

Understanding consumer experiences of conveyancing legal services

Solicitors Regulation Authority

March 2018



Contents

Executive Summary		4
	Aims and key research questions	4
	Research approach	5
	Key findings	5
	Conclusions and Recommendations	8
1	Introduction	10
	Research approach	11
	Report structure	14
2	Effect of consumer behaviours and service expectations on service delivery	16
	Consumers and choice of legal services	16
	Findings from Competition and Markets Authority (CMA) review of legal services	18
	Quality of service and competence of solicitors	18
	Role of regulation in the legal services market	21
3	Conveyancing legal process	22
	Step 1: Pre-contract	22
	Step 2: Exchange of contract	23
	Step 3: Post-exchange	23
	Step 4: Completion	23
	Step 5: Post-completion	23
4	Finding and choosing a solicitor	24
	How consumers found their solicitor	25
	Factors that influenced choice of solicitor	28
5	Information and communication	34
	Information provided by the solicitor	35
	Information requested	41
	Actions taken by the solicitor	44
6	Quality of service	48
	Expectations of consumers	48
	Overall satisfaction with the solicitor	49
	Perceptions of the solicitor	52
	Actions of the solicitor	53
7	Problems during conveyancing	59
	Problems which are outside of the solicitor's control	59
	Service issues	61
	Legal issues	63
	Solicitor responses to the issues	67
8	Complaints	69
	Consumers who complained	70
	Response to consumer complaints	71
	Role and importance of regulation	71
9	Opportunities and risks of digitisation	74
	Use of digital technology in conveyancing	75
	Opportunities of increased use of technology	76
	Risks	79
10	Conclusions and recommendations	82
11	Appendices	88

List of Figures

Figure 3.1 The conveyancing legal process	22
Figure 4.1 How consumers found their solicitor.....	26
.....	26
Figure 4.2 Important factors when choosing a solicitor.....	28
Figure 4.3 Case study: estate agent referral	32
Figure 5.1 Channels used by the solicitor to provide information to clients at the start of the process.....	40
Figure 6.1 Case study: positive experience of conveyancing	51
Figure 6.2 Agreement with statements about the quality of service provided	52
Figure 6.3 Agreement with statements about the solicitor (1 of 2).....	52
Figure 6.4 Agreement with statements about the solicitor (2 of 2).....	54
Figure 7.1 Case study: Overall satisfaction with transaction.....	60
Figure 7.2 Issues experienced during the transaction	61
.....	61
Figure 7.3 Case study: Dissatisfied with the solicitor’s customer service.....	63
Figure 7.4 Actions that the solicitor has failed to do	64
Figure 7.5 Case Study: Mistakes being made	66
Figure 7.6 Solicitor reactions to those who experienced issues	68
Figure 8.1 Case Study: Complaints.....	70

List of Tables

Table 1.1 Key characteristics of online respondents (unweighted).....	12
Table 1.2 Focus group participants	13
Table 5.1 Types of information that consumers recall being provided by their solicitor at the start of the process	35
Table 5.2 Types of information provided to clients buying a leasehold property at the start of the process.....	38
Table 5.3 Information requested from consumers selling a residential property by their solicitor	41
Table 5.4 Information requested from consumers buying a residential property by their solicitor	42
Table 5.5 Actions taken by the solicitor on behalf of consumers during the process of buying	45
.....	45
Table 5.6 Actions taken by the solicitor on behalf of consumers during the process of selling	45
.....	45
Table 6.1 Satisfaction with the way the solicitor carried out work for the consumer.....	50
Table 6.2 Information provided on other costs to buyers.....	56
Table 6.3 Information provided on other costs to sellers	57
Table 11.1 Key characteristics of online respondents (unweighted).....	88
Table 11.2 Characteristics of buyers and sellers (unweighted)	90
Table 11.3 Consumer age by first time conveyancer status (weighted).....	90
Table 11.4 Characteristics of in-depth interview participants.....	91
Table 11.5 Profile of focus group	92

Executive Summary

The Solicitors Regulation Authority (SRA) commissioned IFF Research to undertake research to better understand the experiences of consumers who have used a solicitor to assist them with the legal aspects of their residential conveyancing transaction.

How consumers choose and use legal services, and their expectations of service delivery, are increasingly driving change in the market. Emerging evidence indicates consumers of legal services are becoming more confident, active and powerful in the market. Solicitors, and other providers of legal services, are changing the way they deliver their services in response to this. In conveyancing, fixed pricing and greater use of technology are two examples of such changes.

But there is more to do and the Competition and Markets Authority (CMA) is concerned that poor transparency about price, service offer and quality, remains an issue, and is having a negative impact on consumer choice and competition.

Alongside these concerns, the CMA identifies conveyancing as an area of law where consumers are receiving inappropriate advice and poor quality of service. This perception is supported by SRA data on professional indemnity insurance claims, data on complaints to the Legal Ombudsman (LeO), and by research highlighting solicitor negligence and poor competence. These three factors prompted the SRA to commission this study.

Aims and key research questions

The aim of this research is to respond to the CMA's and wider concerns about competence and quality by helping the SRA to: *'understand the experiences of consumers who have recently used conveyancing legal services to buy and/or sell residential property in England and Wales'*.

The research has answered the following core questions:

- How do consumers choose their solicitor and what factors are most important when making that choice?
- What are the views of consumers on using price comparison websites and consumer reviews to help them choose their solicitor?
- What expectations do consumers have about the quality of service from their solicitor? How satisfied are consumers with the quality of service they have received?
- What did consumers identify as the main issues and problems experienced during their conveyancing transaction and what impact did these issues have on the progress of their transaction?
- How are consumers charged for the services they receive from their solicitor? Are these charges clearly explained at the start of the legal process?

Research approach

The research used an online panel survey of 1,501 consumers who had used a solicitor to buy or sell a residential property in England and Wales in the last two years. The survey focused on their experiences in relation to access, quality and cost at each stage of the legal process. Survey questions explored:

- how consumers found and chose their solicitor
- information requested and provided by the solicitor
- consumer expectations and overall satisfaction with their solicitor
- problems encountered during the process and how these were resolved
- complaints and redress.

Findings from the survey were further explored through four targeted focus groups with first time buyers, people who had bought and/or sold a leasehold property and people with previous experience of the process. In addition, ten in-depth interviews were conducted with selected survey respondents. These in-depth interviews explored similar themes to the survey, but with an additional focus on the use of technology and automation and any associated benefits and risks of digitisation.

Key findings

Finding and choosing their solicitor

- 55% of consumers found their solicitor through a recommendation, the two most common being from Estate Agents (27%) and friends, family or colleagues (25%). First-timers were more likely than those with previous experience to have found their solicitor through a recommendation (64% compared to 51%).
- 40% of all people surveyed were aware of price comparison websites for legal services. Of these, approximately 1 in 3 used such sites to compare conveyancing providers.
- 34% considered an estate agent referral important when choosing their solicitor. First timers were more likely than those with previous experience to consider them important (57% compared to 25%).
- Cost (86%) and being a conveyancing specialist (82%) were the most important factors that influenced a consumer's choice.

Information and communication

- 76% of consumers remembered being given information on what the solicitor will charge, while nearly two thirds (64%) remembered receiving information on costs payable to third parties.

- Solicitors most commonly provided information in a formal client care letter (45%), or at an initial face-to-face meeting (44%). First-timers were less likely than those with previous experience to remember receiving this information in a client care letter (39% compared to 47%).
- Only 60% were told the name of the person with responsibility for their work, and 55% remembered being given details of the legal process. 20% did not think their solicitor provided a clear explanation of the legal process.
- The two pieces of information that consumers were least likely to remember receiving were information on how to complain (31%) and the types of issues/problems that could occur (30%).
- 20% of those who had bought a leasehold property did not remember being provided with any information on length of lease, service charges and other payments such as ground rent.
- Over three quarters of buyers and sellers remembered their solicitor asking to check their identification documents (76%) and asking for proof of address (76%). First-timer buyers were less likely than those with previous experience to remember their solicitor checking their identification documents (65% compared with 79%).

Quality of service

- 76% of consumers were either 'quite' or 'very satisfied' with the work of their solicitor. This compared with 14% who stated they were dissatisfied.
- 25% of satisfied consumers attributed their satisfaction to the service being fast or efficient, whilst 37% of dissatisfied consumers said this was because the service was slow or inefficient.
- 17% of consumers who were dissatisfied with the work of their solicitor said that this was because the solicitor had made a mistake. Typically, these mistakes related to drafting of contracts or errors in the title of property.
- 91% of consumers were presented with a fixed fee. Of these, one in nine (11%) ended up paying more than the original fixed fee quoted.

Problems during conveyancing and how they were resolved

- Approximately two thirds of consumers (65% of buyers and 67% of sellers) did not experience any issues during their transaction. Among those that did, the most common issues related to their property chain or concerns raised during searches.
- First-time buyers (47%) and first-time sellers (45%) were more likely than those with experience (29%, 27% respectively) to have encountered issues.

- For those buying who had experienced issues, problems included that their solicitor had failed to carry out the relevant property searches (24%) and had not drafted an accurate title of the property (18%).
- For those selling who had experienced issues, problems included that their solicitor had failed to identify and report any problems with the property's title (20%) or informed them of neighbouring demolition or building projects (20%). Failing to identify and report any problems with the property's title was experienced by both buyers (17%) and sellers (20%).
- Many participants in focus groups and in-depth interviews were concerned that the documents supplied by their solicitor contained legal jargon they did not fully understand. In addition, some were concerned about being given poor explanations of the implications of purchasing a leasehold property, resulting in unanticipated difficulties extending the lease.
- After raising an issue with their solicitor, the most common reaction consumers cited was that they did nothing about it (26% of buyers and 30% of sellers who had experienced issues). Approximately one in five consumers stated their solicitor had promised to progress the work.

Complaints and redress

- 9% of all consumers surveyed made a complaint to the solicitor firm about an aspect of the solicitor's service. This equates to just over one-quarter (26%) of consumers who stated they were dissatisfied.
- It was more likely for male consumers to complain than female consumers (12% compared to 6%).
- Consumers who complained about their solicitor were more likely to be first-timers than consumers with previous experience of conveyancing (20% compared to 5%).
- Consumers who complained about an aspect of the solicitor's service did so for two main reasons: mistakes made by the solicitor and poor customer service.
- Three quarters of consumers received a positive response to their complaint from the solicitor. The most common responses were a commitment to progress the work (27%), an explanation to allay consumers concerns (24%) and an apology (23%).
- 14% of those who made a complaint did not receive a response from their solicitor.

Opportunities and risks of digitisation

- Most focus group participants were open to the idea of using technology during the conveyancing legal process and proactively suggested ways that technology could be harnessed. One suggestion was for a website or portal which could be used to check the progress of their transaction.

- There are several risks associated with the continued move towards digitisation of the conveyancing process. Consumers raised concerns about cybercrime and fraud. Key players in the market will need to find approaches to mitigate these risks. Consumers suggested end-to-end encryption, introduction of pin codes (like those used in online banking) and re-confirming requests for sensitive information, such as bank details, through multiple channels, as possible solutions.

Conclusions and Recommendations

Most consumers are satisfied with the service they receive from their solicitor. However, research findings highlight several areas where the overall experience of consumers could be improved. Conclusions and recommendations for each area are detailed below.

How consumers choose their legal representative

Estate agent referrals continue to play an important role in consumers' selection of a conveyancing provider. However, there needs to be better understanding about the referral process and the solicitor that is being recommended.

Recommendation: Work with estate agents and other intermediaries to improve consumer understanding of the referral process and to provide information on the solicitor they are recommending.

Cost is the most important factor for consumers when choosing a conveyancing solicitor. However, some consumers, particularly first timers, have limited understanding about the services they are paying for and could benefit from a mechanism for comparing price.

Consumers were aware of, and had used, comparison websites in other sectors, but only a small proportion had used them to choose their solicitor.

Recommendation: There is need to raise awareness and encourage the use of comparison websites as a mechanism to help consumers choose their conveyancing provider.

Increase their understanding of the role of regulation

Many consumers were unaware of the role of regulation, the fact that solicitors were regulated and what protections this regulation provides them.

Recommendation: Increase consumer awareness and understanding of regulation and the additional protections that such regulation provides them. This will help them to make an informed choice between regulated and unregulated service providers.

Improve their understanding of the legal process

Information on the legal process is important for consumers, particularly those who are using a legal service for the first time. Only just over half of survey respondents could remember being provided with information on the conveyancing legal process by their solicitor. This highlights that firms may not be providing information on the legal process or are providing this information in an inaccessible format.

Recommendation: Firms need to provide information about the legal process in an accessible format to consumers.

Improve the quality of information and communication that solicitors provide during the process

The research highlighted issues with the information conveyancing solicitors provide to consumers. These included:

- providing information in an inaccessible format
- providing too much information and expecting the consumer to identify important points
- failing to provide information on specific issues, including leasehold properties and how to complain. Only 20% of survey respondents buying a leasehold property remember being given information on aspects of leasehold purchases, and less than a third remember being provided information on how to complain.

Recommendation: Firms need to provide and explain relevant information at the appropriate time in the process and provide it in an accessible format.

Recommendation: Firms need to provide and explain information on particular aspects of buying a leasehold property, including length of lease and service charges.

Recommendation: Firms need to provide more information on who to complain to and their complaints process.

Maximise the role that technology can play in improving the experience for consumers and solicitors

Consumers and legal service providers are open to the prospect of using digital technologies and automation to improve the conveyancing process. In doing so, they also recognise several of the risks associated with such developments and suggested end-to-end encryption, introduction of pin codes and re-confirming requests for sensitive information (eg bank details) through multiple channels, as possible solutions.

Recommendation: Firms should continue to identify ways in which technology can improve their processes and consumer experiences while minimising and mitigating against any associated risks.

1 Introduction

- 1.1 The Solicitors Regulation Authority (SRA)¹ commissioned IFF Research to undertake research to better understand the experiences of consumers who have used conveyancing legal services in the last two years.
- 1.2 Consumer demand for legal services is changing, together with the way they choose their legal representative and their expectations of service delivery. They want better information about the types of services solicitors are providing, how solicitors are providing these services, and how much these services are going to cost. They also want early access to as much of this information as possible to help them make the right choice.
- 1.3 Solicitors, and other providers of legal services, are responding to changing consumer behaviours by adapting the way they deliver their services. In conveyancing, fixed pricing and greater use of technology are two examples of such changes.
- 1.4 However, the Competition and Markets Authority (CMA)² is concerned that poor transparency about price, service offer and quality, remains an issue, and is having a negative impact on consumer choice and competition. They propose a 'package of remedies' focused on *'helping consumers engage with legal services by equipping them with the tools to identify their legal needs, shop around and secure good value'*.
- 1.5 Alongside these concerns, their report identifies conveyancing as an area of law where consumers are receiving inappropriate advice and poor quality of service. This perception is supported by SRA regulatory data and complaints to the Legal Ombudsman (LeO).

Aims and key research questions

- 1.6 The CMA's review of legal services, when combined with complaints data, and concerns about quality and competence, has led the SRA to commission this research.
- 1.7 The aim of this research is to respond to the CMA and address wider concerns by helping the SRA to:

'understand the experiences of consumers who have recently used conveyancing legal services to buy and/or sell residential property in England and Wales'.

¹ The SRA regulates the conduct of solicitors and law firms, in England and Wales, to ensure high professional standards of competence, skill and integrity in the delivery of legal services

² [Legal services market study: Final Report, Competition and Markets Authority \(CMA\) \(2016\)](#)

1.8 The research has answered the following core questions:

- How do consumers choose their solicitor and what factors are most important when making that choice?
- What are the views of consumers on using price comparison websites and consumer reviews to help them choose their solicitor?
- What expectations do consumers have about the quality of service from their solicitor? How satisfied are consumers with the quality of service they have received?
- What did consumers identify as the main issues and problems experienced during their conveyancing transaction and what impact did these issues have on the progress of their transaction?
- How are consumers charged for the services they receive from their solicitor? Are these charges clearly explained at the start of the legal process?
- What are consumer perceptions of the advantages, disadvantages and risks of increasing the use of technology in conveyancing transactions?

Research approach

1.9 The research used an online survey, focus groups and in-depth interviews with consumers to explore their experiences of using conveyancing solicitors during their transaction.

Online consumer survey

1.10 An online survey was conducted with 1,501 consumers who had used a solicitor to buy or sell a residential property. Respondents were recruited using an online Panel³ and were screened to make sure they met the following criteria:

- They had bought and/or sold a residential property in England and Wales and had used a solicitor to handle the legal aspects of the transaction
- They had bought or sold freehold and leasehold properties
- They included first time users of conveyancing legal services and consumers with previous experience of buying and selling a residential property.

1.11 Consideration was also given to the age, location and ethnicity of the respondent and the type of property that was bought and/or sold.

³ A custom online panel is a group of pre-screened respondents who have expressed a willingness to participate in surveys and/or customer feedback sessions. The custom online panel is also known as a customer advisory panel, proprietary panel or an online research panel. Respondents become "panelists" by completing a profiling questionnaire. The data collected includes demographics, lifestyle characteristics and media habits, which provides a basis for future survey participation.

1.12 Table 1.1 below, provides a more detailed breakdown of the sample:

Table 1.1 - Key characteristics of online respondents (unweighted)

Key characteristics	All consumers (1,501)
Nature of conveyancing transaction	
Bought	42%
Sold	22%
Both	36%
First time transaction	
Yes	35%
No	65%
Gender	
Male	58%
Female	42%
Age	
16-24	3%
25-34	18%
35-44	17%
45-54	17%
55-64	26%
65 and over	19%
Ethnicity	
White	91%
Mixed	1%
Black	1%
Asian	5%
Other ethnic background	<1%
Region	
London	19%
South East (England)	16%
North West (England)	12%
South West (England)	10%
East of England	9%
West Midlands (England)	9%
East Midlands (England)	8%
Yorkshire and The Humber	8%
Wales	5%
North East (England)	4%

1.13 The questionnaire took approximately 15 minutes to complete and explored:

- how consumers found and chose their solicitor

- information requested and provided by the solicitor
- consumer expectations and overall satisfaction with their solicitor
- issues and problems encountered during the process and how these were resolved
- complaints and redress.

Focus groups

1.14 The survey identified several issues and findings that required more detailed exploration with consumers. These included noticeable differences between the experiences of first time buyers and respondents with previous experience of the conveyancing process and, between those who had bought a freehold or a leasehold property.

1.15 Four consumer focus groups⁴ were conducted to explore these differences, together with use of technology and the associated risks of cybercrime and identity theft.

1.16 Each group had eight participants with a mix of characteristics and different levels of satisfaction with the legal work carried out by their solicitor. The profile of focus groups participants is detailed in Table 1.2 below.

