



SHOPPING AROUND



What consumers want from
the new legal services market

Written by Jon Robins



About the author

Jon Robins is director of the legal research company Jures, freelance journalist and author. He has been writing about the law for the national and specialist legal press for over 12 years. Jon also wrote the *Big Bang Report: Opportunities and threats in the new legal services market* (Jures, November 2009) and edited *Closing the Justice Gap: Some new thinking about an old problem* (Jures, March 2010). Both are available at www.jures.co.uk. Jon is the author of *The Justice Gap: Whatever happened to legal aid* (Legal Action Group, May 2009 with Steve Hynes).



About Jures

Jures is a new independent research company dedicated to the legal services market. It combines expertise from a number of different disciplines: journalism; research; PR and communications; as well as publishing in both traditional and new media. The people behind Jures are the journalist Jon Robins and Gus Sellitto and Richard Elsen, directors of the legal PR specialists the Byfield Consultancy (www.byfieldconsultancy.com). The idea behind Jures is to become a leading source of considered, independent-minded and thought-provoking commentary on the law in a way that informs and influences debate within the profession and beyond.



Thanks

We would like to thank Fox Williams for their continuing support and for hosting the launch of both this report and our Big Bang report last year. In particular, special thanks to partner Doug Preece for hosting the roundtable to launch this event and senior partner Tina Williams.

Thanks also to the Jures research team (James Boyd-Wallis, Amanda Butters and Sarah Catterick) for conducting the Shoppers Survey interviews.

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Introduction

'If you always focus on what the consumer needs then consumer demands for those services comes through, to use a controversial metaphor, as either value baked beans or premium baked beans.'

David Edmonds, chairman of the Legal Services Board, from an interview for the *Big Bang* report¹

At the time of writing this report there is a brand new Lib-Con coalition government in power. In the run up to the election, the Conservatives appeared less than enamoured of New Labour's bold legal services revolution. The then shadow justice minister Henry Bellingham reportedly called the Legal Service Act 2007's most controversial innovation in alternative business structures 'one more assault on the high street solicitor'.² The introduction of ABSs could, as one commentator has put it, 'blow apart the established conventions' of legal practice. They will allow firms to sell private equity, float on a stock exchange and they will also enable the external ownership of law firms. 'Competition is intensifying,' noted Tina Williams, senior partner at Fox Williams in our *Big Bang* report which came out last November. '... Waiting in the wings are retail giants such as the Co-Op, high street banks such as the Halifax, membership organisations including the consumer group *Which?*, insurers such as DAS, as well as companies like A4E which hitherto have had little connection with the law.' All those non-law businesses were profiled in our earlier report.

The Legal Services Board recently confirmed ABSs could be opening their doors on a high street near you from October next year. Of course, the whole point of Clementi, the LSA and the ongoing process of liberalisation is about improving the lot of the consumer and not protecting endangered species such as the poor beleaguered high street solicitor. The *Shopping Around* report is about the consumer, their perceptions of lawyers and legal services and the degree to which those expectations will shape the post-LSA world. In the debate around the future of legal services the voice of the consumer is too easily drowned out by louder, competing voices: from the profession

understandably concerned about their livelihoods, non-law businesses jockeying for position on the sidelines and ministers keen to push forward an agenda of liberalisation. That hackneyed shorthand for the package of the liberalising reforms under the Legal Services Act, *Tesco Law*, delivers a mixed promise for consumers: greater access to legal services at the expense of a dumbed-down service that reduces the provision of law to the level of selling economy beans.

But what do consumers really want? We commissioned two separate research projects to identify what they want and expect from lawyers. We instructed the market research company YouGov, to ask over 2,000 adults for their views on legal services (referred to throughout our report as the YouGov survey).³ We also undertook our own face-to-face research interviewing 100 shoppers (referred to as the Shoppers survey) about their experiences of the law. You can read the results of the two reports in full in the appendix.

We then quizzed leading lawyers and legal thinkers to gauge their views on how those client perceptions might shape their own businesses and the changing legal services market.

