation on upholding professional ethical duties. The CLSB believes that the proposed outcomes for regulators that the LSB set out in that consultation highlight the importance of professional ethical conduct, and its centrality to the proper administration of justice, rule of law and consumer protection. We believe the proposed outcomes will contribute to addressing the harms posed by unethical behaviours, and that they highlight the importance of professional ethical conduct to the proper administration of justice, rule of law and consumer protection.

Promoting competition in the provision of legal services

- In our policy statement on good consumer outcomes, the CLSB identified innovation as one of seven key categories of consumer outcomes that are important to us. The outcomes we want to see are that consumers benefit from innovative ways to supply services, and that innovation reduces prices and drives up quality and accessibility. The CLSB therefore welcomed the LSB’s 2024 guidance on promoting technology and innovation to improve access to legal services and to address unmet need, which aims to ensure that regulation

balances the benefits and risks, and the opportunities and costs, of technology and innovation in the interests of the public and consumers.

Increasing public understanding of the citizen's legal rights and duties

- The LSB's State of Legal Services Report 2025 shows that 32% of people had an unmet legal need in 2023, which had increased from 31% in 2019. The challenge of addressing those unmet consumer needs remains. Some of the factors affecting unmet need, such as court backlogs and reduced access to legal aid, are outside of the LSB's remit and control. However, some of the factors, such as consumers' lack of awareness of what counts as a legal issue and how they can effectively seek redress, suggests that there is more for the LSB to do regarding the regulatory objective of increasing public understanding of the citizen's rights and duties. We recognise that the Regulatory Information Service (RIS) was intended to address this, at least in part. However we have concerns about the utility and usability of RIS due to the requirement to combine distinctly different data and regulatory contexts from each regulator. Whilst the aim remains laudable, the product has struggled to progress to launch and we fear it will ultimately not deliver the intended outcome. We also do not feel it will widen general understanding of the different branches of the legal profession, especially for smaller professions like Costs Lawyers.

Promoting competition in the provision of legal services

- A key aim of the Legal Services Act 2007 was to increase competition in the legal services market. One of the ways in which it did this was by enabling different regulators to regulate specific reserved legal activities, thereby promoting competition in regulatory approaches. This means that practitioners have some choice in how they work, and by whom they are regulated.
- The extent to which the legal services market has become more competitive since the introduction of the Legal Services Act 2007 is debated. The performance of the legal services market (and competition within it) has been affected by various factors, including increasing use of fixed fees, increased use of technology and AI, and external investment.
- From the CLSB's perspective, the LSB's focus has tended towards encouraging collaboration between regulators and harmonisation (where possible) in regulatory approaches. Whilst this has market benefits in terms of consistency and coordination, it does not necessarily encourage competition between regulators in terms of regulatory

approaches. However, the CLSB would point to the LSB's recent focus on ensuring that regulation does not discourage the use of technology and innovation in the legal sector as evidence of one way in which the LSB is trying to encourage greater competition in the market.

Encouraging an independent, strong, diverse and effective legal profession

- The CLSB believes that fostering equality and embracing diversity and inclusion is a fundamental part of building a fair, inclusive, and effective profession and society. We see our regulatory role as a powerful lever for positive change, and we aim to lead by example in our commitment to cultivating a working and regulatory culture where every individual is valued, where equality of opportunity thrives, and where discrimination, victimisation, and harassment have no place.
- It is important to recognise that some causes of inequality, and lack of diversity and inclusion, in the professions are systemic and longstanding. They will take time to change, even with dedicated efforts across the professions. Some factors contributing to underrepresentation and lack of diversity are outside of the remit of legal regulators – including the LSB - to influence, and regulators do not have sufficient levers to change them. They will need sustained and collaborative effort to change, and it may not be possible to remove those barriers quickly. Whilst the CLSB would like to see swift and sustained progress towards a more diverse and inclusive profession, realistically it may some time to achieve the successful outcomes that the LSB wishes to achieve in this area, because of the constraints that regulators themselves face, and because of the various extraneous factors that impact progress in this important area.
- Whilst the CLSB acknowledges that there is still plenty of work for individual legal regulators to do to address barriers to diversity and inclusion, we believe there is a greater role for the LSB, as the oversight regulator, to play in addressing some of the overarching barriers that affect all the legal professions. In the CLSB's view, one of the key barriers to greater diversity in the legal profession is lack of awareness of the different career options available, and the different routes into, and through, the various branches of the profession. The CLSB would therefore suggest two steps the LSB could take to address this particular barrier, in conjunction with the individual legal regulators. These are to work with universities and other education providers to ensure that the full range of career options within the profession is made explicit to students embarking on a legal career, and to develop a

careers tool to showcase routes into, between, and through, the professions with case studies, financial information, etc. We consider that the LSB is well placed to do this as the oversight regulator, with appropriate knowledge input from the representative and regulatory bodies.