Table 1.2 - Focus group participants

Focus group	Location	Audience
1	Birmingham	First time buyers of freehold properties
2	Birmingham	Those with prior experience of conveyancing that has recently bought or sold leasehold properties
3	London	First-time buyers of leasehold properties
4	London	Those with prior experience of conveyancing that had recently bought or sold freehold properties

⁴ Focus group participants were 'free found' and had not participated in the online survey.

In-depth interviews

1.17 Alongside focus groups, ten in-depth interviews were conducted with survey respondents to understand their different experiences with their solicitor and transaction. These included consumers who had:

- Positive experiences of their transaction;
- Reported mistakes being made by their solicitor;
- Reported poor communication from their solicitor; and/or
- Made a complaint about their solicitor.

1.18 The qualitative fieldwork was completed between 4 September and 20 September 2017.

1.19 A more detailed research approach is provided in Annex 1 to this report.

Report structure

1.20 The remainder of the report is structured into the following chapters:

- **Chapter 2.** Discusses other research and evidence about how consumers choose their solicitor, the CMA's review of legal services, and concerns about solicitor competence and quality of service.
- **Chapter 3:** Details the key stages in the conveyancing legal process from pre-contract through to completion.
- **Chapter 4:** Is the first of four chapters analysing the consumer survey. Chapter 4 explains how consumers find their solicitor and the factors that are important when choosing them.
- **Chapter 5:** Identifies and discusses the different types of information that solicitors provide to their clients and how this information is communicated.
- **Chapter 6:** Discusses consumer perceptions of the quality of service they received from their solicitor. Quality is divided into overall satisfaction with key aspects of the service, actions taken by their solicitor during the transaction and reasons for dissatisfaction.
- **Chapter 7:** Explores issues and problems that consumers have experienced during their conveyancing process, including those out of the solicitor's control and those more directly related to the solicitor and their service.
- **Chapter 8:** Details the characteristics of consumers who complained about their solicitor's service, the reasons why they complained and the response they received. Consumer understanding about the role and importance of regulation is also tested.

- **Chapter 9:** Discusses the perceptions of focus group participants on the increased use of digital technologies in the provision of services to consumers, specifically how technology can be used to improve efficiency and the overall consumer experience, and what consumers think are the main risks of digitisation.

2 Effect of consumer behaviours and service expectations on provision of services

- 2.1 People and businesses are now choosing legal services from a wider range of providers (both regulated and unregulated), who are structuring and delivering their services in new ways.
- 2.2 In a market historically resistant to competition, there are many indicators of increasing competitive pressures impacting legal services, including the drive to deliver better value for money.
- 2.3 Consumer behaviours when choosing their legal representative, and their expectations of service delivery, are driving change in the market. Emerging evidence indicates consumers of legal services are becoming more confident, active and powerful in the market, and providers are beginning to react to changing consumer habits by adapting the way they work and the way they deliver services⁵.
- 2.4 However, the CMA, in their review of legal services⁶, found that the sector is not working well for individual consumers or small businesses. Poor transparency about price, service and quality makes it difficult for consumers to make informed choices. The report identifies conveyancing as an area of law where consumers are not receiving appropriate levels of service.
- 2.5 The CMAs perception of the conveyancing market is supported by complaints data from the SRA and LeO, and by research detailing several concerns about the competence of conveyancing solicitors.
- 2.6 One specific area of concern, highlighted in recent months, has been inadequate provision of information to consumers when they buy a leasehold property. Failure to provide information about ground rents and lengths of leasehold agreements are costing consumers money and leading to transactions falling through.
- 2.7 The remainder of this section explores consumer behaviours, findings from the CMA report and concerns about solicitor competence, in greater detail.

Consumers and choice of legal services

- 2.8 People, businesses and organisations are wanting better information about price, the types of services offered by their legal representative and how these services are delivered. This information is allowing consumers to make more informed choices and to compare services between different types of provider.

⁵ [The changing legal services market, Solicitors Regulation Authority \(SRA\), 2016](#)

⁶ [Legal services market study: Final Report, Competition and Markets Authority \(CMA\) \(2016\)](#)

Shopping around

- 2.9 Empowered by technology, consumers are more likely to shop around in search of the best value, and are more aware of their own importance as customers⁷. Anecdotal evidence suggests that younger consumers shop around more and are more likely to try alternatives to 'mainstream' law firms, with conveyancing one area of law where this behaviour is becoming more common.
- 2.10 While data from the most recent Legal Services Consumer Panel (LSCP) Tracker Survey⁸ states that *'the overall proportion of consumers who shop around for legal services remains small at 27%'*, when we look at consumers who have used conveyancing legal services, this figure increases to almost two in five (39%).
- 2.11 Analysis by age also supports the view that younger people are more likely to shop around, with 36% of 25-34 and 34% of 35-44 stating they shop around, compared with 24% of 45-54 year olds and 22% of people over 55.

How consumers make their choice

- 2.12 LSCP's annual Tracker Survey goes on to ask respondents about how they choose their legal representative and what factors are important to them when making this choice.
- 2.13 Among all respondents, 35% stated they had chosen their provider via a recommendation from family or friends (22%), a referral from another organisation, such as an estate agent or insurance company (14%), a union recommendation (3%) or a recommendation from the first people they approached about their legal problem (5%)
- 2.14 This figure increases to almost half (46%) of people choosing their conveyancing provider, of which, 28% had used a referral from an estate agent.
- 2.15 Estate agent referrals are an important factor influencing the choice of a conveyancing provider and solicitors view them as a legitimate channel for securing business. However, questions have also been raised about whether referrals compromise the independence of solicitors and limit consumer choice.
- 2.16 When asked *'How important were the following factors when choosing your solicitor'*, 69% identified cost, a figure that increased to 81% among conveyancing users. Other factors considered important were *'reputation'* (75% for all respondents, 81% for

⁷ The changing legal services market, Solicitors Regulation Authority (SRA), 2016

⁸ For the last seven years the Panel has commissioned YouGov to conduct an annual survey in two parts: a nationally representative sample (1,822 adults); and a sample of people who have used legal services in the last two years (1,625 adults). The two samples were weighted to be representative of each wider population. All the figures have been weighted and are representative of all GB adults (aged 18+). The results have been tested to the 95% confidence level – we are 95% confident that these findings are not due to chance. Fieldwork took place during 21 February and 27 March 2017.

http://www.legalservicesconsumerpanel.org.uk/publications/research_and_reports/index.html

conveyancing users) '*speed of delivery*' (64% compared with 79%) and '*being a specialist in the area*' (67% compared with 78%).

Findings from the Competition and Markets Authority's (CMA) review of legal services

2.17 Despite the above changes in how consumers are identifying and choosing their solicitor, the CMA's review of the legal services market⁹ was critical about the overall functioning of the market.

2.18 Published on 13 January 2016, the CMA stated that, overall, the legal services sector is not working well for individual consumers or small businesses.

2.19 The report found that consumers:

- generally, lack the experience and information they need to find their way around the legal services sector and to engage confidently with providers.
- find it hard to make informed choices because there is very little transparency about price, service and quality – for example, research conducted by the Legal Services Board (LSB) found that only 17% of legal services providers publish their prices online.

2.20 This lack of transparency weakens competition between providers and means that some consumers do not obtain legal advice when they would benefit from it or do not receive the appropriate quality of service from their provider.

2.21 We will explore issues about price transparency and quality of advice with survey respondents to identify whether the CMA's wider concerns are well founded when specifically applied to conveyancing legal services.

Quality of service and competence of solicitors

2.22 Alongside the CMA's criticisms about the functioning of the legal services market, several concerns have been raised about the competence of, and quality of service provided by, conveyancing solicitors.

2.23 There are approximately 4,500 solicitors' firms providing conveyancing advice to consumers.

2.24 Most consumers receive a good standard of service and their house purchase or sale completes relatively smoothly and with no need for them to complain to the firm or to escalate their complaints to LeO or the SRA¹⁰.

⁹ [Legal services market study: Final Report, Competition and Markets Authority \(CMA\) \(2016\)](#)

¹⁰ If complainants are not happy with their solicitor's response, they can pursue their complaint about the solicitor's service with the Legal Ombudsman, make a negligence claim through the court, tell the SRA about a misconduct concern, or they may be able to use an Alternative Dispute Resolution (ADR) service.

- 2.25 Back in 2012, the then Law Society Chief Executive, Des Hudson, said the volume of complaints should be put in perspective: *'There are, on average more than 675,000 property transactions a year. We are talking about 1,300 complaints to the LeO in a year. My point is that the vast majority of solicitors do a good job when it comes to conveyancing'*.¹¹
- 2.26 However, published analysis of professional insurance trends found that, once claims where insurers did not categorise the reason for the claim had been removed, more than half of the value of all indemnity payments stem from conveyancing problems.

Complaints about service and concerns over solicitor competence

- 2.27 Complaints are an indicator of quality of service. Over the last five years, conveyancing has generated the most consumer complaints to LeO. Published data from 2015/16 showed that 21.8% of complaints (1,393 of 6,394 complaints) related to conveyancing. This has increased to approximately 24% of resolved complaints (a total of 6,573 cases were resolved) in 2016/17 financial year¹².
- 2.28 The most common reasons for complaining to LeO about conveyancing legal representatives were Delay/Failure to Progress, Failure to Advise, Failure to Follow Instructions and Failure to Keep Informed.
- 2.29 LeO does not provide descriptive information about the nature of these complaint types, however, *Beenletdown*, identified several common examples of solicitor negligence¹³. Many of these align closely with LeO complaint types:
- Serious defects in the title of the property – to include not having adequate rights of way/access to the property, or rights to services such as water, electric and sewers
 - Not being informed by the solicitor of planning restrictions and other restrictive covenants impeding the property
 - Not being informed about neighbouring demolition or building projects
 - Failing to identify and report problems with the property's title – an example would be failing to notice a charge against the property.
 - Failing to inform of any property boundary disputes
 - Not advising that part of the land/property was not included in the sale e.g. garden or garage
 - Failing to carry out all relevant property searches

¹¹ 'Ombudsman warns of dangers from conveyancing factories' Law Gazette

¹² Decisions made about legal service providers Legal Ombudsman (2017)

¹³ <http://www.beenletdown.co.uk/solicitor-negligence/professional-negligence-when-buying-property/>

- Proceeding to exchange contracts without providing instructions
- Failure to explain a leasehold/freehold agreement
- Failing to report a mortgage or charge on the properties title

Provision of advice on leasehold properties

- 2.30 An issue of concern, highlighted by *Beenletdown*, and that has received significant press coverage in recent months, has been the legal advice consumers receive about buying a leasehold property.
- 2.31 HM Land Registry figures show that the proportion of new build properties sold on a leasehold basis had increased from 22% to 43% between 1996 and 2015. This rise in the proportion of newbuilds that are leasehold dwellings has been driven, in part, by an increase in the development of flats.
- 2.32 According to several articles¹⁴, some leasehold residents have discovered their ground rents will double after a set period and that the freehold purchase prices they were originally quoted have increased significantly, as the freeholds have been sold on by the developer to investors.
- 2.33 Concerns about the transparency and fairness of selling leasehold houses, and about the level of ground rents, were first raised in a House of Commons debate in December 2016.¹⁵ Since then, the Government has released a Housing White Paper¹⁶, which highlighted the Government's aim to improve choice and fairness in the leasehold sector and committed to consult on a range of measures to tackle unfair and unreasonable abuses of leasehold.

Use of technology and associated risks

- 2.34 Consumers identify speed of delivery as an important factor influencing their choice of legal provider. This not only relates to the speed with which their legal problem or transaction can be completed, but also how quickly they can access information, contact their solicitor and be kept updated on progress.
- 2.35 Both consumers and legal service providers, have recognised the benefits of using technology to improve operational efficiency, increase access to information and make communication more instantaneous.
- 2.36 According to a recent article in *Modern Law Magazine*,¹⁷ *'the application of technology in the legal space is currently so underdeveloped'*. Conveyancing is an area of law, which is largely process driven, and one that is considered as 'ripe for automation'.

¹⁴ 'The Leasehold Problem', *Today's Conveyancer*, (2017).

¹⁵ *Tackling unfair practices in leasehold market*, Department for Communities and Local Government (2017)

¹⁶ *Fixing our broken housing market*, Department for Communities and Local Government (2017)

¹⁷ *'Improving the craft of conveyancing'*, *Modern Law Magazine: Artificial Intelligence Supplement* 2016

- 2.37 Conveyancing providers have already sought to improve the experience of consumers by adopting fixed fees, while the Land Registry released a consultation¹⁸ containing plans to allow conveyancing to be done electronically, through amendment of the Land Registration Rules 2003.
- 2.38 However, increasing the use of technology and automation needs to be carefully considered for an area of law, which is already falling victim to fraudsters and cybercriminals. The amounts of money involved in buying and selling a house is an attractive prospect for cybercriminals and any decision taken to improve speed and efficiency, and improve the overall experience of consumers, needs to be balanced against these risks.
- 2.39 The role of technology and the advantages and disadvantages of increasing automation in the conveyancing process will be explored in this research.

Role of regulation in the legal services market

- 2.40 The CMA's criticisms about the operation of the legal services market (particularly in relation to consumer choice, transparency and competition), combined with concerns about quality and the competence of conveyancing solicitors, have been important drivers for this research.
- 2.41 With approximately 4,500 firms (46% of the SRA's regulated firms) providing residential conveyancing legal services, it is important that the SRA effectively regulate these activities and directly address any problems with competence and quality of service. Where there are issues of regulatory concern, the SRA can take proportionate and targeted enforcement action, as set out in their enforcement strategy¹⁹. Actions they take can involve the control and removal of firms who represent a risk to the public, but also working with firms to deter behaviours and encourage compliance with principles and regulatory requirements.
- 2.42 The Competition and Markets Authority (CMA) review of the legal services market introduces the possibility of more targeted regulation in conveyancing when discussing its long-term vision for a risk based model of regulation. They note that flexibility '*could be achieved by replacing (or supplementing) the current reserved legal activities...by a provision that allows the regulators to direct regulation at areas which it considers pose the highest risk to consumers*'²⁰.
- 2.43 This research will play an important role in increasing the SRA's understanding of the conveyancing market and in identifying issues of regulatory concern relating to the competence, conduct and behaviour of firms and solicitors.

¹⁸ [Consultation proposals to amend the Land Registration Rules 2003, HM Land Registry \(2017\)](#)

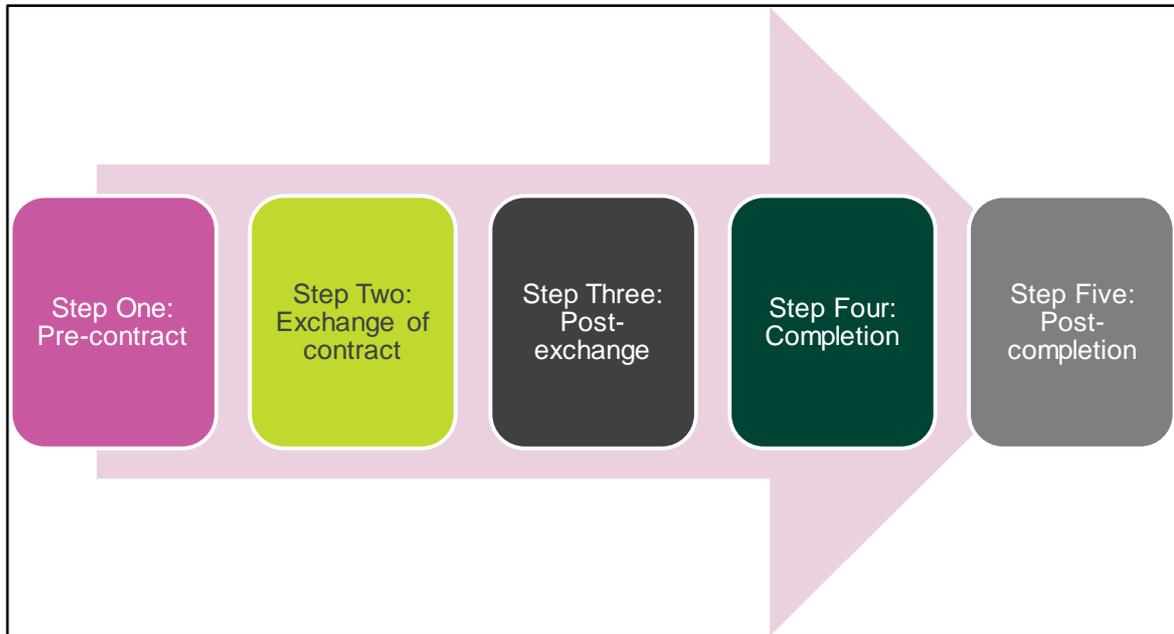
¹⁹ [SRA enforcement strategy \(October 2015\)](#)

²⁰ [Legal Services Market Study, Competition & Markets Authority \(2016\)](#)

3 Conveyancing legal process

3.1 The conveyancing process is composed of several steps, as illustrated by Figure 3.1²¹ and summarised below:

Figure 3.1 - The conveyancing legal process



Step 1: Pre-contract

1. The solicitor should provide an estimate of their charges (and any disbursements required) upfront. They should issue a client care or retainer letter along with terms and conditions, and details of the complaints procedure. The client instructs the solicitor on this basis.
2. At this stage, the solicitor should check and record the identification, proof of address, and capacity to act of their client.²² They should also check for a mortgage, deposit funds and for a chain.
3. Each solicitor will check the identity of the other solicitor in the process.
4. The buyer’s solicitor will then write to the seller’s solicitor to request the draft contract and other details, such as the property’s title, the Property Information Form and the fittings and contents form. The solicitor will examine the draft contract and other details, and raise any enquiries with the seller’s solicitor.
5. The buyer’s solicitor will conduct a set of legal searches on the property, including environmental and local authority searches.

²¹ Conveyancing protocol, Law Society (2011)

²² Capacity to act refers to checking for mental capacity.

Step 2: Exchange of contract

6. The buyer's solicitor exchanges contracts with the seller's solicitor, typically by reading the contract out over the phone to ensure it is the same then exchanging hard copies. Once contracts are exchanged, it is legally binding.
7. The buyer's solicitor will prepare and submit an official search of the HM Land Registry register and conduct a search of the bankruptcy register. They also will send the certificate of title and/or requisition for funds to the lender.

Step 3: Post-exchange

8. The buyer must transfer all funds to their solicitor before the day of completion.

Step 4: Completion

9. Funds are transferred by the bank. The seller's solicitor will confirm receipt of completion monies.
10. The buyer's solicitor will date and complete the mortgage document.
11. The seller's solicitor will notify the estate agent to release the keys immediately and date and complete the transfer, then dispatch the completion documents.
12. The seller's solicitor will pay the estate agent's fees.

