



Measuring Impact: Enhancing Public Trust & Confidence in legal services

Nov 2023

Our Aim

Through our model of delegation, we aim to increase consumer understanding and choice regarding the range of legal professionals authorised to deliver legal services, to enhance trust and confidence in CILEX legal professionals and to remove barriers affecting equality of opportunity, competition and innovation in the market.

The problem

For regulation to work consistently with the Better Regulation Principles and in the consumer interest it must:

- Be, and be perceived to be sufficiently independent from the profession it regulates;
- Support consumer understanding and choice of legal professionals who are authorised and regulated to deliver legal services;
- Establish and maintain consumer confidence that lawyers enter the legal profession through robust processes and maintain the standards expected of them by the regulator and the public once in practice;
- Create confidence of a consistency of approach that for each and every regulated activity every provider (entity and individual) in the market is required to operate to the same high standards & with the same consumer protections and redress mechanisms;
- Provide equal treatment and recognition of legal professionals regardless of route to qualification and provide equality of opportunity for individual practitioners and entities enabling competition in the delivery of legal services;
- Be able to operate at sufficient scale to deliver efficient and effective regulation on a sustainable basis and at a cost that is affordable for the consumers and the profession.

The problem continued ...

The current arrangements for the regulation of CILEX professionals has the following limitations to be able to fully meet the outcomes required from our delegation:

1. Perception that CRL is part of CILEX due to it being a wholly owned subsidiary of CILEX, it shares the CILEX brand & relies on CILEX for financial subsidy (e.g underwriting of compensation fund, investment in Entity & ABS regulation etc);
2. CRL lacks the scale & reach to respond to the increasing demands of regulatory effectiveness (e.g. new economic crime regulatory objective, AML, EDI, environmental sustainability) without significant growth in PCF-paying CILEX professionals or entities (which is not forecast);
3. 95% of CILEX professionals are subject to regulation by both CRL & SRA (due to 75% working in an SRA firm & further 20% supervised by Solicitor) causing both regulatory duplication /overlap & complexity & confusion for consumers who are required to navigate two sets of standards & two regulatory complaint systems;
4. The CRL Register of Authorised Persons (& Legal Choices website) does not enable consumers & providers to easily identify, search for and compare the choice of legal professionals;
5. CRL does not have the resources or economies of scale to maintain a compensation fund that provides consumers with the same levels of protection and redress to that offered by the SRA;
6. Without the recognised endorsement of SRA regulation, CILEX led entities are currently denied equality of opportunity by banks, lender panels, insurers and providers of approved supplier lists resulting in limited competition in the market.

The proposed solution

In its capacity as an Approved Regulator designated under the Legal Services Act 2007, CILEX proposes to change the regulatory body to which it delegates the discharge of its regulatory functions from its wholly owned subsidiary company, CILEX Regulation Limited (CRL) to the Solicitors Regulation Authority (SRA).

CILEX believes regulation of CILEX professionals by the SRA, can deliver a series of public interest benefits beyond that available under the current delegation to CRL, as captured in our [Case for Change](#). Specifically:

- 1. Increased independence** – by removing the corporate, financial & brand relationship arising from delegation to a body which is a wholly-owned subsidiary company to one that is totally separate legal entity it will reduce the existing confusion and perception that the regulator is part of or influenced/controlled by CILEX;
- 2. Consistent standards** – Alignment of the codes of conduct, competency & practice standards between Solicitors & CILEX Lawyers authorised to deliver the same legal services.
- 3. Standardised consumer protection** – Consumers will benefit from same access to redress schemes, scope & value of PII and Compensation Fund cover & consistent powers of intervention regardless of which lawyer delivers service.

4. **Simplification of regulatory system** - removal of regulatory duplication & overlap arising from fact 95% of CILEX professionals are currently within scope of SRA regulation in addition to CRL regulation (*75% of CILEX legal professionals work in SRA regulated firms & further 20% work under supervision of solicitor*). Consumers & employers will only need to navigate one regulator's complaint & investigation process and can be assured the same standards, sanctions and powers of enforcement will apply.
5. **Increased understanding & choice** – By holding & publishing the Register's of authorised persons and of regulated paralegals in a single place and in a format that captures qualification, authorised status and scope of practice and enables the ability to compare individuals or entities, it will improve the ability of consumers & providers to identify and compare which regulated professionals can deliver the service required.
6. **Competition** – access for CILEX-led firms to the SRA's regulated entity scheme & associated logo will remove barriers to competition in the market (e.g. access to lender panels, approved provider / procurement lists and recognition by insurance providers, banks etc)
7. **Sustainability** – Scale & reach to meet the increasing requirements of legal services regulation, inc new economic crime regulatory objective, AML, EDI, LSB Performance Standards & Statutory Guidance.