- The CLSB actively participates in the Legal Regulators EDI Forum alongside its fellow regulators and the LSB. The Forum is a vehicle for regulators to share best practice and experiences in this area. The CLSB would suggest that the LSB could take a more proactive role in this area by becoming the chair of this Forum and using it to proactively lead joint efforts in this important area.

Promoting the prevention and detection of economic crime

- In our response to the LSB's 2025 consultation on the new regulatory objective on economic crime, the CLSB welcomed the introduction of guidance that has the potential to reduce risk for consumers and authorised persons alike. We welcomed the outcomes-based approach taken by the LSB in this area, which gives the regulators the flexibility to develop strategies and resources that are designed for their particular regulated communities. We also suggested that the LSB uses its convening power as the oversight regulator to develop knowledge repositories to support regulators in meeting the new regulatory objective, as many of the risks posed by economic crime are common to all approved regulators and regulated communities.
- The CLSB also suggested that the LSB use its convening power to facilitate the development of a forum for regulators to meet to share best practice, discuss issues and hear from experts in the field (similarly to the Legal Regulators' EDI Forum and the Legal Regulators' Technology and Innovation Forum that currently exist). The CLSB considers that, as the risks posed by economic crime are relevant across all legal professions and approved regulators, this presents an excellent opportunity for the LSB and regulators to work collaboratively to ensure that best practice is shared, and risks mitigated, across the sector. Such a forum could also include financial regulators and other organisations who are experts in economic crime, and therefore well-placed to help approved regulators understand emerging risks facing the professions and how best to address them.

5. To what extent do you agree with this statement ‘the LSB is sufficiently focussed on its statutory obligations as set out under the LSA 2007’?

- The CLSB agrees with this statement.
- The CLSB is supportive of the LSB’s proposed objectives and proposed programme of policy work for 2026/27. The LSB’s policy priorities for 2026/27 (professional ethics and the rule of law; encouraging a diverse legal profession; consumer protection; and harnessing technology and innovation to support access to justice and efficiencies in the legal sector) align with the CLSB’s own priorities for the coming year, as set out in our strategy and business plan.

6. In your opinion, how clear and easy are the LSB’s statutory objectives to understand?

- The CLSB considers that the LSB’s statutory objectives are clear for legal regulators to understand. The CLSB shares nine regulatory objectives with the LSB as follows:
 - Protecting and promoting the public interest
 - Supporting the constitutional principle of the rule of law
 - Improving access to justice
 - Protecting and promoting the interests of consumers of legal services
 - Promoting competition in the provision of legal services
 - Encouraging an independent, strong, diverse and effective legal profession
 - Increasing public understanding of the citizen’s legal rights and duties
 - Promoting and maintaining adherence to the professional principles (which are set out in the Act)
 - Promoting the prevention and detection of economic crime
- However, we would query the extent to which the LSB’s statutory objectives are understood by consumers of legal services and the wider public, who are less likely to interact with the LSB directly. The LSB’s objectives may also be less well understood by regulated communities, as those communities will interact much more frequently with their own individual regulator (e.g. the CLSB, SRA, BSB and others) than the LSB.

7. How well do you feel the LSB engages and collaborates with key stakeholders e.g. regulators, professional bodies, and consumer representatives?

- The CLSB considers itself to have a constructive working relationship with the LSB.
- We welcome the LSB’s outcomes-focussed approach to regulation. Each regulated community is different, and an outcomes-focussed approach enables each regulator to

develop guidance that is appropriate, proportionate and sensible for its own regulated community. This approach empowers regulators to design frameworks that meet the existing needs, challenges and opportunities of their own regulated communities, but which are also flexible enough to encompass potential future risks and developments.