Step 5: Post-completion

13. The buyer's solicitor applies to HM Land Registry to transfer deeds and checks the title document. The solicitor pays remaining third party costs such as Stamp Duty and sends a copy of the title deeds to the lender.

4 Finding and choosing a solicitor

Key findings

- 55% of consumers found their solicitor through a recommendation. These recommendations came from a variety of sources; the two most common were estate agents (27%) and friends, family or colleagues (25%). First-timers were more likely than those with previous experience to have found their solicitor through a recommendation (64% compared to 51%).
- 32% of consumers had used the same solicitor before their most recent conveyancing transaction. This was more likely among consumers with prior experience of conveyancing than first-timers (38% compared to 15%)
- 19% had found their solicitor online. It was more likely for first-timers to find their solicitor online than those with previous experience (36% compared to 13%).
- 40% of all people surveyed were aware of price comparison websites for legal services. Of these, approximately 1 in 3 used such sites to compare conveyancing providers. This was more common amongst first-timers than those with prior experience (59% compared to 22%).
- 86% of consumers identified the cost of the service to be an important factor when choosing a solicitor. However, in focus groups, consumers emphasised that, although knowing the cost of the service was important, it was not necessarily the deciding factor. Instead, factors like feeling able to build a rapport with their solicitor were regarded as a key final step in their choice.
- 73% of consumers said that evidence of accreditations was important when choosing a solicitor. First-timers were more likely to find this important than those with prior experience (80% compared to 70%). However, during focus groups consumers demonstrated poor understanding of accreditations.
- First-timers were much more likely than those with prior experience to consider referrals from either an estate agent or a mortgage lender to be important (57% and 55% respectively). This compared with 33% of all respondents who considered a referral from an estate agent to be important and 27% who considered a referral from a mortgage lender to be important.

- 4.1 This chapter explains how consumers identified and chose the solicitor they used for their most recent conveyancing transaction and the factors that influenced their choice.
- 4.2 The Legal Services Consumer Panel (LSCP) Tracker Survey found that only 27% of consumers shopped around for legal service providers in 2017, broadly consistent with the proportion in 2016 (25%). Of all the areas of law, those who had used a conveyancing legal service in the last two years were the most likely to shop around,

with 39% saying they had done so. However, this still means over half of the conveyancing consumers in the survey stated that they did not shop around.²³

- 4.3 The price and reputation of solicitors are the most important factors when choosing a solicitor in the conveyancing market. Other prominent factors included whether they are a specialist in a specific area of law and whether the firm was local/convenient.²⁴

How consumers found their solicitor

- 4.4 55% of consumers found their solicitor through a recommendation. These recommendations came from a variety of sources; the two most common were estate agents (27%) and friends, family or colleagues (25%). Around one in twenty had been recommended their solicitor by financial advisors or mortgage brokers (5%) or banks, building societies or mortgage lenders (4%). This is consistent with the 2017 LSCP Tracker Survey results, where 28% of respondents who had used a conveyancing legal service provider chose them through a referral (e.g. estate agent).²⁵

- 4.5 First-timers²⁶ were more likely than those with previous experience to have found their solicitor through a recommendation (64% compared to 51%). Specifically, these consumers were more likely to have taken a recommendation from friends, family members or colleagues (32% compared to 22%), financial advisors or mortgage brokers (12% compared to 3%) and banks, building societies or mortgage lenders (9% compared to 2%). There was no significant difference between first-timers and those with previous experience in their likelihood to have taken a recommendation from estate agents (25% compared to 27%).

- 4.6 Female consumers were more likely than male consumers to have found their solicitor through a recommendation from friends, family members or colleagues (27% compared to 21%).

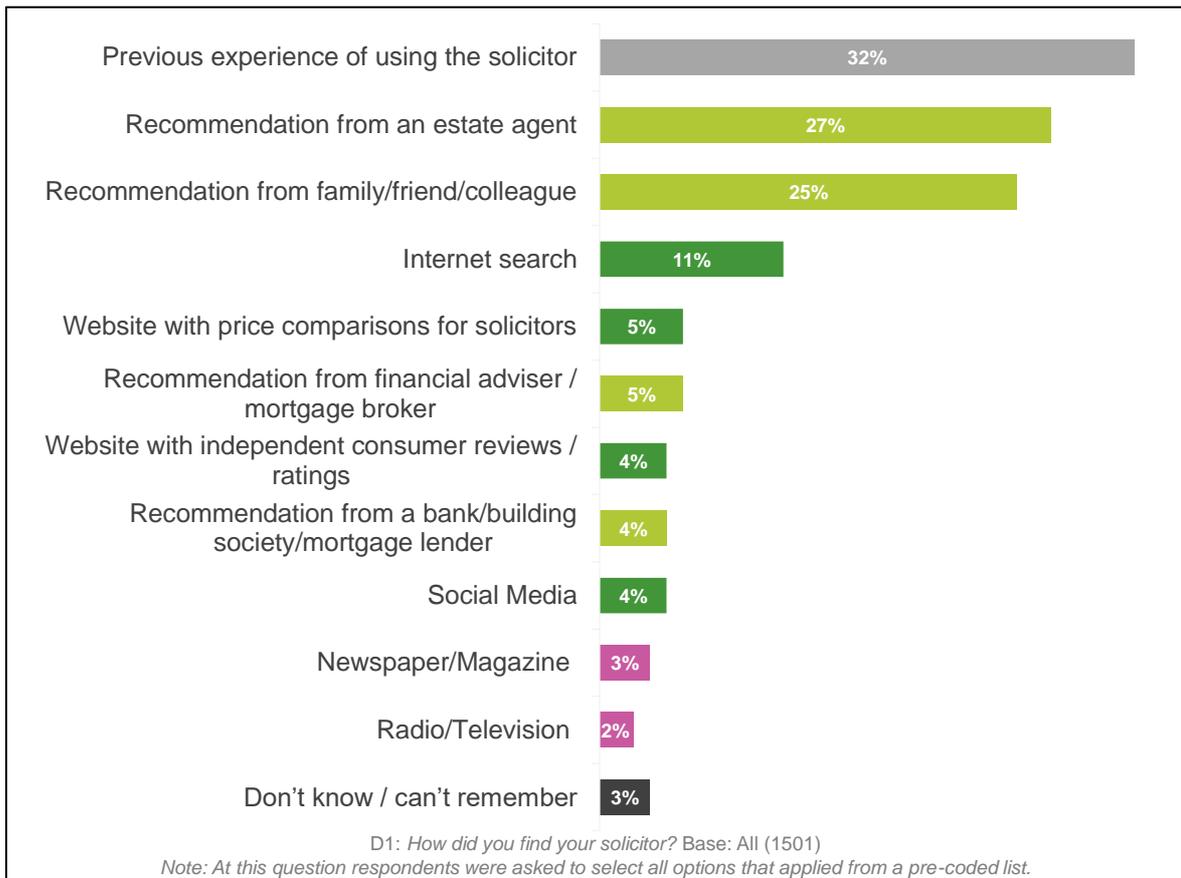
²³ [Tracker Survey 2017 - data tables for recent users, Legal Services Consumer Panel \(2017\)](#)

²⁴ [Tracker Survey 2017: How consumers are choosing legal services, Legal Services Consumer Panel \(2017\)](#)

²⁵ [Tracker Survey 2017 - data tables for recent users, Legal Services Consumer Panel \(2017\)](#)

²⁶ First-timers skew towards younger consumers, while those with more experience skew towards older consumers (see table 11.3). We therefore found that first-timers and consumers with previous experience of conveyancing analysis could be a proxy for age.

Figure 4.1 - How consumers found their solicitor



4.7 32% of consumers had used the same solicitor for other conveyancing transactions or legal services. This was more likely among consumers with prior experience of conveyancing than first-timers (38% compared to 15%). In qualitative interviews and focus groups, some consumers spoke about how they had used their solicitor for previous conveyancing transactions and other legal services (e.g. probate, will writing and divorce).

“When my father passed away we actually sold my mum's previous house, so she could downsize, and we used the solicitor at that point of time. We also used the solicitor when we needed to get my mum's will and when she got dementia we also used the solicitor so me, my brother and my sister were able to look after her finances by power of attorney”

Male, 35-44, previous experience, seller, leasehold

4.8 A small proportion of consumers found their solicitor through media channels, other than online. 3% found their solicitor in a newspaper or magazine and 2% heard of their solicitor on the radio or television.

4.9 19% of consumers found their solicitor through one of the following online methods:

- general internet search (11%)
- price comparison website (5%)

- website with independent consumer reviews/ratings (4%)
- social media (4%).

4.10 It was more likely for first-timers to find their solicitor online than those with previous experience (36% compared to 13%). It was also more likely for this channel to be used by male consumers than female consumers (23% compared to 16%).

4.11 Interview and focus group participants who had found their solicitor using online reviews and ratings had typically looked at ratings presented in search engine results. Only in a few instances had consumers visited standalone review websites (e.g. TrustPilot). One consumer who participated in a focus group commented that she often used online reviews and ratings for products and services, but it had not occurred to her that she could also do this for solicitors.

“I do that with shopping, I do that buying furniture or anything else... I wouldn't have thought about doing that with a solicitor.”

London focus group, first time buyer, leasehold

4.12 None of the focus group participants had used a price comparison website. Some consumers mentioned they were aware of comparison websites for other services (e.g. energy providers) but were unfamiliar with such websites existing for legal service providers. Only one interview participant had used a price comparison website to find their solicitor. She thought that this would be the best approach to identify a solicitor that was local, affordable and had positive reviews.

4.13 40% of all people surveyed were aware of comparison websites for legal services providers. Of these, approximately 1 in 3 used one to compare conveyancing providers.

4.14 Among those who were aware of price comparison websites for legal services, first-timers were more likely than those with prior experience to have used a comparison website to compare conveyancing providers (59% compared to 22%). Furthermore, it was more likely for a comparison website to have been used by those who had found their solicitor online (76%) compared to those who were recommended their solicitor (34%) or those who had used their solicitor before (16%).

4.15 The CMA's review of the legal services market highlighted that comparison websites could have significant benefits for competition between providers in the legal services sector²⁷. In response, the SRA are proposing to make more information available for such sites to use as part of their Looking to the Future: Better information, more choice consultation²⁸. This increase in data availability and transparency may facilitate an increase in the use of these comparison tools and websites, which this research has highlighted is currently low.

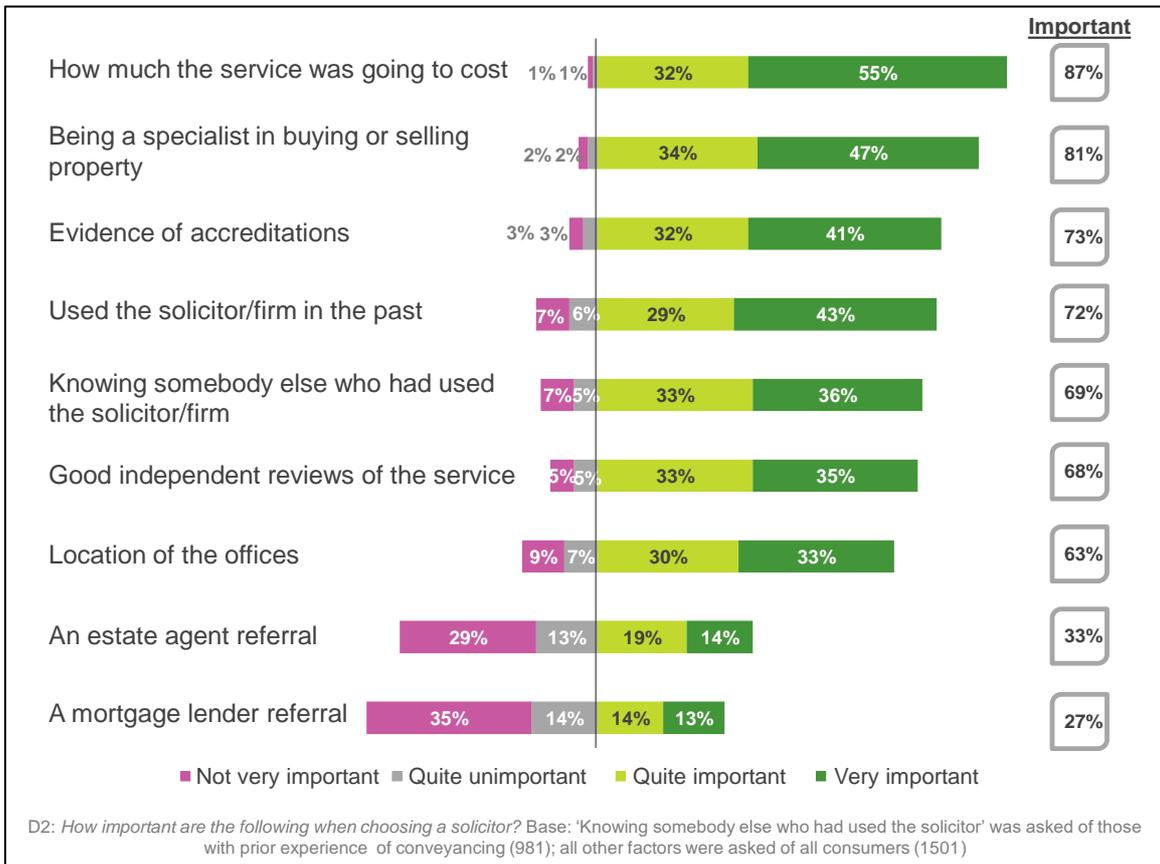
²⁷ [Legal Services Market Study, Competition & Markets Authority \(2016\)](#)

²⁸ [Looking to the future: better information, more choice consultation, SRA \(2017\)](#)

Factors that influenced choice of solicitor

4.16 Figure 4.2 identifies a series of factors that survey respondents considered to be important when choosing their solicitor.

Figure 4.2 - Important factors when choosing a solicitor



Cost

4.17 The most important factor when choosing a solicitor was how much the service was going to cost (see Figure 4.2). 87% of consumers considered the cost of the service to be important, with 55% considering it to be 'very important'. This is in line with the LSCP's 2017 Tracker Survey, where 81% of consumers who had used a conveyancing provider rated cost as either fairly or very important²⁹.

4.18 Consumers who only sold a property (91%) were more likely to consider the cost of the service to be an important factor when choosing a solicitor than those who only bought (85%) or those who bought and sold (84%). Female consumers were more likely than male consumers to consider the cost of the service to be important (88% compared to 84%).

4.19 However, in the focus groups, consumers explained that they felt that choosing a conveyancing solicitor was not like choosing a commodity. Although knowing the cost of the service was *important* (and was the key thing that was discussed before

²⁹ Tracker Survey 2017 - data tables for recent users, Legal Services Consumer Panel (2017)

instruction), it was not necessarily the *deciding* factor. Instead, factors like feeling able to build a rapport with their solicitor were regarded as a key final step in their choice. This has also been found in recent research into price transparency in the conveyancing market, that suggests although consumers care about price, they do not “focus” on it when making choices³⁰.

Quality

- 4.20 How much the service was going to cost was closely followed by whether a solicitor was a specialist in buying or selling property: 81% of consumers thought this was an important factor. It was more likely for this factor to be an important consideration for consumers who found their solicitor online (87%) or through a recommendation (84%) than those that had used the solicitor before (79%). It was also more likely to be a very important factor for female consumers than male consumers (52% compared to 44%).
- 4.21 73% of consumers said that evidence of accreditations³¹ was an important factor when choosing a solicitor. First-timers were more likely to consider this to be an important factor than those with prior experience (80% compared to 70%) and so too were female consumers compared to male consumers (76% compared to 70%).
- 4.22 Although many consumers who participated in the survey identified accreditations as an important factor when choosing a solicitor, during focus groups, consumers demonstrated a low level of understanding around what accreditations were. Most consumers thought that accreditations signified that a solicitor was qualified to practice or that the solicitor was a member of a professional body. Moreover, many were unable to distinguish the difference between accreditation and regulation. This may explain the relatively high proportion of consumers choosing this as important in the survey.

“I'd have thought that accredited [meant] that they were endorsed by someone, like a governing body, to say, 'Yes, they have these qualifications, they are legally allowed to practice as a solicitor'.”

Birmingham focus group, first time buyer, freehold

- 4.23 This finding will inform the SRA's ongoing work to help people access better information when choosing legal services. This includes consultation proposals to introduce requirements for firms to use a 'Regulated by the SRA' digital badge and logo on their website. This proposal seeks to raise consumer awareness and understanding of the SRA, regulation and the protections that come with choosing a regulated individual/firm.

Previous experience and recommendations

³⁰ Price Transparency in the Conveyancing Market, Economic Insight for the SRA (2017), in press

³¹ An accreditation relevant to the conveyancing market is the Law Society's [Conveyancing Quality Scheme](#)

- 4.24 Among consumers who had previous experience of conveyancing, 72% considered having used a solicitor before to be an important consideration when choosing.
- 4.25 In the focus groups and depth interviews, a few consumers mentioned having used the same solicitor for several decades. These consumers had used the same solicitor for a variety of different legal services over this period, including other conveyancing transactions and probate.

“The first time I used them was about twenty years ago...I think, to me, a solicitor is like my doctor, if you’ve got one and you’re happy with them you stick with them.”

Birmingham focus group, previous experience, bought and sold, leasehold

- 4.26 69% thought that knowing someone else who had used the solicitor was an important factor when choosing which solicitor to use for their most recent conveyancing transaction. First-timers were more likely than those that had prior experience of conveyancing to consider this an important factor (76% compared to 66%).
- 4.27 During depth interviews and focus groups, several consumers emphasised the importance of knowing someone who had used a solicitor and was satisfied with their service.

“When you hear about solicitors generally it’s because they’ve been useless. So, to get a positive recommendation, you’ll kind of bite people’s hands off for that.”

Birmingham focus group, first time buyer, freehold

- 4.28 Consumers commented that personal recommendations gave them more confidence that the solicitor would provide them with a good service, emphasising the importance they place on recommendations when choosing a conveyancing provider.

Independent reviews

- 4.29 68% thought that good independent reviews of the services provided by the solicitor was an important consideration when choosing a solicitor.
- 4.30 First-timers were more likely than those with experience to identify this as an important factor (80% compared to 63%), as were female consumers when compared to males (70% compared to 63%). This highlights the importance of credibility with independent reviews in the legal services sector, as first-timers with no prior experience of the conveyancing process are more likely to use them. The CMA recently published principles on reviews, as part of their research into Digital Comparison Tools, which recommend: *“When showing reviews [digital comparison tools should] have processes in place to ensure users see the full picture and be clear about how reviews are collected and checked”³²*.

³² [Digital comparison tools market study: Competition & Markets Authority \(2017\)](#)

- 4.31 Consumers who found their solicitor online (82%) were more likely to have found their solicitor through independent reviews than those that were recommended their solicitor (72%) or those that had used them before (58%).