The Outcome

Outputs

Searchable Register allowing understanding of choice, scope of practice & comparison between CILEX Lawyers & Solicitors and Solicitor-led & CILEX-led entities

Aligned Codes of Conduct & Practice Standards

Consolidated complaints process & standardised powers of intervention, enforcement & sanction for both professions

Single consumer redress scheme providing same scope & value of protection & claim for consumers regardless of whether service provided by Solicitor or CILEX Lawyer

Intermediate Outcomes

An increase in awareness and understanding of the role and status of CILEX Lawyers, alongside Solicitors in delivering legal services

Improved ability to search for and compare lawyers authorised to deliver legal services based on scope of practising certificate

The regulatory landscape is simpler to understand & easier for consumers to navigate when things go wrong

Regulation is sustainable and has the scale, reach and resources to meet current and future requirements to fulfil the regulatory objectives.

Increase in consumer confidence arising from assurance that their legal service will be delivered to the same standard and with the same level of protection regardless of whether provided by a Solicitor or CILEX Lawyer

Long term outcomes

Increased competition in the market through emergence of new providers & alternative business models

The legal profession better reflects the diversity and social /economic profile of the society it serves.

How will we measure impact?

Public Interest Outcomes: proposed approach to measuring impact

Consumer Choice

- 1. An increase in awareness and understanding of the role and status of CILEX Lawyers, alongside Solicitors in delivering legal services**
 - % of consumers who have heard of a CILEX Lawyer (*IPSOS Mori poll*)
 - % of consumers who have used a CILEX Lawyer (*IPSOS Mori poll*)
 - % of legal services providers who understand CILEX Lawyers to be specialist practitioners authorised to the same standard and status as a solicitor in a given area of law (*CILEX employer survey*).
- 2. Improved ability to search for and compare lawyers authorised to deliver legal services based on scope of practising certificate**
 - Increase in views of 'CILEX Lawyer' records via searches of Register of Authorised Persons Directory (*web analytics data*)
 - % of providers of legal services who recognise CILEX Lawyers equally to Solicitors within their delivery models & fee structures (*CILEX workplace culture survey*)
 - % of consumers who understand that CILEX Lawyers are specialist practitioners able to deliver legal services as an alternative choice to a solicitor (*IPSOS Mori poll*)

Public Interest Outcomes: proposed approach to measuring impact

Consumer Confidence & Perception

- 3. Increase in consumer confidence arising from assurance that their legal service will be delivered to the same standard and with the same level of protection regardless of whether provided by a Solicitor or CILEX Lawyer**
 - % of consumers who are confident to choose a CILEX Lawyer to deliver their legal service (*IPSOS Mori poll*)
 - % of legal service transactions involving CILEX Lawyers covered by additional scope of Compensation Fund or PII cover that would have been excluded or limited under CRL scheme (*SRA claim data*)

- 4. The regulatory landscape is simpler to understand & easier for consumers to navigate when things go wrong**
 - % of consumers who can correctly identify how to make a complaint in respect of legal services delivered by a CILEX Lawyer (*IPSOS Mori poll*)
 - Average time taken to investigate complaints involving a CILEX Lawyer working in an SRA firm (*SRA FTP data*)
 - % of complaints related to CILEX lawyers received by regulator directly without need for third party intervention e.g. LEO (*SRA Data*)

- 5. The legal profession better reflects the diversity and social /economic profile of the society it serves.**
 - % of lawyers who are state school educated / minority ethnic / disabled / female/ (*SRA annual diversity report*)
 - % of lawyers who qualify through non-traditional routes into the law (*CILEX/SRA diversity data*)

Public Interest Outcomes: proposed approach to measuring impact

Competition in delivery of legal services

6. Increased competition in the market through emergence of new providers & alternative business models

- No & % proportion of authorised firms who are 'CILEX led' or registered Alternative Business Structures (*SRA Trend data on number & nature of firms authorised to deliver legal services*)
- No of CILEX-led firms accepted onto lender panels, approved supplier lists & able to access same choice of insurance products as Solicitor-led firms (*CILEX data collection*)

Sustainable Regulation

7. Regulation is sustainable and has the scale, reach and resources to meet current and future requirements to fulfil the regulatory objectives.

- No & value of applications made to CILEX for additional funding under S30 of Legal Services Act 2007 (*CILEX annual report*)
- 'Met' grades achieved in each LSB Regulatory Performance Standard including new economic crime objective (*LSB Performance Review Report*)