- The LSB's general aim of achieving harmonised outcomes enables regulators to develop approaches that are consistent across the sector. This is particularly important for regulated communities that work closely with, or within, other regulated communities, such as Costs Lawyers (who are individually regulated by the CLSB but often work in firms that are regulated by the Solicitors Regulation Authority or another approved regulator).
- The LSB consults widely on proposals for new statutory requirements, policy statements and guidance, usually giving plenty of lead-in time for responses. As a small regulator, we value this approach to consultation periods, which gives us time to develop a considered response without placing undue pressure on our available time and resources. However, there is an increasing number of competing consultations across the legal sector with frequently clashing timelines, which does have an impact on time and resources. Fewer and/or better coordinated consultations/calls for evidence would be welcomed.
- We find the LSB's annual conference to be successful in gathering well-informed speakers from different spheres, and consumer representatives, together to present a range of perspectives and challenge. The Legal Regulators EDI Forum and Legal Regulators Technology Forum convened by the LSB, encourage collaborative and shared best practice.
- As a regulator, we strive to maintain a positive, constructive and open relationship with the Costs Lawyers we regulate. We take an approach whereby Costs Lawyers can contact us to discuss regulatory queries and issues in a 'without prejudice' way. We endeavour to maintain fair, consistent, transparent and proportionate procedures for considering the conduct of Costs Lawyers, whilst also providing a credible deterrent to non-compliance with our professional standards. The CLSB is in a unique situation as a regulator because not all costs advisers are regulated. This means that the CLSB has to foster positive relationships with our regulated community, ensuring compliance with our regulatory rules through understanding, education and support, and using sanction only when required. This means Costs Lawyers come to us when they need regulatory guidance, and can have an open discussion without fear of reprimand. We think the LSB could enhance its interaction

with regulators by providing a similar "safe space" forum to discuss potential innovations or possible issues of concern. This could be via existing regulatory fora or through individual discussions with regulators.

8. How well do you feel the LSB holds frontline regulators to account?

- Please see our answers to questions 10 and 13.

9. What evidence is there that the LSB's oversight has had a positive impact on the sector, or improved outcomes for consumers of legal services? Please give a reason for your answer.

- Under the Legal Services Act 2007, the level of practising fees set by approved regulators, such as the CLSB, must be approved by the LSB. In deciding whether to authorise the level of fee, the LSB checks that each approved regulator has consulted widely with those affected about the level of the fee, among other things.
- Under the Legal Services Act 2007, the LSB must also review, and decide whether to grant or refuse, alterations by regulators (such as the CLSB) to their regulatory arrangements. This helps to ensure that regulators are acting in line with the regulatory objectives set out in the Legal Services 2007, and that they have appropriately considered the impact of the alterations on their regulated community, and where appropriate, consumers.
- The CLSB considers these approval powers to be an important function of the LSB, and strong evidence of positive impact on the regulated sector and consumers. Requiring practising fees to be approved creates accountability and transparency; regulators must be able to justify the level of fee, and demonstrate that they have sufficient funds and financial resilience to operate – and regulate – effectively for the benefit of the professions and consumers. Requiring changes to rules and regulatory arrangements to be approved similarly ensures accountability, transparency and proportionality. These functions therefore provide important reassurance to the regulated community and consumers.

10. To what extent do you feel the LSB demonstrates that its oversight delivers positive outcomes and provides value for money? Please give a reason for your answer.

LSB Budget

- The LSB's budget for 2025/26 was the third consecutive year that the LSB's budget had increased substantially. The proposed increase for 2025/26 followed a 13.9% budget increase the previous year, and 9.1% the year before. Compounded, this represented a 41.66% budget increase over three years. As the LSB recognised, increases in its budget have a direct impact on authorised persons through a resultant rise in practising certificate fees. The CLSB was therefore pleased to see that the LSB's proposed budget for 2026/27 decreased, though we would have hoped for a greater reduction than 0.5%. We are also pleased to note from that consultation paper that the LSB hopes to make further efficiencies in the coming year, and that any unspent funds from the ringfenced litigation budget will be returned to the sector via a levy rebate.
- The LSB recovers its annual operating costs under The Legal Services Act 2007 (Levy) (No. 2) Rules 2010. The contribution payable by the CLSB toward those annual operating costs is determined by the number of regulated Costs Lawyers at 1 April each year. Despite the projected slight budget decrease in 2026/27 referred to above, the LSB levy on the CLSB for the LSB for this year has gone up by 9%. Whilst this is partly due to an increase in the number of Costs Lawyers, the cost per Cost Lawyer has also gone up each year for the last 8 years. Please see: <https://clsb.info/regulatory-matters/cost-of-regulation/> for more details.

Legal Services Consumer Panel

- The Legal Services Consumer Panel was created by the Legal Services Act 2007 and is an independent arm of the Legal Services Board. Its function is to provide evidenced-based advice to the LSB to help it make decisions that consider the needs of users.
- The consumer benefits of regulation can take many forms. In our policy statement on good consumer outcomes, the CLSB identified seven categories of consumer outcomes that are of interest to us in the market for Costs Lawyers' services. We believe that there are many strategic and practical benefits to emphasising consumer outcomes, and 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. Our 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. We are therefore very supportive of the LSB's general approach to improving consumer empowerment in the market for legal services.