Location

- 4.32 63% of consumers thought that the location of a solicitor's office was important when choosing a solicitor.
- 4.33 First-timers were slightly more likely than those with experience of conveyancing to consider the location of a solicitor's office to be important (67% compared to 61%). Female consumers were more likely than male consumers to consider this to be a very important factor (38% compared to 28%).
- 4.34 Location was also more likely to be an important factor for consumers who found their solicitor online (70%) compared with those that had used them before (67%) or those that had found their solicitor through a recommendation (62%). This suggests that although consumers are searching online for conveyancing providers, they may not necessarily want the entirety of the service to be delivered online.
- 4.35 In the in-depth interviews, some consumers mentioned that it was important for them to have a local solicitor because they wanted someone with knowledge of the local area or because they wanted to be able to deal with the solicitor in person. In a few cases, consumers who used a local solicitor had searched online for those that were nearby, as they had been unaware of the firms that were local to them.

Referrals

- 4.36 First-timers were much more likely than those with prior experience to consider referrals from either an estate agent or a mortgage lender to be important (57% and 55% respectively). This compared with 33% of all respondents who considered a referral from an estate agent to be important and 27% who considered a referral from a mortgage lender to be important.
- 4.37 Male consumers were more likely than female consumers to consider referrals from mortgage lenders to be important (29% compared to 23%). There was no difference between male and female consumers in terms of the perceived importance of estate agent referrals.
- 4.38 Referrals from estate agents and mortgage lenders are a contentious feature of the residential conveyancing market. Many solicitors consider referrals to be a legitimate channel of business development. However, in recent years there have been questions about whether referrals compromise the independence of solicitors.³³

³³ Referral arrangements, Legal Service Consumer Panel (2010)

4.39 Furthermore, there are claims that referrals limit consumer choice by pushing them to use the solicitor they are referred to rather than comparing service providers. This reduces access to legal services by increasing cost through referral fees.³⁴ This issue has also been raised in the Department for Communities and Local Government's (DCLG) October 2017 Call for Evidence to improve the home buying and selling process. This asks for views on the impact of banning referral fees³⁵, and questions whether consumers benefit from these arrangements. As presented in the case study Figure 4.3, first-time buyer Abi³⁶ did not shop around, based on the advice of her estate agent.

Figure 4.3 - Case study: estate agent referral

 Pre-exchange	 The transaction	 Completion
<p>Abi became aware of the solicitor used for the transaction via an estate agent referral. Abi did not compare solicitors because the estate agent told her that it would be easier and quicker this way.</p> <p>Abi could remember providing the solicitor with proofs of her identity and address. This was done by sending over both digital copies and the actual documents in the post.</p> <p>At the first point of contact the solicitor explained the process of buying a property, the costs and third party disbursements and estimated the completion date. The solicitor used a lot of jargon during the conversation which left Abi confused about the process and the costs.</p>	<p>Abi was dissatisfied with the legal work conducted by the solicitor because a few mistakes were made during the process. The solicitor misplaced search forms that Abi had sent over and forgot to submit documents needed for government bonus to be applied to the Help to Buy ISA.</p> <p>Abi was dissatisfied with the customer service provided by the solicitor because they did not keep her updated on the progress made during the transaction. Communication from the solicitor was particularly bad towards the end of the transaction. For the last month, the solicitor was very difficult to get hold of and kept saying that the exchange would take place in a week.</p> <p>Because of a lack of communication Abi made a complaint to the estate agent that had referred them to the solicitor who then forwarded it on to a senior member of staff at the firm of solicitors. The solicitor came back to apologise for the poor communication, however the communication did not improve.</p>	<p>The transaction took around 2 months longer than Abi had expected. The delay in the transaction was attributed to the vendor being slow at completing and sending back the necessary documents.</p> <p>The final costs were less than Abi had anticipated. Due to not properly understanding the costs sent through at the outset, Abi thought that she would have to pay for all the third-party disbursements and optional costs listed in the document. She did not think the costs were good value for money given the dissatisfaction with the legal work and customer service.</p> <p>Upon moving into the property, Abi was very disappointed with its condition. She complained to the estate agent and they told her to speak to her solicitor. She did this but did not receive a response. Abi and her partner have therefore had to pay for repairs.</p>

4.40 Two consumers who had taken part in depth interviews had chosen a solicitor that was referred to them by their estate agent: one had prior experience of buying or selling a property and the other was a first timer. The experienced consumer thought that a relationship between the two parties would make it easier to resolve any issues during the process.

³⁴ Referral fees, referral arrangement and fee sharing, Legal Services Board (2010)

³⁵ Improving the home buying and selling process: Call for Evidence, Department for Communities and Local Government (October 2017)

³⁶ The names of the consumers included in case studies have been changed to protect their identities.

"I thought if I went with the one the estate agent used, if I did have any problems with them I'd be able to tell the estate agent and they would be more likely to be able to do something about it. I thought it would be less hassle"

Female, 55-64, previous experience, bought and sold, freehold

- 4.41 She also used the solicitor she was referred to because she thought that they would provide a good quality service if the estate agent was comfortable recommending them.
- 4.42 The first-time buyer chose the solicitor that she had been referred to by her estate agent because she was told that the process would be cheaper and quicker this way.

"The estate agent told us it would be quicker because it was all via them and it would be cheaper because the fees were less. I didn't really understand what they were talking about at the time as we had no prior experience ...at the time you're very excited about buying a new house and you trust the people that you're working with."

Female, 25-34, first time buyer, freehold

- 4.43 Given that the consumer was dissatisfied with the service she received, she thought she was "very naïve" to have gone with the recommendation without comparing solicitors via independent reviews and ratings. This highlights the question of the independence of referrals in the conveyancing market, and whether consumers have sufficient choice of legal representative.

5 Information and communication

Key Findings

- While most consumers recalled being provided with at least one item of information at the beginning of the conveyancing process, there was low recall of multiple items. This indicates that even if customers were provided with these documents, there may be an issue with the solicitors' approach to providing information, which is being considered by the SRA in their ongoing work on improving information for people choosing a solicitor³⁷
- Most commonly, consumers remembered being given information on what the solicitor will charge (76% remembered this), followed by receiving information on costs payable to third parties (64%). Consumers were least likely to remember receiving information on how to complain or types of issues or problems that could occur. First-timers remembered being given far less information compared to those who had been through the process at least once before.
- A fifth (20%) of those who had bought a leasehold property did not remember being provided with specific information about this type of property. The length of lease remaining and information on service charges and other payments were the most likely items of information to be remembered, though still by less than two-thirds.
- Solicitors most commonly provided this information in a formal client care letter (45%), or at an initial face-to-face meeting (44%). First-timers were less likely than those with previous experience to remember receiving this information in a client care letter (39% compared to 47%).
- Over three quarters of buyers and sellers remembered their solicitor asking to check their identification documents (76%) and asking for proof of address (76%). First-timer buyers were less likely than those with previous experience to remember their solicitor checking their identification documents: 65% compared with 79%. There was a mix of ways that consumers had provided these documents, with some providing original copies in person, and others scanning and emailing. Typically, consumers thought that money-laundering prevention was the rationale for being asked to provide these documents.
- Over three quarters of buyers remembered their solicitor arranging for searches to be completed (76%), while those selling were most likely to remember their solicitor drafting the contract (75%) and obtaining a fittings and contents form (73%).

³⁷ [Looking to the future: better information, more choice consultation, SRA \(2017\)](#)

5.1 This chapter looks at the different types of information that solicitors provided to their clients at various stages of the process, as well as looking at what information the solicitors requested and how this was communicated to the client.

Information provided by the solicitor

5.2 Consumers in the online survey were presented with a list of information types that they should have been given by their solicitor at the start of the process, for example, costs payable to third parties, details of what tasks would be carried out and what documents needed to be signed/drafted. They were asked to select which, if any, they remembered receiving. This information is likely to have been included with their client care letter, which is typically sent out soon after a legal services provider is appointed, as confirmation of the consumer's instructions.

Table 5.1 - Types of information that consumers recall being provided by their solicitor at the start of the process

	Total survey population (1501)	First time users of conveyancing services (520)	Consumers with previous experience (981)
What the solicitor will charge	76%	56%	83%*
Costs payable to third parties	64%	47%	70%*
List of documents to be drafted/signed	61%	48%	65%*
The name of the person with overall responsibility	60%	39%	68%*
Which tasks the solicitor would be carrying out	59%	42%	65%*
Details of the legal process	55%	42%	59%*
Estimate of time until completion	47%	42%	49%*
Process for payment	47%	37%	50%*
Solicitor bank details	39%	31%	42%*
How to complain	31%	22%	34%*

Type of issues or problems that could occur	30%	26%	32%*
Don't know	3%	4%	3%

An asterisk indicates a significant difference between first timers and consumers with experience

- 5.3 Nearly all (95%) could remember being provided with at least one type of information at the start of the process, and most remembered being given multiple types of information.
- 5.4 First-timers remembered being given far less information compared to those who had previous experience: only 41% of first-timers could remember being given 5 or more pieces of information, compared to 71% of those who had previous experience.
- 5.5 While acknowledging the potential issue of recall after the event,³⁸ these findings indicate that even if customers were provided with these documents, there may be an issue with the solicitors' approach to providing information. A significant proportion of consumers were unable to recall some fundamental pieces of information. As highlighted in previous research, the client care letter may not be the most effective way of providing information to consumers at the point of instruction, with many consumers suggesting some information, such as complaints procedures and regulatory information, would be better received in a separate leaflet they could be signposted to³⁹.
- 5.6 In terms of which specific pieces of information consumers were most likely to remember being given at the start of the process, as Table 5.1 shows, most remembered being given information related to cost. Over three quarters (76%) remembered being given information on what the solicitor will charge, while nearly two thirds (64%) remembered receiving information on costs payable to third parties.
- 5.7 Consumers also recalled being given the name of the person with overall responsibility (60%), details of the legal process (55%) and an estimate of time until completion (47%).
- 5.8 These findings support previous research into client care letters, where consumers highlighted the most important information they would like to see as:
- confirmation of a named contact
 - scope of the agreed work

³⁸ To qualify to take part in the survey, respondents were screened on the basis of having had their transaction complete in the last two years so that the transaction would not be ongoing, but would still be within recent memory.

³⁹ Research into Client Care Letters, Optimisa Research (2016)

- associated fees and charges
- likely timescales
- details of next steps / any actions that are required.⁴⁰

5.9 Consumers were least likely to remember receiving information on how to complain or types of issues or problems that could occur: less than a third remembered being provided with this information (31% and 30% respectively). This finding is supported by recent research into the first-tier complaints processes used by firms, where 37% of consumers stated they were not told about their solicitors' complaints procedure and 15% could not remember being provided with it. This is despite 98% of solicitor firm respondents stating they provided it at the outset⁴¹.

5.10 Female consumers were more likely than male consumers to remember being provided with a list of documents to be drafted or signed (64% compared to 58%) and to be given the name of the person with overall responsibility (64% compared to 59%). Conversely, male consumers were more likely than female consumers to remember being told how to complain (35% compared to 29%) and the types of issues or problems that could occur (34% vs 26%).

5.11 Those with more experience of buying or selling were more likely than first timers to remember being given every type of information, perhaps suggesting that repetition of the experience helps consumers to digest information (see Table 5.1)

In the depth interviews and focus groups first-timers described the provision of information as confusing and overwhelming: "It was very piecemeal. We'd get random emails saying, 'well this has now come through, but we're still chasing for this, this and this'. But it was all paragraph 2.4, clause xyz." "When (information) did come through it was all a bit piecemeal and confusing, so at no point were we really sure of what part of the process we were on".

Female, 25-34, first time buyer, leasehold

5.12 These findings provide further evidence of the need for more effective information provision by solicitors. This should be tailored to suit the consumer, where appropriate, and given at the time they need it to avoid overwhelming them. This could also help to manage their expectations of the conveyancing process, particularly for inexperienced first-time buyers and sellers.

Information provided specifically to those buying leasehold properties

5.13 There has been recent press coverage about issues relating to leasehold properties, leading to a Government consultation in July 2017 on tackling unfair practices in the

⁴⁰ [Research into Client Care Letters, Optimisa Research \(2016\)](#)

⁴¹ [Research into the experiences and effectiveness of solicitors' first tier complaints handling process, London Economics and YouGov for the SRA and the Legal Ombudsman \(2017\)](#)

leasehold market⁴² One of the issues identified is about ground rent, and the potential for some ground rents to double after a set period. An article from the Law Gazette reported an increase in the number of claims from buyers of leasehold properties who have sought to recover compensation for ground rent charges which they say they were never told about.⁴³ It is important that consumers purchasing leasehold properties are given clear and adequate information by their solicitor about the nature and implications of the lease.

- 5.14 Consumers were asked which types of information specifically relating to leasehold properties they remembered receiving at the start of the process and were prompted with a list. As Table 5.2 shows, a fifth (20%) of those who had bought a leasehold property did not remember being provided with any of these specific types of information about leasehold properties. This proportion is relatively high and is concerning in the context of the recently publicised issues.
- 5.15 The length of lease remaining and information on service charges and other payments (such as ground rent) were the most likely to be remembered, though still by less than two-thirds (60%) of consumers.
- 5.16 It was least common to recall having had the difference between leasehold and freehold explained (only 26% recalled this).

Table 5.2 - Types of information provided to clients buying a leasehold property at the start of the process

	All consumers that bought a residential property on leasehold (203)	First time users of conveyancing services that bought a residential property on leasehold (68)	Consumers with previous experience that bought a residential property on leasehold (135)
The length of lease remaining	60%	58%	61%
Service charges and other payments (e.g. Ground rent for a flat)	60%	34%	67%*
Who was responsible for day to day management of the building, including repairs	44%	27%	49%*
Restrictions on use	40%	26%	45%*

⁴² Tackling unfair practices in the leasehold market, Department for Communities and Local Government consultation (2017)

⁴³ Firms brace for negligence flood over ground rent advice, The Law Society Gazette (2017)

The difference between leasehold and freehold properties	26%	34%	24%
None of these	20%	21%	19%
Don't know	5%	9%	4%

An asterisk indicates a significant difference between first timers and consumers with experience

5.17 First-timers were less likely than those that had undertaken a conveyancing transaction before to remember being given information on service charges and other payments, who was responsible for day to day management of the building, including repairs and restrictions on use (see Table 5.2). A revised approach to providing information on leasehold transactions may therefore be needed, particularly for first timers.

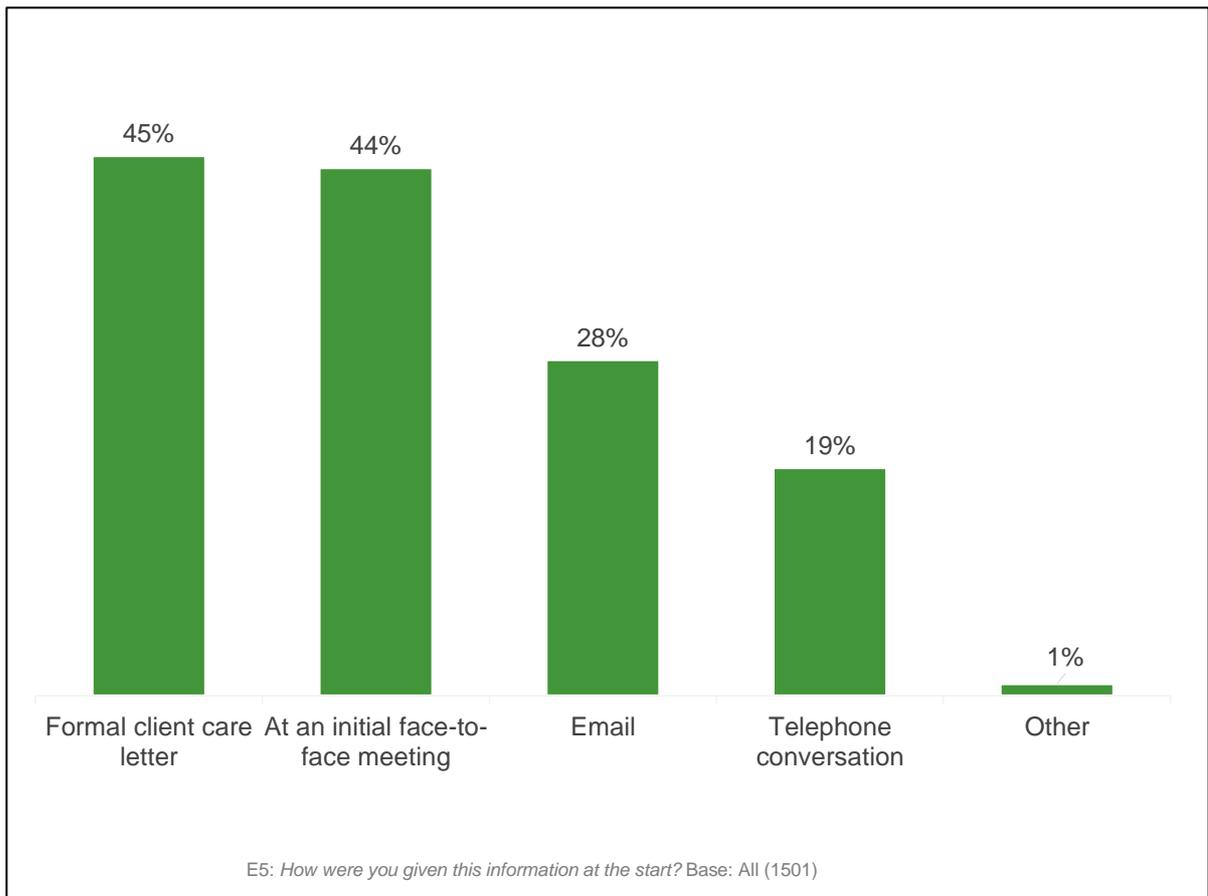
5.18 Male consumers were more likely than female consumers to remember being told about restrictions on use (45% compared to 31%).

Method of communication

5.19 Consumers were presented with a list of different communication channels and asked to select the way(s) in which the types of information described above had been provided to them.

5.20 Solicitors most commonly provided this information in a formal client care letter (45%), or at an initial face-to-face meeting (44%). This was followed by in an email (28%) and via a telephone conversation (19%). 1% of consumers had received the information via a different channel, such as via documents sent in the post.