'What this research indicates is that there is an appetite amongst consumers for better ways to distinguish quality and make choices when it comes to legal services – rather than people simply taking what they're given or what's based just around the corner,' comments David Edmonds. 'The reforms being brought about by the new regulatory framework respond to this and, as such, have the potential to dramatically change the relationship between lawyers and the public.' As Edmonds puts it, the reforms coming the profession's way 'underpin an unrelenting focus on the consumer' through 'widening choice, doing more to recognise quality and more to ensure appropriate redress when things go wrong'. 'A major priority for us, and one which will enhance the interests of consumers, is to increase competition through allowing lawyers more scope to innovate in the way that they deliver legal services,' he promises.

Jon Robins

¹*Bang Report: Opportunities and threats in the new legal services market* (Jures, November 2009)

²*Law Society's Gazette*, 22 April 2010

³Our YouGov research involved a total sample size of 2061 adults, was carried out online and undertaken between 23rd and 26th March 2010.

The figures have been weighted and are representative of all GB adults.



Executive Summary

The law is a profession in transition. Earlier this year, the Legal Services Board confirmed that Alternative Business Structures (ABSs) would be able to apply for licences from mid-2011. They will be able to provide legal services from October 6th that year. ABSs, the most revolutionary aspect of the Legal Services Act, will allow non-lawyers, including external investors as well as the likes of Tesco, AA, banks and insurers to have a stake in law firms and compete in the brave new world.

We commissioned research to identify what consumers might want from this new legal services market and whether the prospects of familiar high street brands entering legal services was an attractive proposition or not. We then asked what consumers really thought about lawyers; how they wanted their legal advice; and how they wanted to pay for that advice.

The key messages coming from our research are as follows:

We asked: If you could purchase legal advice from the following brands, which one of the following would be the most appealing ... Tesco; Asda; Marks & Spencer; Barclays Bank; Halifax; or Virgin? ⁴

There's everything to play for... consumers of legal services didn't overwhelmingly gravitate to familiar high street brands. The most popular of the big name brands was Marks & Spencer (14%) but more than half of consumers were not persuaded by the attraction of a familiar name, see page 6.

We asked: When seeking legal advice on a serious legal matter (for example concerning a divorce or your home), how important is it to meet a lawyer or legal adviser face to face? ⁶

Clients still want to see their lawyer face to face... not just on serious but even routine legal issues. Even on straightforward legal matters, such as a house move or a will, consumers wanted to see their lawyers in person, see page 10.

We asked: Which, if any, of the following factors would be likely to influence your decision when purchasing legal services... fixed prices; convenience; speed of service; reassurance of a well-known brand; or cheapest price? ^{5*}

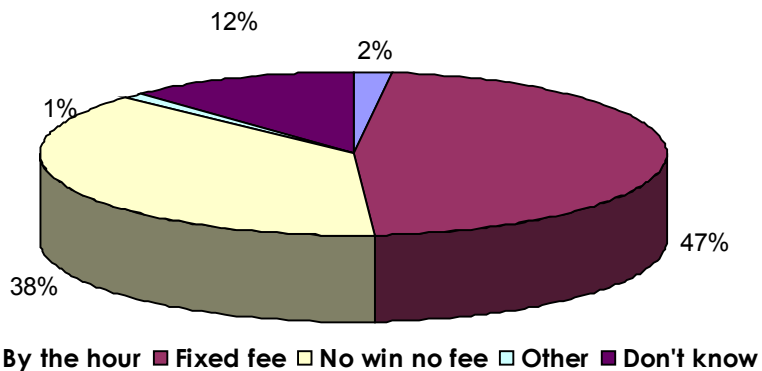
Quality of service and the promise of fixed prices were far more important when choosing a solicitor than 'the reassurance' of a well known name. Quality was by far the number one issue for consumers, followed by fixed prices... way above the reassurance of a familiar name, see page 6.

We asked: Have you ever sought legal advice from a lawyer or solicitor? ⁷ If the answer is 'Yes', in your opinion did that advice represent good value for money? ⁸

Almost half of clients felt their experience of lawyers represented poor value for money.