- However, whilst we recognise and support the aim of ensuring that user needs are considered across the regulatory sphere and in the LSB's decision-making, we would suggest that there are ways in which this could be achieved that represent better value for money and would lead to more focussed, tangible outputs. The LSCP's workshops are often held in person in London, thus limiting the opportunity for participation by smaller regulators such as the CLSB, those located outside of the South East of England, or by individuals with accessibility needs. This approach seems to run contrary to the LSB's and wider sector's goals of increasing inclusivity and accessibility. The tangible benefits of the workshops are unclear as there is minimal output and follow up. We would suggest that, if such workshops are to continue, the LSCP should follow current best practice on inclusivity and accessibility, and take a neuro-affirmative approach, in order to ensure that a wider range of interested parties are able to participate. We would also expect to see clearer communication about the outputs from the workshops, and sustained follow-up. The research outputs from the LSCP have done some helpful work in presenting different perspectives and identifying areas for improvement, but the wider contribution of that research to galvanising change or raising consumers' awareness of their legal rights and routes of redress when something goes wrong are not obvious. Given this, it is not clear that the LSCP's work represents good value for money for the professions and consumers. We would suggest that consideration is given to how this could be improved.
- As set out in our answer to question 1, the LSB, in conjunction with approved regulators, is working towards a Regulatory Information Service (RIS) that will enable information about regulated individuals to be made available to consumers through a joint database. This is a laudable aim that could potentially be beneficial, but will only represent good value for money if the output is workable and optimal for consumers.

11. Do you feel the LSB has a suitable level of independence from both government and the organisations it oversees? Please give a reason for your answer.

- Yes, the CLSB feels the LSB has a suitable level of independence from both government and the organisations it oversees. We have no concerns in this regard.

12. Do you feel there is sufficient clarity about how the LSB's role differs from and complements other bodies in the sector?

- Similarly to our answer to question 6, as one of the legal regulators, we consider that we have sufficient clarity about how the LSB's role differs from, and complements, our own role and those of other bodies in the sector.
- However, we consider that consumers of legal services, and the general public as a whole, is less likely to have sufficient clarity about how the LSB's role differs from, and complements, other bodies in the sector, by virtue of the fact that consumers are less likely to interact directly with the LSB. For example, if a consumer wishes to find out information about one of the individual branches of the legal profession, our experience is that they go to an individual representative body, such as the ACL, Law Society or Bar Council. If a consumer wishes to make a complaint about an authorised person, they will go to the Legal Ombudsman or one of the individual regulators. Whilst the CLSB makes clear on its website that our activities are scrutinised by the LSB as our oversight regulator, we do not have evidence that members of the public have the same level of clarity that other regulators or members of the profession may have about the LSB's role and remit, and how that role interacts with that of other bodies in the sector.
- Similarly, how the LSB's role complements, and differs from, others in the sector may be less well understood by regulated communities, as those communities will interact much more frequently with their own individual regulator than the LSB.

13. To what extent do you agree with the statement 'the LSB has the capacity, skills, and technology needed to deliver its role effectively'?

- The CLSB would consider that the LSB largely has the capacity, skills and technology to deliver its role, however, there are areas where these could be strengthened for the benefit

of the professions and consumers of legal services. An example of this is the circumstances surrounding the High Court's decision in *Mazur v Charles Russell Speechlys* [2025] EWHC 2341 ('*Mazur*').

- The *Mazur* case clarified who may conduct litigation, and importantly who may not. The right to conduct litigation is a reserved legal activity under the Legal Services Act 2007. The court's decision restated the position in the 2007 Act that only an authorised person may conduct litigation, and that non-authorised staff cannot conduct litigation simply by being an employee of an authorised firm. Instead, both the firm and the person carrying on the activity must be authorised. An appeal has been filed, which was heard by the Court of Appeal in February 2026. The Court of Appeal's judgment is awaited.
- The decision in *Mazur* was not about a Costs Lawyer, but it prompted questions about who can do what, where accountability lies, how clients can be assured of professional standards from a regulated individual, who is regulated and who is authorised, and the difference. This has created an atmosphere of uncertainty for some parts of the legal profession, although largely not for the CLSB and Association of Costs Lawyers (ACL) as all of our regulated community are authorised to conduct litigation under the 2007 Act.
- In response to the High Court decision, the LSB issued a statement in October 2025 which noted that, while the judgment does not change the law, it has raised questions about how some in the profession have interpreted the reserved legal activity of conducting litigation under the 2007 Act in practice. The LSB subsequently met with regulators discuss the matter and to understand the perspectives of the profession. The LSB also began a review of how regulatory bodies ensured that information and guidance provided to the profession on conducting litigation was accurate and reliable, in order to learn lessons and maintain clarity and confidence in the regulatory framework.
- We welcome the fact that the LSB reacted promptly to the decision in *Mazur*. However, we would argue that part of the role of an oversight regulator, such as the LSB, is to ensure that situations such as those that gave rise to *Mazur* (i.e. a lack of consistency and certainty in how reserved legal activities are understood and carried out) do not arise in the first place. Whilst it would not have necessarily been the LSB's role to adjudicate on the matter, the LSB could have facilitated discussion among regulators to try to resolve the issue, or – if that were not possible – highlighted the difficulty to the Ministry of Justice. We could consider