Figure 5.1 - Channels used by the solicitor to provide information to clients at the start of the process



- 5.21 First-timers were less likely than those with previous experience to remember receiving this information in a client care letter (39% compared to 47%). These findings further evidence how client care letters are commonly used as the main method of information provision to consumers, yet may not be effective given their low recall.
- 5.22 Consumers who had found their solicitor through online channels or television, radio or press were more likely, than those who found out about their solicitor through previous use or a recommendation, to have received this initial information via a telephone call (29% and 34% compared to 21% and 20% respectively) or email (44% and 38% compared to 28% and 25% respectively).
- 5.23 Those who complained about their solicitor were more likely than those who didn't, to remember receiving this initial information through more informal channels, such as email (40% compared to 27%) or over the telephone (38% compared to 17%).
- 5.24 The focus groups and in-depth interviews corroborated that this information came to consumers through a variety of different channels sequentially: there was a mix of those who met with their solicitor face-to-face at the beginning and went through this information then and those who first approached their solicitor via email, at which point the solicitor would give them a call to talk things through. Nearly all had this initial contact followed up with an email.

5.25 One respondent described how they had been given the information in two stages, which seemed to be the case for several people:

"They sent me a letter with a quotation. What I had to do then was that if I was happy to go ahead with it we would have to pay a £50 token deposit. Once I said 'yes, we're going with them' they then told me they would send an information pack on the house and then we had to complete that"

Male, 35-44, previous experience, seller, leasehold

5.26 This preliminary quotation stage may help explain why consumers remember being given costs above all other pieces of information.

Information requested

5.27 As well as providing information to consumers at the start of the process, solicitors are also required to request certain documents from their client.

5.28 Consumers were presented with a list of different types of information that they should have been asked for by their solicitor during the process, and asked to select which, if any, they remembered their solicitor requesting.

5.29 Over three quarters of buyers and sellers remembered their solicitor asking to check their identification documents (76%) and asking for proof of address (76%). This contrasted with just over a quarter who remembered their solicitor checking whether consent to sell is required from others (28%) and around a fifth who remembered their solicitor checking their capacity to sell (20%) or checking their scope of authority to act where there is more than one seller (18%).⁴⁴

Table 5.3 - Information requested from consumers selling a residential property by their solicitor

	All consumers that sold a residential property (802)	First time users of conveyancing services that sold a residential property (207)	Consumers with previous experience that sold a residential property (595)
Ask for proof of address	76%	73%	77%
Check your identification documents	76%	71%	78%*

⁴⁴ NB: this option was asked to all sellers, rather than just those whose transaction involved multiple individuals selling.

Check whether consent to sell is required from others	28%	35%*	25%
Check capacity of the client	20%	29%*	17%
Check scope of authority to act where there is more than one seller	18%	26%*	16%
None of these	6%	4%	6%
Don't know	6%	2%	7%*

An asterisk indicates a significant difference between first timers and consumers with experience

- 5.30 First-time sellers were more likely than those with previous experience to recall their solicitor checking if consent to sell is required from others, the capacity of the client to sell and the scope of authority to act where there was more than one seller (see Table 5.3).
- 5.31 Amongst those that sold a residential property, female consumers were more likely than male consumers to remember being asked for identification documents (81% compared to 72%). Male consumers were more likely to recall being asked to check the scope of authority to act where there was more than one seller (23% compared to 15%).

Table 5.4 - Information requested from consumers buying a residential property by their solicitor

	All consumers that bought a residential property (1175)	First time users of conveyancing services that bought a residential property (410)	Consumers with previous experience that bought a residential property (765)
Ask for proof of address	76%	67%	78%*
Check your identification documents	76%	65%	79%*
None of these	2%	2%	2%
Don't know	4%	6%*	3%

An asterisk indicates a significant difference between first timers and consumers with experience

- 5.32 First-timer buyers were less likely than those with previous experience to remember their solicitor checking their identification documents and asking for proof of address (see Table 5.4).
- 5.33 In the focus groups and in-depth interviews, most also remembered providing proof of funds. In one focus group with first time buyers, there was some confusion as to whether they were asked to provide proof of funds: some remembered having to provide bank statements, but could not accurately remember whether this had been to their mortgage broker or to the solicitor.

Format in which consumer provided information

- 5.34 Some items of information requested from clients at the start of the process must be provided as originals or, as an alternative, must be certified. For example, the Law Society, in its Conveyancing Protocol⁴⁵, recommends that solicitors see original copies of their client's ID documents or, if copies are sent via email, these copies should have been certified by another legal professional or a participating Post Office to ensure that the ID documents are a true representation.
- 5.35 The research indicated several ways that consumers had provided these documents to their solicitor. Several had provided original copies of their proofs in person (either to their solicitor or, for one or two, via an estate agent), while others had emailed them in. There did not seem to be a pattern between first time and experienced buyers and sellers here; instead it seems to be driven by what the solicitor is prepared to offer.
- 5.36 For a few consumers, providing the original documents face-to-face gives an element of reassurance as to the 'thorough' nature of the solicitor's work:

"We had to go to the respective solicitor offices with the death certificate, proof of ID for me, my brother and my sister. Things like photographic ID; passports or driving licence. At least two recent utility bills or credit card statements. That was the only physical evidence, though I felt it was thorough... we all had to physically go to one of the branches most convenient to where we live".

Male, 35-44, previous experience, seller, leasehold

- 5.37 However, there were also some whose solicitor had requested that they come in to deliver the documents but found this quite inconvenient and would have preferred to deliver it digitally.
- 5.38 Most would prefer to provide these documents digitally so there is perhaps an opportunity to ensure that this choice is offered to all new clients.

⁴⁵ The Law Society Conveyancing Protocol, Law Society (2011)

Do consumers understand why proof of identification is requested?

5.39 In the focus groups, consumers were asked why they thought they were being asked to provide these documents. Typically, money-laundering prevention was the perceived rationale; some thought fraud prevention.

M: It's all to do with fraud, isn't it, I suppose, at the end of the day?

F: To prove you are who you say you are.

M: It's so easy to defraud anything.

M: So yes, it must be something to do with money-laundering and fraud, and-

M: Benefits and things.

F: It's not like buying a pair of shoes, is it? It's a lot of money."

Birmingham group, first timers, freehold

5.40 A couple of first-timers questioned whether it would be to check that you were not a fantasist or wasting the solicitor's time. Most understood why they were being asked for this information:

"It's common practice now; you do the same to get a job."

Birmingham group, previous experience, buyers and sellers, leasehold

Actions taken by the solicitor

5.41 Solicitors are required to take certain actions on the behalf of their clients during the conveyancing process.

5.42 Consumers were presented with a list of different actions and asked to select which, if any, they remembered their solicitor doing on their behalf.

5.43 Over three quarters of buyers remembered their solicitor arranging for searches to be completed (76%). It was less common for buyers to remember their solicitor drafting the contract (68%), confirming any restrictions on the property, such as planning permission requirements (57%), or making any changes to the contract (25%).

5.44 First-time buyers were less likely than those with experience to remember their solicitor arranging for searches to be completed, drafting the contract and confirming any restrictions on the property, such as planning permission requirements (see Table 5.5).

5.45 Female consumers were more likely than male consumers to remember their solicitor arranging for searches to be completed (80% compared to 72%) and drafting the contract (72% compared to 64%).

Table 5.5 - Actions taken by the solicitor on behalf of consumers during the process of buying

	All consumers that bought a residential property (1175)	First time users of conveyancing services that bought a residential property (410)	Consumers with previous experience that bought a residential property (765)
Arrange for searches to be completed	76%	64%	81%*
Draft the contract	68%	46%	76%*
Confirm any restrictions/consents such as planning permissions	57%	44%	61%*
Make any amends to the contract	25%	21%	26%
None of these	2%	2%	2%
Don't know	4%	6%*	3%

An asterisk indicates a significant difference between first timers and consumers with experience

5.46 As presented in Table 5.6, those selling were most likely to remember their solicitors drafting the contract (75%), obtaining a fittings and contents form (73%) and drawing up a property information form (68%).

5.47 Consumers with previous experience of conveyancing were more likely than first timers to remember their solicitor drafting the contract, providing a fittings and contents form, providing a property information form, confirming any restrictions/consents, providing an estimated completion date and providing information from the buyer's solicitor about their sale.

Table 5.6 - Actions taken by the solicitor on behalf of consumers during the process of selling

	All consumers that sold a residential property (802)	First time users of conveyancing services that sold a residential property (207)	Consumers with previous experience that sold a residential property (595)
Draft the contract	75%	64%	79%*

Fittings and Contents form	73%	49%	80%*
Property information form	68%	57%	71%*
Confirm any restrictions/consents such as planning permissions	43%	31%	46%*
Provide estimated completion date	42%	28%	46%*
Building regulations consent	36%	35%	37%
Information from the buyer's solicitor about their sale etc.	36%	27%	38%*
Make any amends to the contract	26%	23%	26%
Building plans	22%	17%	23%
None of these	4%	6%	4%
Don't know	6%	6%	6%

An asterisk indicates a significant difference between first timers and consumers with experience

- 5.48 Female consumers were more likely than male consumers to remember receiving a fittings and contents form (77% compared to 70%). Male consumers were more likely than female consumers to remember being provided with building plans (28% compared to 19%).
- 5.49 Amongst those that sold a leasehold property, around half (45%) were asked by their solicitor for a copy of the lease and around a third (36%) were asked by their solicitor for the contact details of the landlord.
- 5.50 Those who were buying a leasehold property were more likely than those buying a freehold property to recall being given a draft of the contract (74% compared to 67%).
- 5.51 Overall, the range and inconsistencies of consumers experiences suggests that the process of information-giving could be improved across the board. Consumers displayed low levels of recall of receiving important pieces of information about their conveyancing transaction, including details of the legal process and how to complain. Some leasehold buyers did not recall receiving information about the length of lease remaining or the service charges and other payments necessary, such as ground rent.
- 5.52 While it is essential that consumers are provided with all information necessary when buying or selling a property, particularly for problematic areas like leasehold properties, solicitors should consider at what point in the transaction they are providing

it and in what format. This will help consumers to understand and recall the information they need throughout the transaction and improve their experience overall.

6 Quality of service

Key findings

- 76% of consumers were either very satisfied (46%) or quite satisfied (30%) or with the way their solicitor carried out work for them:
- 14% of consumers were dissatisfied with the work their solicitor carried out for them: 11% were quite dissatisfied and 3% were very dissatisfied. Consumers with previous experience of conveyancing were more likely than first-timers to be dissatisfied with the way their solicitor had carried out the work (15% compared to 11%).
- Satisfaction and dissatisfaction with the work carried out solicitors was driven by the speed and efficiency of the service, the customer service provided and whether mistakes were made during the process.
- 83% of consumers agreed that their solicitor had a professional manner and 82% agreed that their solicitor followed the instructions given to them.
- 20% of consumers did not think that their solicitor provided them with a clear explanation of the conveyancing process. This was more likely to be an opinion held by first-timers than those with previous experience (42% compared to 12%).
- Among consumers who bought a leasehold property, 17% did not think that their solicitor had clearly explained the features of this ownership arrangement. First time buyers were more likely than those that had previous experience of conveyancing to hold this opinion (31% compared to 12%).
- 21% did not think that their solicitor clearly explained their fees at the start of process. This was more likely to be an opinion held by first-timers compared to those with previous experience (44% compared to 12%).
- 91% were presented with a fixed fee. Among these consumers, 84% went on to pay the fixed fee quoted at the start of the process. However, 11% ended up paying more than the original fixed fee quoted.
- 78% of consumers thought that their solicitor had clearly explained the other potential costs (e.g. third-party disbursements) that could be incurred during the conveyancing process.

Expectations of consumers

- 6.1 This chapter begins by explaining what consumers expected from their solicitor before the conveyancing transaction started. The chapter then moves on to discuss the

overall satisfaction with the work conducted by their solicitor, the perceptions consumers had of their solicitor and the actions taken by their solicitor during the transaction.

- 6.2 Focus group participants and in-depth interviewees were asked what expectations they had for the solicitor's service before the conveyancing process began. In terms of the characteristics of the solicitor, most consumers had similar expectations. Commonly envisaged traits included being competent at conducting the work required for a conveyancing transaction, having a professional manner and being honest and transparent.
- 6.3 Nearly all consumers had expected the transaction to take between two and three months to complete. Most consumers had this expectation because their estate agent or their solicitor had told them that it would take this long.
- 6.4 Many consumers had expected to be updated by their solicitor on the progress made once a week or once every two weeks. However, in most cases, updates were less frequent. Consumers were typically only updated on the progress made when there was something to report and in some cases, consumers only received updates upon request.
- 6.5 Consumers felt very reliant on their solicitor to explain all aspects of the process to them, and this was critical in terms of establishing trust in the consumer's relationship with their solicitor. This trust can be in danger of being undermined, particularly if consumers feel that they are not being updated as much as they would like and that they must 'chase' to ensure the transaction is progressing. Solicitors can improve the consumers' experience of the conveyancing process by keeping them regularly informed, or by managing their expectations at the outset of how often updates will be given.

Overall satisfaction with the solicitor

- 6.6 As presented in Table 6.1, 76% of consumers were either very satisfied or quite satisfied with the way their solicitor carried out work for them. Nearly half (46%) were very satisfied, while the remaining 30% were quite satisfied. 14% of consumers were dissatisfied with the work their solicitor carried out for them: 11% were quite dissatisfied and 3% were very dissatisfied.

Table 6.1 - Satisfaction with the way the solicitor carried out work for the consumer

	Total survey population (1501)	First time users of conveyancing services (520)	Consumers with previous experience (981)
Very satisfied	46%	45%	47%
Quite satisfied	30%	33%	29%
Neither satisfied nor dissatisfied	10%	11%	9%
Quite dissatisfied	11%	9%	12%
Very dissatisfied	3%	2%	3%

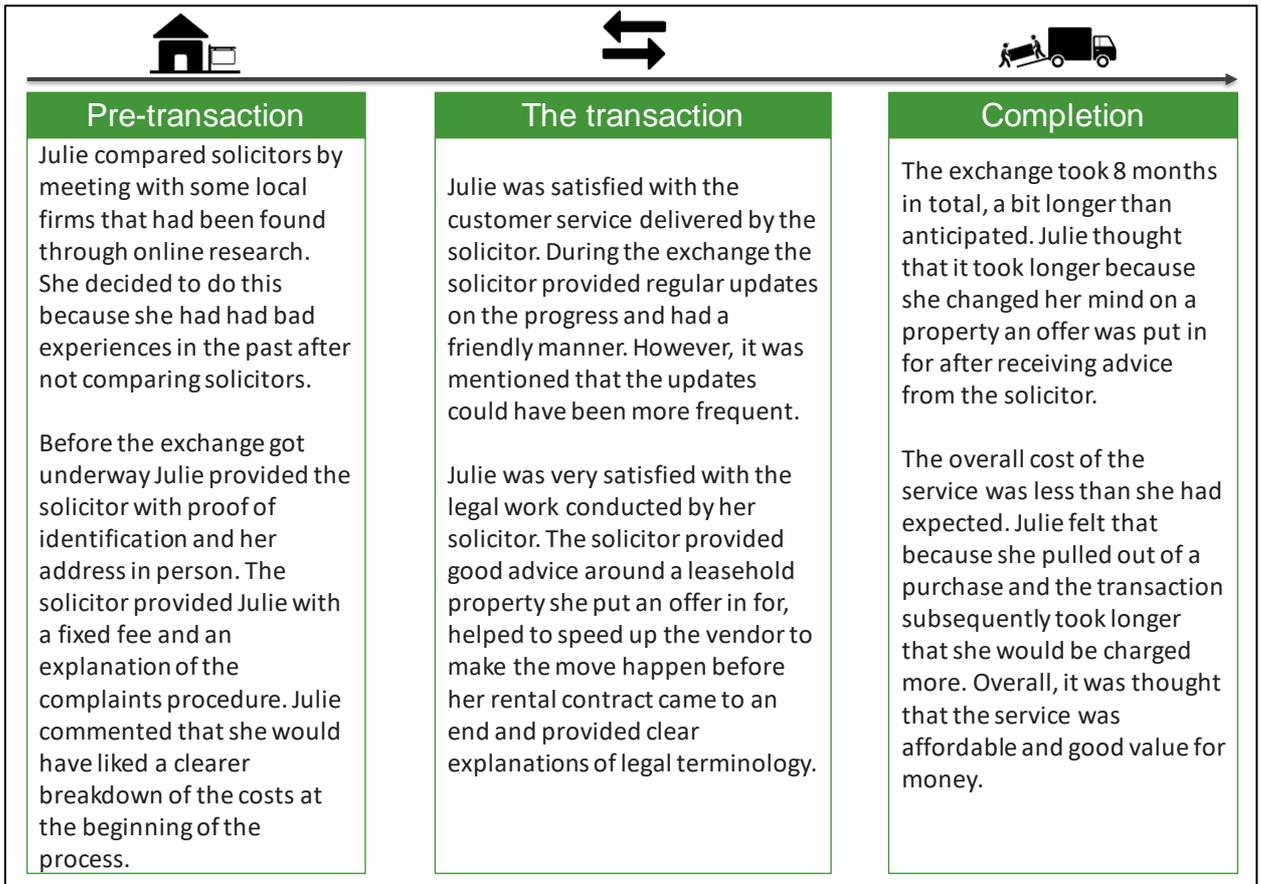
An asterisk indicates a significant difference between first timers and consumers with experience.

- 6.7 Male consumers were more likely than female consumers to be very satisfied (49% compared to 44%).
- 6.8 Consumers with previous experience of conveyancing were more likely to be dissatisfied with the way their solicitor had carried out work than first-timers (15% compared to 11%). This may be because the reality of the process did not marry up with their expectations of the way it would be carried out or because those with more experience are better able to navigate the process and 'manage' their solicitor.
- 6.9 Consumers who had used their solicitor before were more likely to be satisfied with the way their solicitor carried out work for them than those that found their solicitor online or those that were recommended their solicitor (84% compared to 74% and 75%).
- 6.10 The speed and efficiency of a solicitor was the primary reason for both satisfaction and dissatisfaction with the work carried out by the solicitor. Amongst satisfied consumers, 25% attributed their satisfaction to the service being efficient or fast and, amongst those that were dissatisfied, 37% said this was because the service was slow or inefficient.
- 6.11 The customer service provided by the solicitor also had a notable influence on the overall level of satisfaction or dissatisfaction with the work they conducted, particularly the communication from the solicitor. Amongst those satisfied, 14% attributed this to their solicitor being easy to get hold of and keeping them updated. Conversely, 22% of those that were dissatisfied said that this was because their solicitor communicated poorly and did not keep them updated with progress.
- 6.12 Another factor that influenced the level of satisfaction or dissatisfaction with the work carried out by a solicitor was whether mistakes were made during the process. Among those who were dissatisfied, 17% said that this was because the solicitor had made a mistake during the transaction. Mistakes made by solicitors typically involved errors

being made in paper work (e.g. the consumers name being misspelt) and mistakes being made during the transfer of funds (e.g. depositing funds into the wrong bank account). The nature of these mistakes and the impact they had on transactions is covered in Chapter 8.