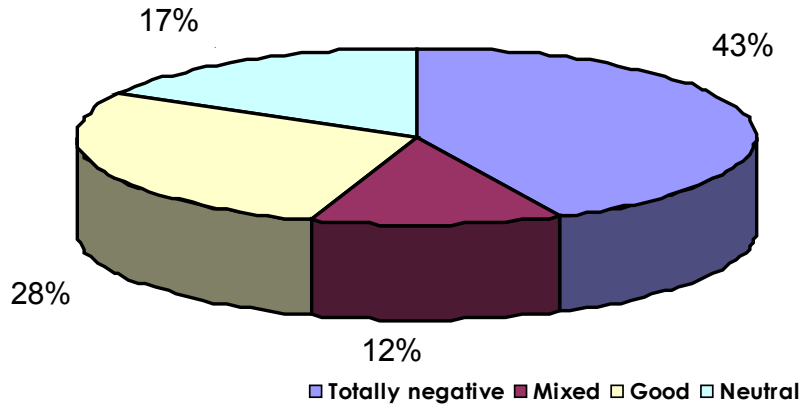
We asked: Which one of the following would be your most preferred way of paying for legal services? ¹⁰

Clients would MUCH prefer fixed fees or 'no win, no fee' to other ways of paying for legal service.



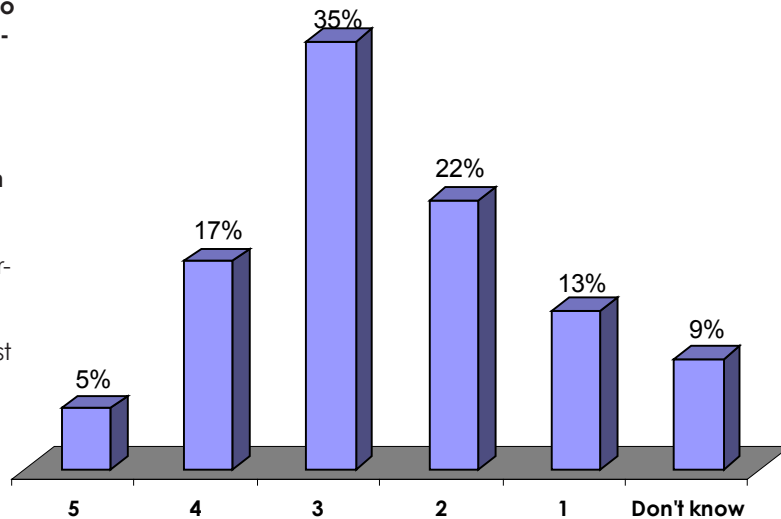
We asked: What words do you commonly associate with the word 'solicitor'?⁹

The most frequently used word was 'expense' or 'expensive' (23%) followed by 'professional' (12%). Of the word/words that people used to describe solicitors some four out of 10 were negative.



We asked: On a scale of 5 to 1 where 5 is 'Trust completely' and 1 is 'No trust at all' how much trust would you have in a lawyer or legal adviser who markets their services with the expression 'no win, no fee'?¹¹

Despite the apparent popularity of conditional fees (compared to the hourly rate), many consumers still don't trust them.



We asked: If someone was too poor to afford a lawyer and they had a need for serious legal advice (e.g. they believe they have been sacked unfairly, fear they might lose their home following an argument with a landlord etc.), to what extent do you agree or disagree the state should pay for all their legal advice through the legal aid system?¹²

Even in these straightened times the public still sees the value in legal aid.

We asked: Would you be willing to pay £75 a year for an insurance policy that covered all your unforeseen legal needs (i.e. not will-writing or conveyancing)?¹³

There is little appetite for even modestly priced legal expenses insurance.

4, 5, 6 YouGov survey, 7, 8, 9 Shoppers survey, 10, 11, 12, 13 YouGov survey.

*Respondents were able to select more than one option to this question

YouGov figures sometimes do not add up to 100%. This is because figures are rounded up to two decimal points