this to indicate that in some areas, though not all, the LSB needs to strengthen its capacity and skills.

- One of the LSB's responses was a request under section 55 of the Legal Services Act 2007, which formally requires approved regulators to provide information, documents, or explanations. Issuing a section 55 request to the CLSB seemed disproportionate as the CLSB had not issued conflicting guidance, and its existing guidance was in line with the judgement in *Mazur*. While we could understand the need for the LSB to assure itself that there were no other concerns identified in different branches of the sector, this in itself would have been unnecessary had the LSB recognised and addressed the issue with regulators in the first place.

14. Are there any improvements or future priorities that you feel the LSB should consider to strengthen its performance and adapt to emerging challenges?

- As set out in our answer to question 4, the CLSB considers there is scope for the LSB to take a greater role in providing proactive thought leadership for the sector, and to lead on developing tools and resources to enable regulators to carry out their roles.
- We think there is also scope for the LSB to take a more proactive role in regulatory horizon scanning and contributing to a unified regulatory approach across different sectors through ongoing interaction with other oversight regulators (for example, in financial services). This would benefit the approved regulators of the legal profession and their regulated communities by strengthening regulatory insight and consistency of approach, as well as highlighting emerging challenges and opportunities that the LSB could either address, or – if need be – highlight to government for further action.
- As set out in our answer to question 4, the LSB's State of Legal Services Report 2025 shows that 32% of people had an unmet legal need in 2023, which had increased from 31% in 2019. The challenge of addressing those unmet consumer needs remains. Some of the factors affecting this, such as court backlogs and reduced access to legal aid, are outside of the LSB's remit and control. However, some of the factors, such as consumers' lack of awareness of what counts as a legal issue and how they can effectively seek redress, suggests that there is more for the LSB to do regarding the regulatory objective of increasing public understanding of the citizen's rights and duties.

- As the oversight regulator, the LSB could take a stronger role in addressing challenges and barriers that affect the professions as a whole. For example, as set out in our answer to question 4, we think the LSB could play a stronger role in raising awareness of the variety of legal careers to potential entrants, in line with its statutory objective to encourage a strong, independent and diverse profession.
- The LSB could strengthen its performance by taking the lead on areas where there are potential gaps, or overlaps, in regulatory authority. For example, the LSB could take the lead where an unregulated individual commits a statutory offence in circumstances where it is not clear which regulator may be responsible for pursuing the matter, or where it impacts multiple branches of the profession. For example, an unauthorised individual holding themselves out as having rights of audience or the right to conduct litigation, when they do not. This is an offence, not a regulatory infringement, and no regulator has the power of prosecution over these individuals.
- The LSB could also potentially take a stronger role in establishing protocols for what should happen in situations where a risk emerges that affects multiple regulated communities who work together as individuals (regulated by different regulators) in an entity that is regulated by another. In multi-disciplinary environments where there may be members of several professions working together, effective cooperation between regulators where one regulated community is exposed to risk that may affect the others is vital for protecting the public and other authorised persons. The Framework Memorandum of Understanding that is in place between the approved regulators regarding information sharing and investigations assists with this, but there is arguably a greater role for the LSB to play as oversight regulator here.
- Lastly, the LSB should, by virtue of its unique position, be the body best situated to take a global view of the adequacy, effectiveness and regularity of the provision of legal services across the jurisdiction. It should therefore be able to offer trusted and dispassionate advice to government on legislative and administrative measures to improve legal processes and address deficiencies. In doing so, it would benefit from the experience and knowledge base of individual regulators and the regulated communities with which they work. That in turn would reassure the professions and legal consumers that there is an appropriate avenue to communicate concerns to government for the public good, rather than in any sectional or professional interest.