- 6.13 The case study presented in Figure 6.1 describes Julie’s experience of conveyancing. Overall, Julie⁴⁶ had a positive experience of conveyancing as she was satisfied with the legal advice delivered by her solicitor and the customer service provided.

Figure 6.1 - Case study: positive experience of conveyancing

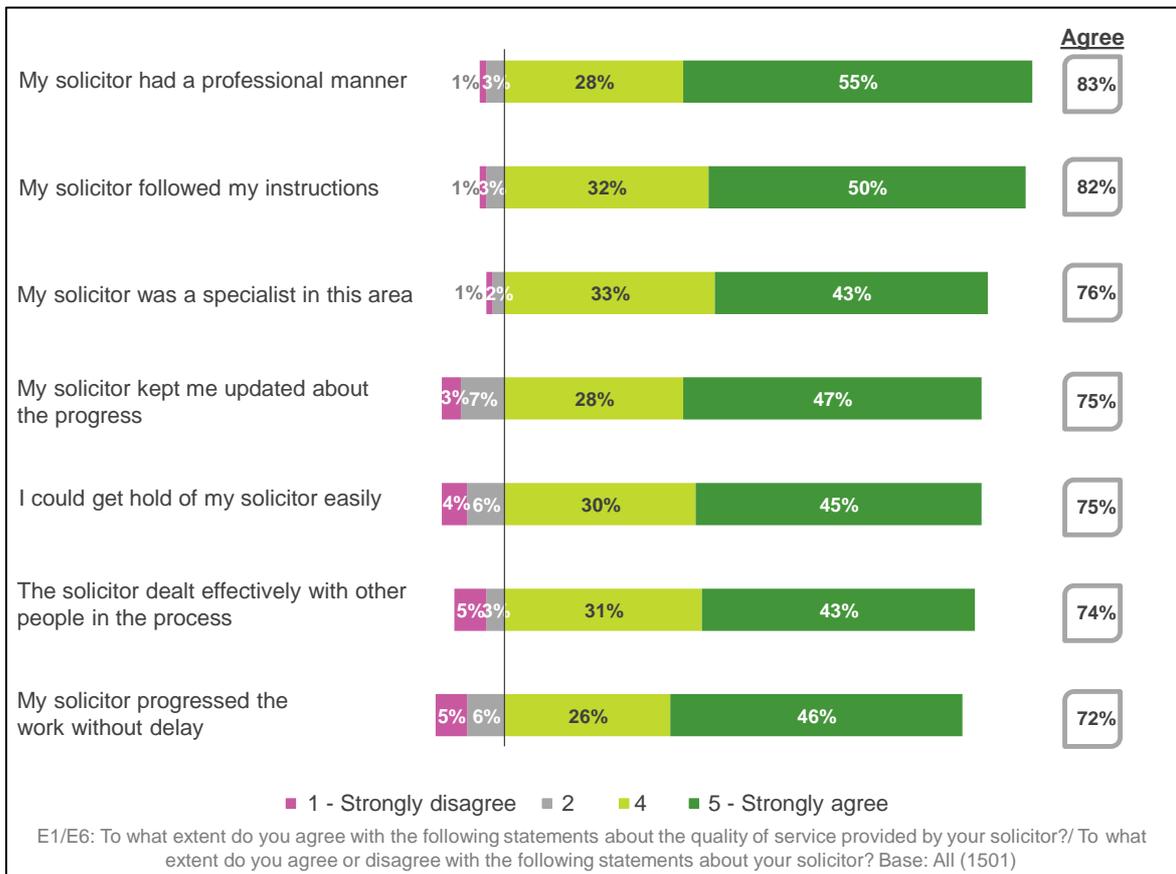


⁴⁶ The names of the consumers included in case studies have been changed to protect their identities.

Perceptions of the solicitor

6.14 Figure 6.2 presents the extent to which consumers agreed with a series of statements concerning how they perceived their solicitor.

Figure 6.2 - Agreement with statements about the quality of service provided



6.15 83% of consumers agreed that their solicitor had a professional manner and 82% agreed that their solicitor followed the instructions given to them. First-timers were less likely than those with previous experience of conveyancing to agree with either of these statements (78% compared to 84% and 77% compared to 84%). Consumers who had used the same solicitor before were more likely to agree their solicitor had a professional manner and followed their instructions (90% and 91% respectively).

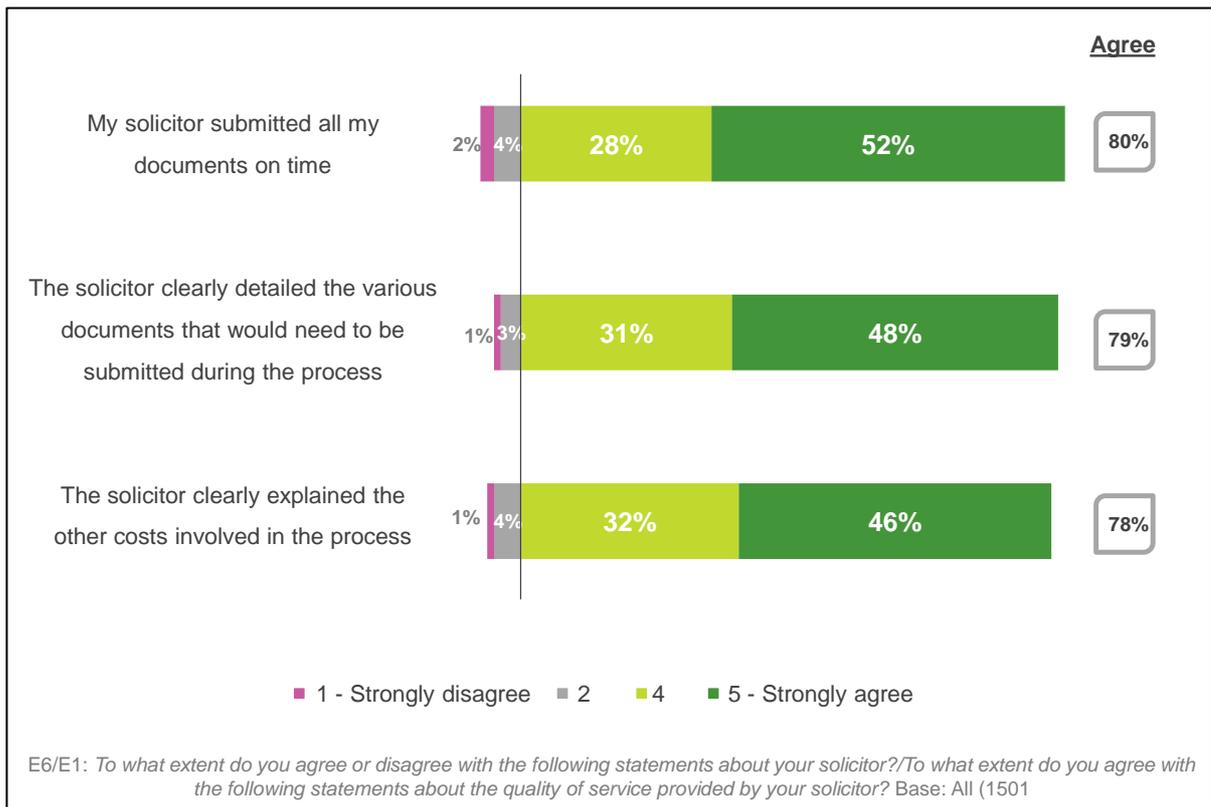
6.16 Most consumers felt that the communication from their solicitor was good, with 75% agreeing that their solicitor was easy to get hold of and that they kept them updated with progress. However, 10% of consumers disagreed with each of these statements. Consumers with previous experience of conveyancing were more likely to disagree that their solicitor was easy to get hold of than first-timers (11% compared to 7%).

6.17 Consumers were slightly less likely to agree that their solicitor progressed the work for their conveyancing transaction without delay: 72% agreed with this statement and 11% disagreed. Consumers who had previous experience of conveyancing were more likely than first-timers to disagree that their solicitor progressed the work without delay (12% compared to 8%).

Actions of the solicitor

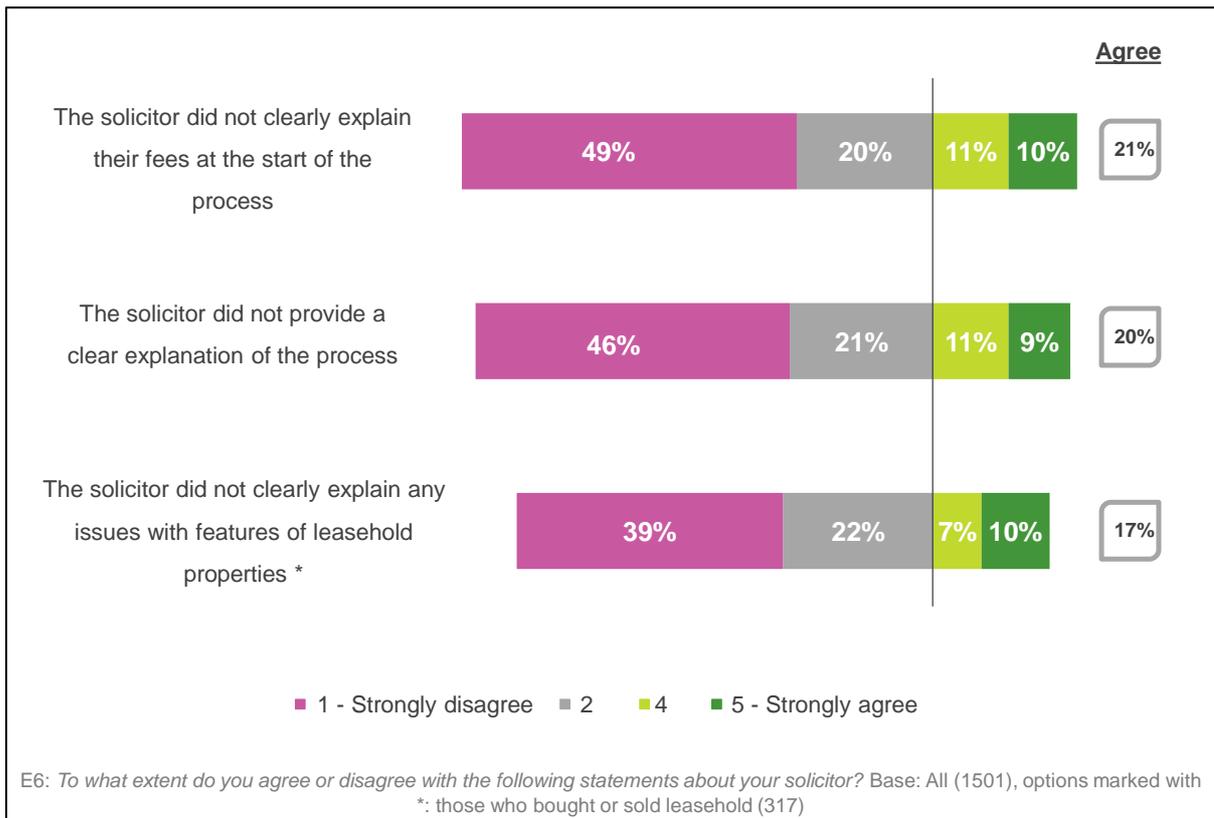
6.18 Figures 6.3 and 6.4 present the extent to which consumers agreed that their solicitor had taken specific actions during the conveyancing process. The actions presented in Figure 6.3 were framed positively (i.e. things that the solicitor did), while the statements in Figure 6.4 were framed negatively (i.e. things the solicitor did not do).⁴⁷ Therefore, agreement with statements shown in Figure 6.4 indicate that an action was not taken.

Figure 6.3 - Agreement with statements about the solicitor (1 of 2)



⁴⁷ Statements were worded in this way to avoid acquiescence bias, i.e. the tendency for survey respondents to agree with positive statements.

Figure 6.4 - Agreement with statements about the solicitor (2 of 2)



Legal process and associated documents

6.19 20% of consumers did not think that their solicitor provided them with a clear explanation of the conveyancing process (see Figure 6.4). This was more likely to be an opinion held by:

- male consumers than female consumers (23% compared to 18%);
- first-timers than those who had bought or sold a property before (42% compared to 12%)
- consumers who had bought a freehold property compared to those that bought a leasehold property (22% compared to 14%); and
- consumers who had found their solicitor online (48%) than those that had been recommended their solicitor (23%) or those that had used the solicitor before (13%).

6.20 As presented in Figure 6.3, four in five consumers agreed that their solicitor detailed the documents that would be needed during the process (79%) and submitted them on time (80%).

Leasehold property

6.21 Among consumers who bought a leasehold property, 17% did not think that their solicitor had clearly explained the features of this ownership arrangement (see Figure 6.4). First time buyers were more likely than those that had previous experience of conveyancing to hold this opinion (31% compared to 12%). This further emphasises the need for better information for first time conveyancing consumers, and for those involved in a leasehold transaction. It was also more likely than average for this opinion to be held by consumers who had found their solicitor online (39%).

Fees and costs

6.22 As presented in Figure 6.4, 21% did not think that their solicitor clearly explained their fees at the start of process. This was more likely to be an opinion held by:

- male consumers compared to female consumers (23% compared to 18%);
- first-timers compared to those with previous experience (44% compared to 12%)
- consumers who bought a freehold property compared to those that bought a leasehold property (24% compared to 13%); and
- consumers who found their solicitor online (48%) compared to those that were recommended their solicitor (23%) or had used them before (15%).

6.23 Focus group and interview participants commented that they had been unable to understand the cost information provided by their solicitor because it contained unfamiliar terminology.

"We did receive a letter further down the line with the estimated costs... there was a lot of jargon on that which we didn't understand and it wasn't entirely explained well. There are all these little bits that add up and you don't understand what they are."

Female, 24-34, First Time Buyer, Leasehold

6.24 Recent research for the Legal Ombudsman, exploring the language used in complaints handling, also found legal service providers' communications contained complex words, which were seen by consumers as calculated to 'overwhelm' or 'intimidate' them⁴⁸.

6.25 91% were presented with a fixed fee. This is consistent with previous research undertaken by OMB Research for the Legal Services Board, that most solicitors charge on a fixed fee basis for conveyancing⁴⁹. Among the remaining consumers, 5% paid their solicitor based on an hourly rate and the total hours involved. Among the consumers who were presented with a fixed fee, 84% went on to pay the fixed fee quoted at the start of the process. However, 11% ended up paying more than the original fixed fee quoted and 5% ended up paying less. First-timers were more likely

⁴⁸ The Language of Complaints, IFF Research for the Legal Ombudsman (2017)

⁴⁹ Prices of Individual Consumer Legal Services, OMB Research for the Legal Services Board (April 2016)

than those with previous experience to have paid more than the fixed fee that had been agreed upon (20% compared to 7%).

6.26 As shown in Figure 6.3, 78% of consumers thought that their solicitor had clearly explained the other costs that could be incurred during the conveyancing process (e.g. third-party disbursements). Consumers who had used the solicitor before (83%) were more likely than average to think that the costs aside from solicitor fees had been clearly explained by their solicitor. Male consumers were more likely than female consumers to agree that other costs had been clearly explained (81% compared to 76%).

6.27 Table 6.2 and Table 6.3 present the information provided to consumers by their solicitor about the potential third party costs that could arise when buying or selling a residential property.

Table 6.2 - Information provided on other costs to buyers

	All consumers that bought a residential property (1175)	First time users of conveyancing services that bought a residential property (410)	Consumers with previous experience that bought a residential property (765)
Stamp duty	67%	52%	73%*
Land Registry fees (Transfer of Ownership)	66%	50%	72%*
Local authority search fees	61%	40%	69%*
Survey fees	52%	46%	55%*
Environmental Search fees	52%	35%	57%*
Water and drainage search fees	49%	37%	53%*
Anti-Money Laundering fee	26%	24%	27%
Referral fee payable to Estate Agent, Bank or Mortgage lender	22%	25%*	21%
Property Fraud fee	18%	25%	16%

No information about third party costs	5%	6%	5%
Don't know	8%	7%	8%

An asterisk indicates a significant difference between first timers and consumers with experience.

Table 6.3 - Information provided on other costs to sellers

	All consumers that sold a residential property (802)	First time users of conveyancing services that sold a residential property (207)	Consumers with previous experience that sold a residential property (595)
Anti-Money Laundering fee	28%	29%	27%
Referral fee payable to Estate Agent, Bank or Mortgage lender	25%	38%*	22%
Property Fraud fee	18%	27%	16%
No information about third party costs	14%	15%	14%
Don't know	1%	0%	1%

An asterisk indicates a significant difference between first timers and consumers with experience.

6.28 Amongst those that had bought a property, 87% could remember at least one cost other than the solicitor's fees being explained. The three most widely remembered were Stamp Duty (67%) and HM Land Registry fees (66%), and local authority search fees (61%). Male consumers were more likely than female consumers to remember any other costs being explained (90% compared to 86%).

6.29 A considerably lower proportion of consumers could remember their solicitor explaining other costs related to selling a property: 41% could remember at least one cost other than their solicitor's fees being explained. The most commonly remembered was Anti Money Laundering fees (28%). Male consumers were more likely than female consumers to remember any other costs being explained (48% compared to 35%).

6.30 Overall, consumers are satisfied with the quality of service provided by their solicitor. Drivers for satisfaction, and dissatisfaction when things go wrong, relate to speed and efficiency, customer service and whether mistakes were made during the process. There are further opportunities for better information provision to improve consumer's perceptions of a quality conveyancing service. Solicitors should clearly explain cost

information, and when these could be exceeded, and give tailored advice for first timers and on any leasehold transactions.

7 Problems during conveyancing

Key Findings

- Approximately two thirds of consumers (65% of buyers and 67% of sellers) did not experience any issues during the transaction.
- Where issues were experienced, the most common was that the chain caused delays (experienced by 17% of buyers and 13% of sellers). First-time buyers (47%) and first-time sellers (45%) were more likely than those with experience (29%, 27% respectively) to have encountered issues.
- The most common legal issue experienced by buyers was that their solicitor had failed to carry out the relevant property searches (24%), and, for those selling, it was that their solicitor had failed to identify and report any problems with the property's title (20%) or informed them of neighbouring demolition or building projects (20%).
- Many are concerned that the documents supplied by their solicitor contain legal jargon they do not fully understand. In addition, some were concerned about being given poor explanations of the implications of purchasing a leasehold property, resulting in unanticipated difficulties extending the lease. As a result, consumers emphasised the need for the solicitor to summarise and signpost crucial pieces of information to ensure they do not get missed.
- After raising an issue with their solicitor, 30% of sellers and 26% of buyers stated that their solicitor had done nothing about it. The most common 'positive' reaction was the solicitor promising to progress their work (20% of buyers and 21% of sellers experienced this). First-timers were more likely than those with experience to receive a response that they did not understand.

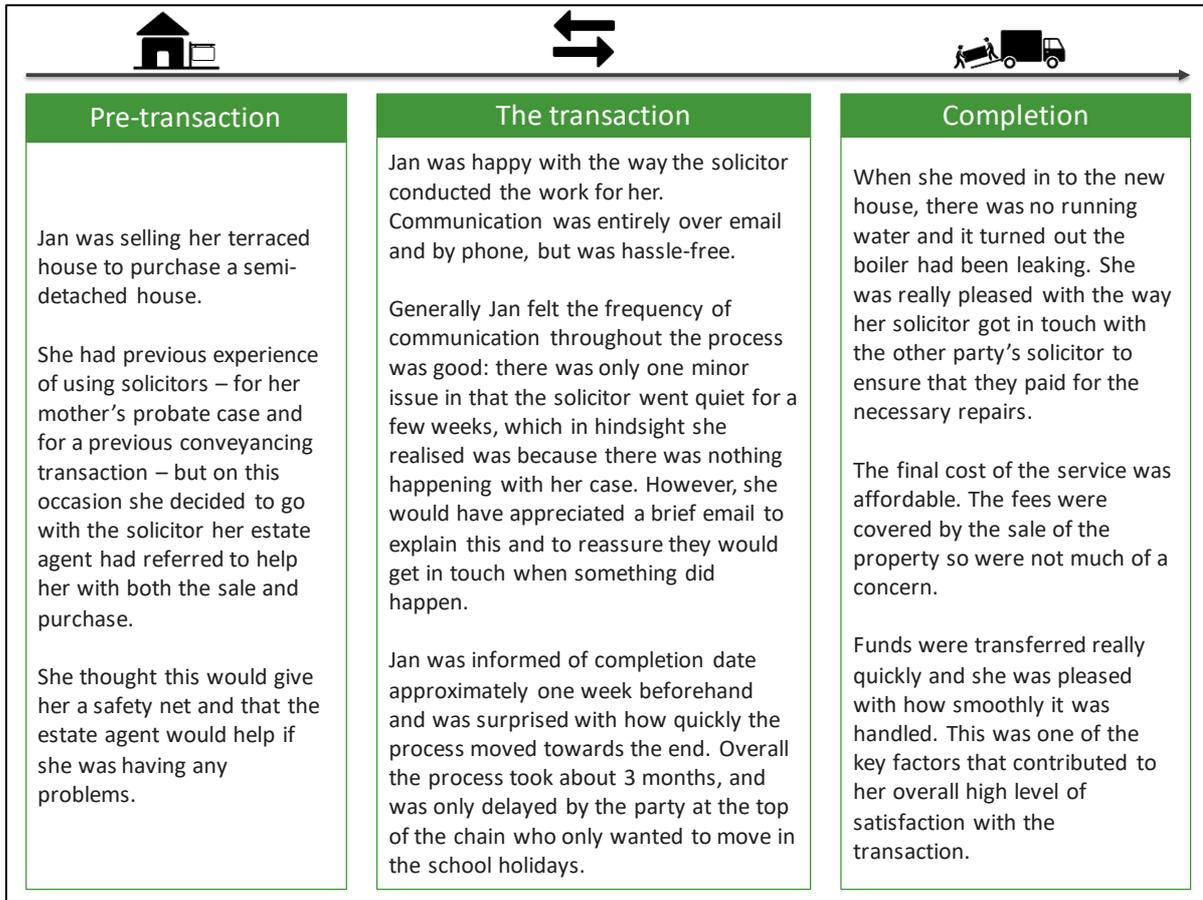
7.1 This chapter looks at the problems consumers have experienced during their conveyancing transaction, both those out of the solicitor's control, such as delays from the other side's solicitor, and those more directly related to the solicitor and their service. It explores the difference between legal issues, such as incorrect advice and service-related issues, such as poor communication.

Problems which are outside of the solicitor's control

7.2 Consumers experienced some issues which were unrelated to their solicitor, but which negatively impacted on their conveyancing transaction.

7.3 Approximately two thirds of consumers (65% of buyers and 67% of sellers) did not experience any issues during the transaction. Among those that did, the most common issues related to their property chain. This is illustrated by Jan’s⁵⁰ story, in Figure 7.1.

Figure 7.1 - Case study: Overall satisfaction with transaction



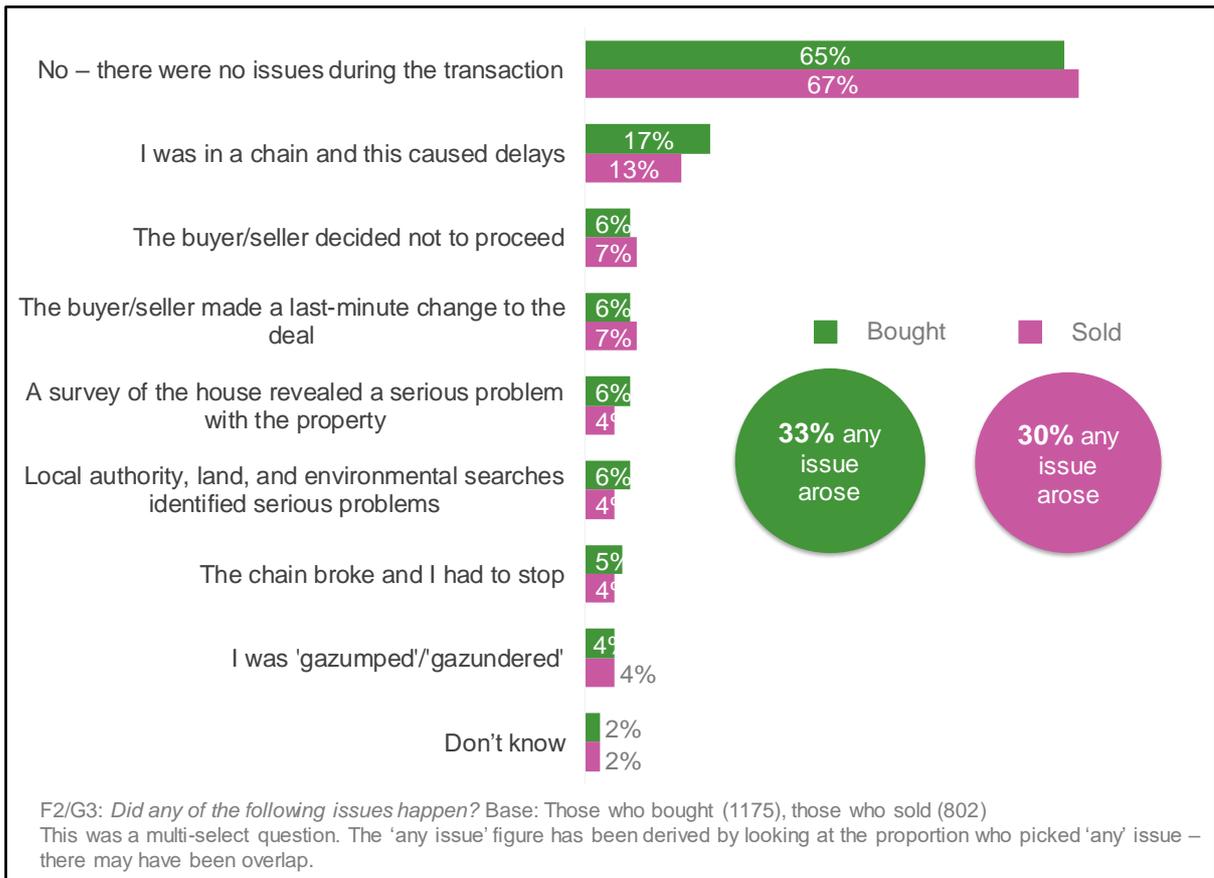
7.4 The most common of these issues was that the chain caused delays (experienced by 17% of buyers and 13% of sellers). This was followed by the buyer or seller deciding not to proceed (6% and 7% respectively) and the buyer or seller making a last-minute change to the deal (6%, 7%).

7.5 First-time buyers (47%) and first-time sellers (45%) were more likely than those with experience (29%, 27% respectively) to have encountered issues. Buyers of leasehold property were less likely to encounter issues (27%).

7.6 Amongst those that bought a property, male consumers were more likely than female consumers to have had experienced any issues during the transaction (39% compared to 30%).

⁵⁰ The names of the consumers included in case studies have been changed to protect their identities.

Figure 7.2 - Issues experienced during the transaction



Service issues

- 7.7 The CMA market study highlighted that legal service providers require expert knowledge and skills which consumers of legal services typically do not hold.⁵¹ This information asymmetry was also evidenced in this research, where participants in the focus groups displayed a lack of understanding of the legal process.
- 7.8 When asked to think of issues that could go wrong in the conveyancing process, all groups talked first about customer service (rather than legal issues) and seemed to find it easier to think of different issues related to how the solicitor interacted with the consumer rather than legal issues that could go wrong.
- 7.9 For many, the examples they gave seemed to reflect their personal experiences and – particularly for first-time buyers – the discussion came back to their expectation of the service they would (and should) receive from their solicitor. It seemed that their expectations did not necessarily match up to what their solicitor had provided. Given that this was such a widespread issue, it may indicate that consumer and solicitor expectations of the level of 'customer service' solicitors should provide do not match.
- 7.10 Previous research has also identified discrepancies between what consumers expect from a legal service and what solicitors believe they want. For example: 23% of firms

⁵¹ [Legal services market study: Final Report, Competition and Markets Authority \(CMA\) \(2016\)](#)

surveyed for the SRA's first-tier complaints research reported that consumers expected a clear explanation of the legal process, whereas 48% of consumers cited this as a key expectation.⁵²

- 7.11 In terms of what the key service issues are, participants spoke most often about delays, unresponsiveness and lack of communication. Nearly everyone wanted to share a story about their own solicitor being uncommunicative:

"I had such poor communication [...] that was what was stressful for me. It's just not knowing what's going on and maybe I'm a bit of a control freak, I'm not sure, but I just wanted to know, yes, what's going on. Like you say, if there's no news, just say so."

London group, first timers, leasehold

"My main dissatisfaction was I couldn't get hold of her and there were weeks on end where I got no communication. So, overall, as a service, I would say I was quite dissatisfied... so much so that I would be very hesitant to use their services again."

Male, 35-44, previous experience, seller, leasehold

- 7.12 In focus groups, most participants said that they would not be willing to pay their solicitor for more frequent updates. It was widely felt that solicitors should provide regular updates for no additional cost as it was an important part of the service. A handful of consumers that had experienced communication issues with their solicitor said that they would pay slightly more to reduce the stress of obtaining updates.

"I definitely wouldn't pay any more because that's what they should be doing in the first place!"

London group, first timers, leasehold

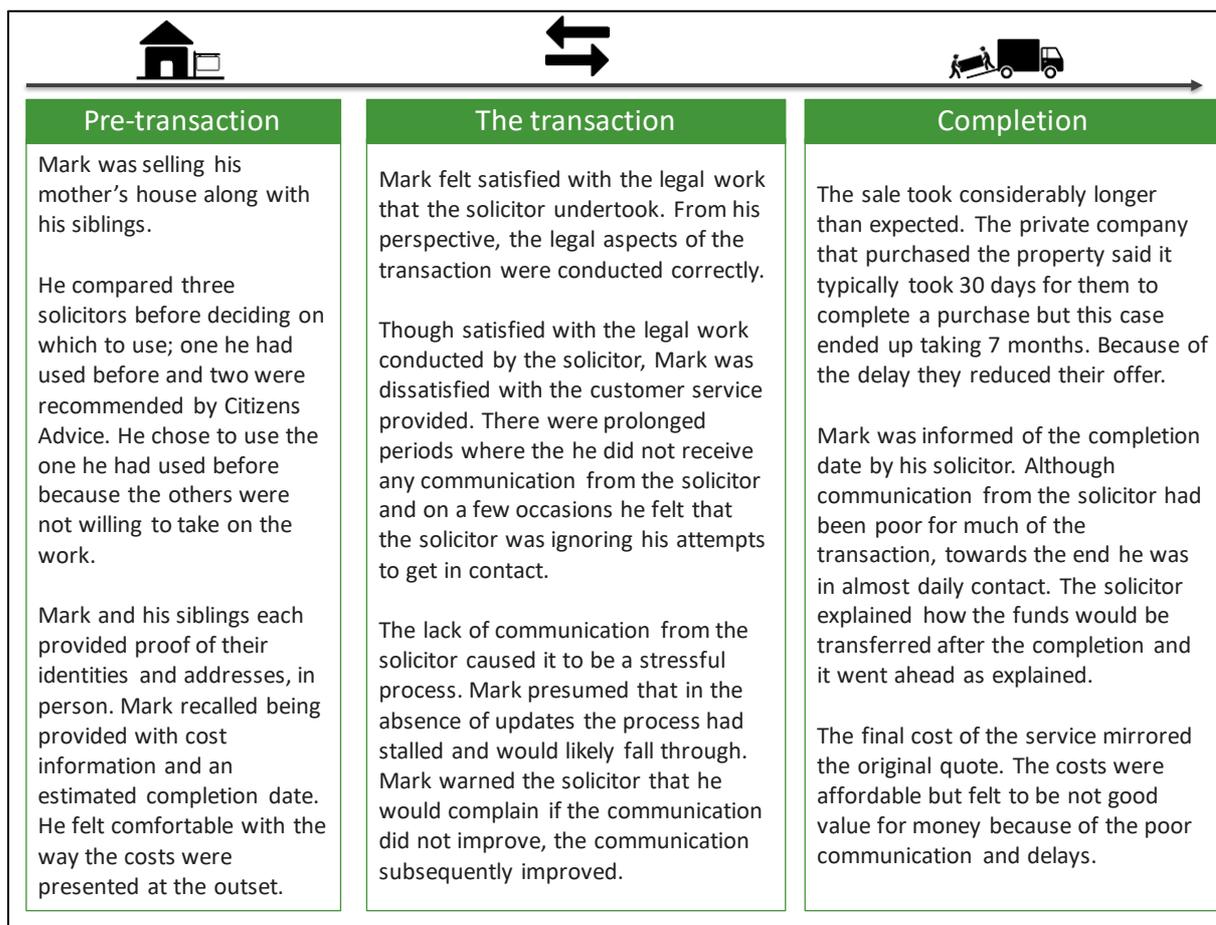
- 7.13 Delays and poor communication have consistently been amongst the most complained about areas to the Legal Ombudsman, accounting for 20% and 16% of complaints received in 2015/16 respectively.⁵³ Figure 7.3 describes the case study of a consumer⁵⁴ who experienced poor communication and delays and emphasises the importance that consumers place on communication, and the impact it has when they do not hear from their solicitor.

⁵² Research into the experiences and effectiveness of solicitors' first tier complaints handling process, London Economics and YouGov for the SRA and the Legal Ombudsman (2017)

⁵³ [Complaints Data Overview, Legal Ombudsman \(2016\)](#)

⁵⁴ The names of the consumers included in case studies have been changed to protect their identities.

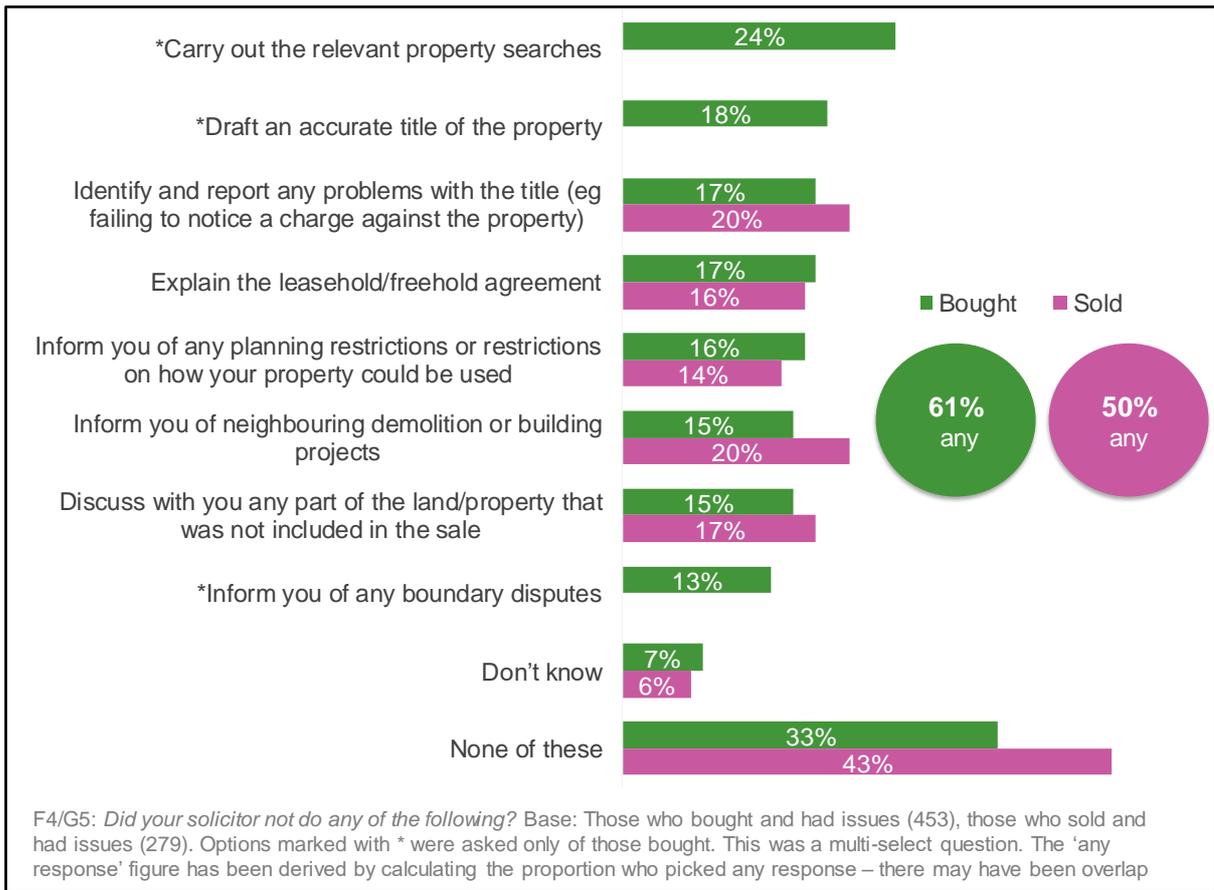
Figure 7.3 - Case study: Dissatisfied with the solicitor's customer service



Legal issues

- 7.14 Consumers who had experienced a legal issue were asked which, if any, actions their solicitor had failed to undertake.
- 7.15 As Figure 7.4 shows, a third (33%) of buyers and 43% of sellers had not experienced any legal issues during their transaction.
- 7.16 Among those who had experienced legal issues, the most common experienced by buyers were that their solicitor had failed to carry out the relevant property searches (24%), had not drafted an accurate title of the property (18%) and had failed to identify and report any problems with the property's title (17%).
- 7.17 For those selling, the most common issues were that their solicitor had failed to identify and report any problems with the property's title (20%) or informed them of neighbouring demolition or building projects (20%).

Figure 7.4 - Actions that the solicitor has failed to do



7.18 Respondents in the focus groups were less likely to think of legal issues first when asked about issues that could go wrong in the process. Fewer seemed to have personally experienced legal issues as part of their transaction.

7.19 Among focus group participants, failure to highlight or to explain key legal points was the main concern. When prompted to elaborate, participants spoke about repercussions from errors in contracts or leases perhaps leaving you liable for something. In the discussion, their concerns focused on the fact that this could cost you additional money. While participants were not specific about what they might be liable for, examples might include liability over shared access areas and liability to maintain or use the property in a certain way. Many are concerned that the documents supplied by their solicitor contain legal jargon and are too substantial – and this leaves you having to rely on your solicitor to highlight and explain the key aspects.

“Trying to read the document is actually quite difficult, so you’re relying on them to highlight the key bits.”

London focus group, first timer buyers, leasehold

“I find it quite a scary experience and you don’t know if there’s anything else in there that I’ve missed.”

London focus group, first time buyers, leasehold

- 7.20 Some felt the solicitor deliberately avoided anything that could make them liable for future problems, by giving them a load of documentation that the consumer would have to make sure they sifted through themselves:

“[Describing the solicitor attitude]: ‘I have highlighted anything of interest...but here are all the other documents so I am not liable’.”

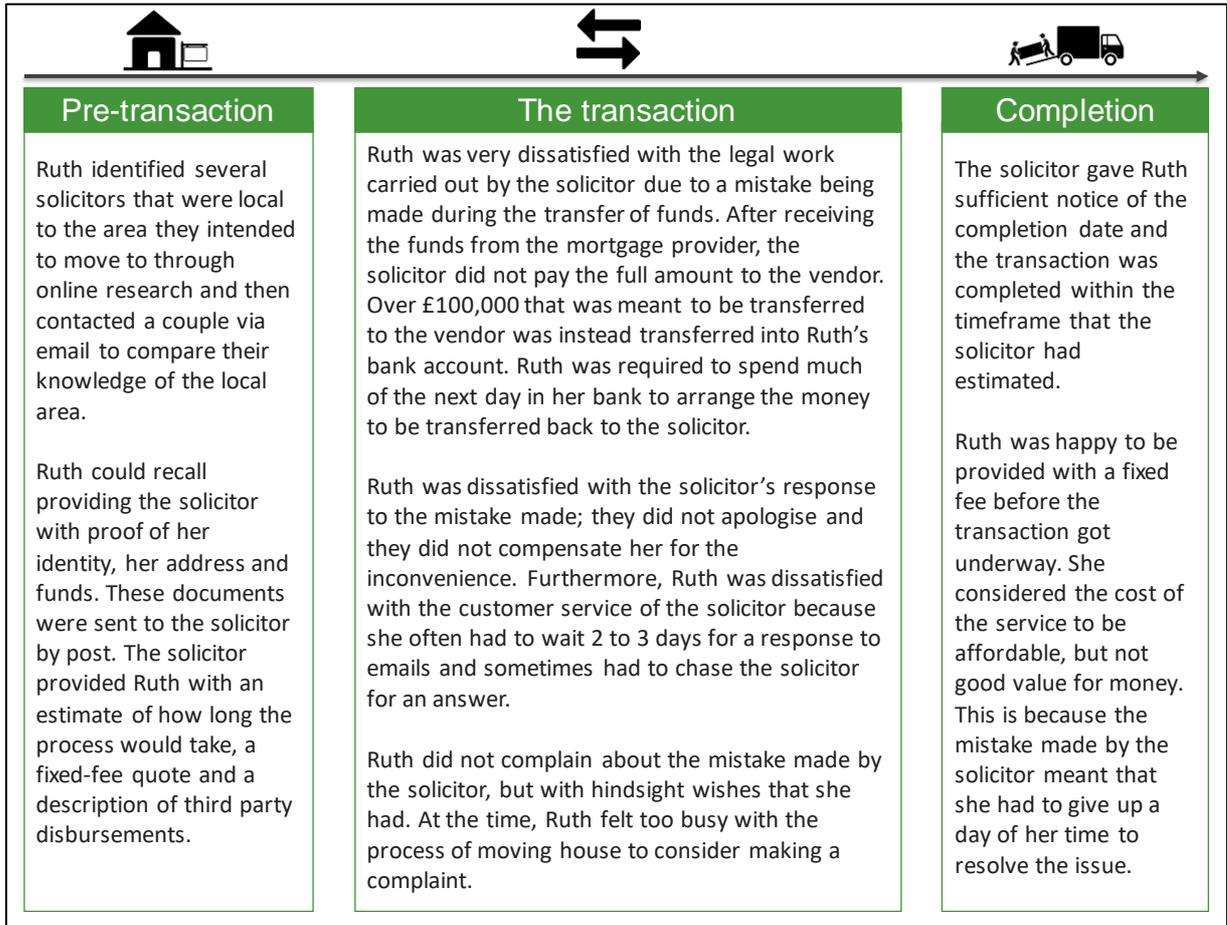
London focus group, first time buyers, leasehold

- 7.21 Therefore, among consumers (particularly first timers), there is a sense of uneasiness about having to trust the solicitor to interpret the documents for you – a sense of being ‘at their mercy’. This unease was also highlighted in the Language of Complaints research for the Legal Ombudsman, where consumers felt lengthy written communications and complex wordings were calculated to ‘overwhelm’ or ‘intimidate’ the customer⁵⁵.
- 7.22 This potentially links to their patchy understanding of, not only the conveyancing process and the legal jargon, but also a lack of understanding of the regulations in place to protect consumers and ensure that solicitors deliver a quality service.
- 7.23 As a result, some emphasised the need for the solicitor to clearly summarise and signpost crucial pieces of information, at the relevant time during the transaction, so that they did not get missed.
- 7.24 Other legal issues mentioned were: failure to develop contracts; failure to produce documents on time; there being a delay in transferring funds; losing documents; and the firm going out of business.
- 7.25 Figure 7.5 describes the story of a consumer⁵⁶ whose solicitor made a mistake during the conveyancing transaction.

⁵⁵ The Language of Complaints, IFF Research for the Legal Ombudsman (2017)

⁵⁶ The names of the consumers included in case studies have been changed to protect their identities.

Figure 7.5 - Case Study: Mistakes being made



Leasehold properties

7.26 There are some specific potential issues related to leasehold properties, such as information being missing and incomplete or wrongly drawn up property titles. If there are errors in the title, it will lead to a requisition (a formal request for the application to supply the information) being raised by HM Land Registry and, if not answered, can lead to an application being cancelled. According to the SRA's internal data, in 2015/16⁵⁷ 1.9m applications were made, and of these, 130,000 requisitions⁵⁸ were raised by the Land Registry. In their general advice for conveyancers on how to avoid requisitions, they state that: *“As well as the more complicated requisitions, we see many basic errors on applications, for which we always need to raise a requisition. For*

⁵⁷ The SRA analysed data submitted in the 2015/16 practising certificate renewal application form (RF1), for all firms that were open on April 2016. They considered all firms who reported at least £10,000 of their annual turnover had been generated from residential conveyancing work, and had requisitions made by the Land Registry to the firms.

⁵⁸ The SRA defines a "requisition" as where further information is needed by Land Registry to complete a registration after the initial application is lodged by a firm.

example, deeds not being executed properly or where names on the Register do not match the names on a transfer of land.” They estimate that nearly half of all requisitions could be avoided.⁵⁹

7.27 Some participants did explain that they were worried about poor explanations of leaseholds and the implications of these, such as finding after purchase that extending the lease is much more difficult than the solicitor suggested. There were also some concerns – based on personal experience - around failure to adequately explain ownership rights over a shared driveway or entrance.

7.28 Some had not experienced any issues related to their lease, mostly because they had been looking out for issues at the stage of house searching:

“I didn’t look at any properties with less than 80 years because I was advised by my estate agent.”

London focus group, first time buyer, leasehold

Solicitor responses to the issues

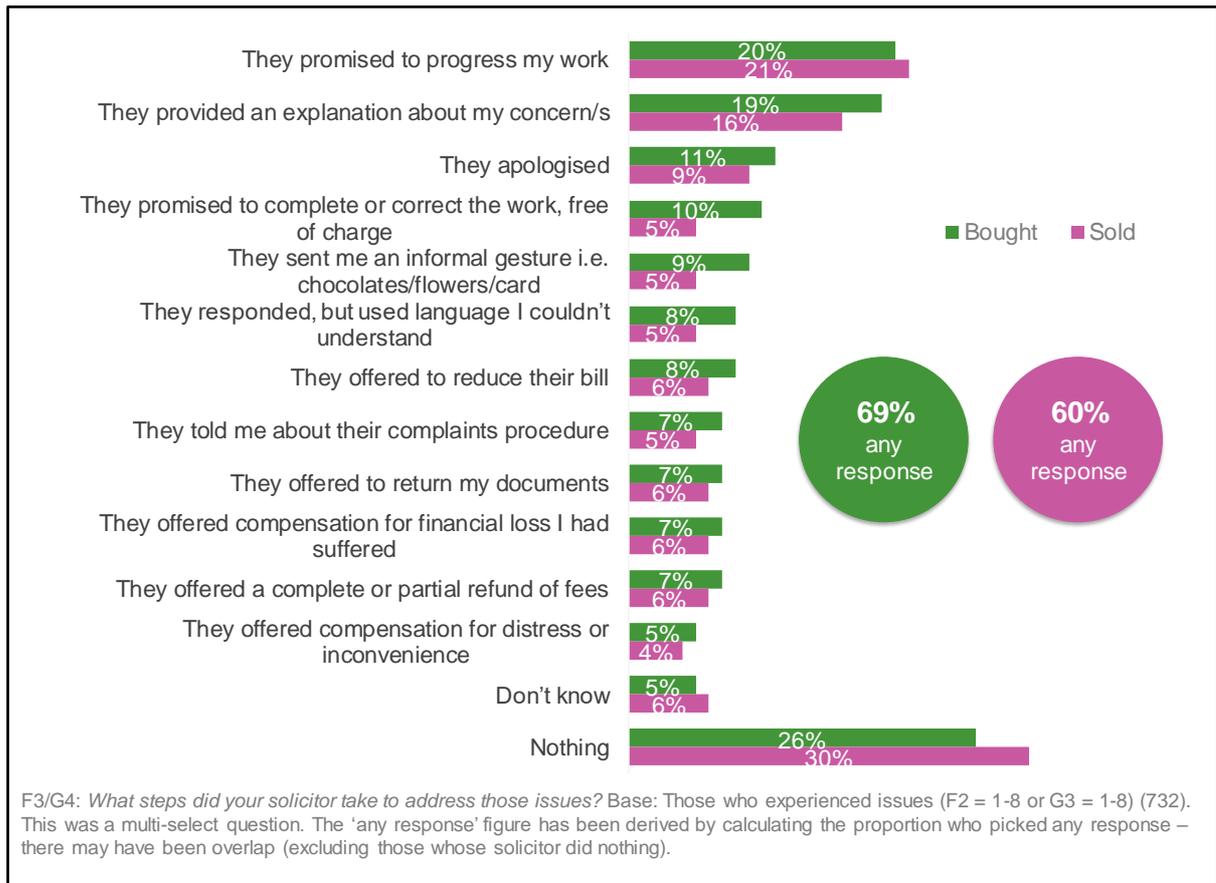
7.29 For most consumers who faced issues during the sale/purchase, their solicitor typically responded by explaining the cause of the issue and promising to progress the work. However, in around a third of cases the solicitor did nothing.

7.30 As Figure 7.6 shows, consumers most commonly perceived that their solicitor had done nothing about it (30% of sellers and 26% of buyers). The most common ‘positive’ reaction was the solicitor promising to progress their work (20% of buyers and 21% of sellers experienced this).

7.31 This was followed by providing an explanation about their concerns (19% of buyers, 16% of sellers), apologising (11%, 9%), promising to complete or correct the work, free of charge (10%, 5%), sending an informal gesture such as chocolates, flowers or a card (9%, 5%).

⁵⁹ HM Land Registry requisitions, HMLR (2016)

Figure 7.6 - Solicitor reactions to those who experienced issues



- 7.32 First time buyers and sellers were more likely than those with experience to have had their solicitor take steps to resolve issues faced (83% compared to 61%, and 85% compared to 48% respectively).
- 7.33 However, first-timers were also more likely than those with experience to receive a response that they did not understand (15% compared to 4% and 11% compared to 2% respectively).
- 7.34 This section has highlighted that consumers' experience of the conveyancing market is broadly positive, with around two thirds not experiencing any issues. When they did, the majority were down to the property chain and issues outside of their solicitor's control. However, consumers raised concerns about their solicitor using legal jargon in their communications and giving poor explanations and advice regarding leasehold properties. It is important for solicitors to use clear, jargon-free advice when communicating with consumers, particularly those who are and buying or selling for the first time.

8 Complaints

Key findings

- Only 9% of all consumers surveyed made a complaint to the solicitor firm about an aspect of the solicitor's service. This equates to just over one-quarter (26%) of consumers who stated they were dissatisfied. Of all respondents, it was more likely for complaints to have been made by first-timers than consumers with experience of conveyancing (20% compared to 5%).
- Consumers who complained about an aspect of the solicitor's service did so for two main reasons: mistakes made by the solicitor and poor customer service. Where complaints were made because of mistakes, these involved errors being made in legal documents or invoices. Complaints involving poor customer service usually concerned issues with communication from the solicitor. 14% of consumers who made a complaint said they did not receive a response from their solicitor. While this could highlight issues with solicitor firms' complaints procedures, it could also be because consumers are not always clear when expressing dissatisfaction.
- Three quarters of consumers who received a response from their solicitor after complaining received a positive response. The most common being a commitment to progress the work (27%), an explanation to allay consumers concerns (24%) and an apology (23%).
- Most focus group participants were unfamiliar with the regulatory and redress landscape of legal services and were unaware whether their solicitor was regulated.

8.1 This chapter details the characteristics of consumers who complained about their solicitor's service, the reasons why they complained and the response they received. The chapter concludes by explaining consumers' views on the role and importance of regulation of solicitors.

8.2 Residential conveyancing has generated the highest number of complaints made to the Legal Ombudsman in each of the last five years. In 2015-16, 22% of all complaints resolved by the Legal Ombudsman were made about residential conveyancing.⁶⁰ This has increased to approximately 24% of resolved complaints (a total of 6,573 cases were resolved) in 2016/17 financial year⁶¹. These complaints mainly concerned the failure of service providers to deliver adequate advice (24%) and delays or failure of the service provider to progress the transaction (20%).⁶²

⁶⁰ [Complaints data overview, Legal Ombudsman \(2016\)](#)

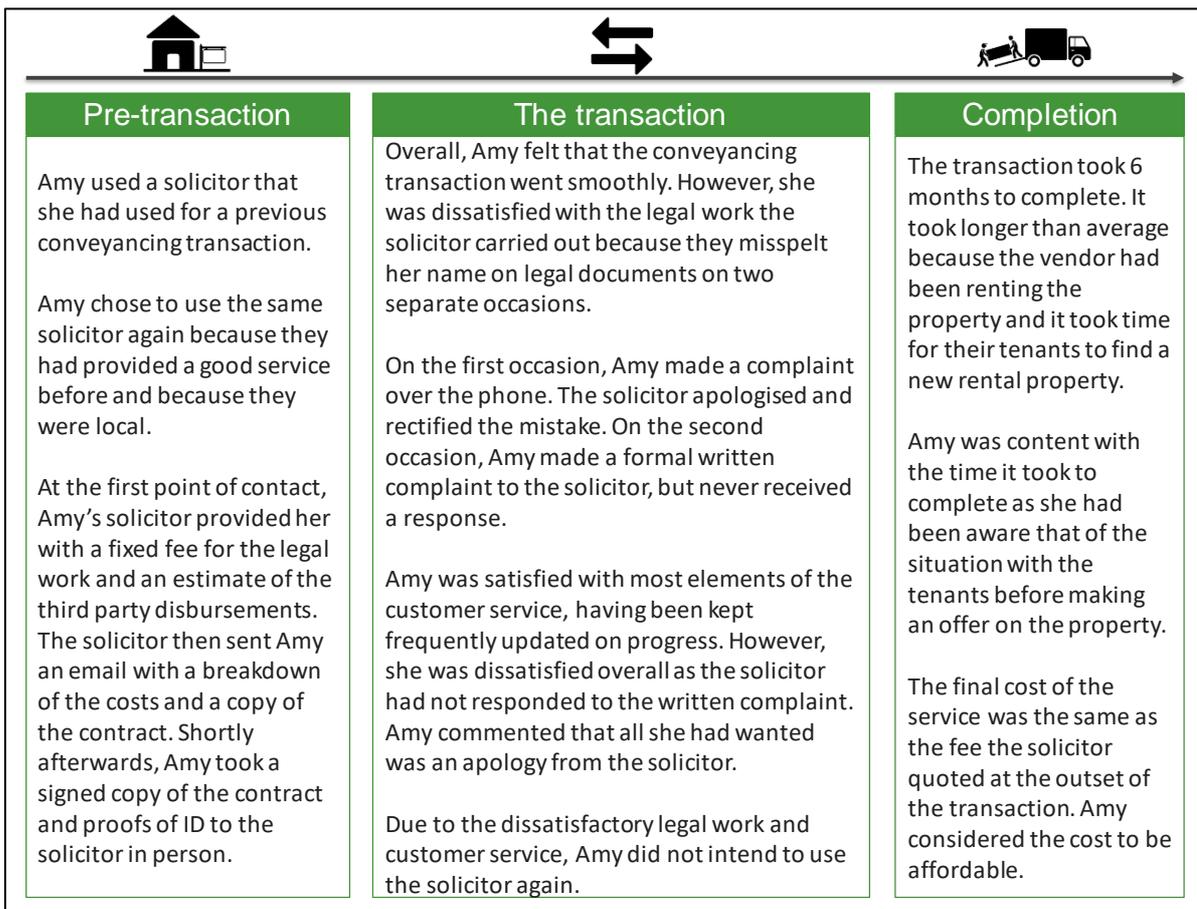
⁶¹ [Decisions made about legal service providers Legal Ombudsman \(2017\)](#)

⁶² [Residential Conveyancing complaints data, Legal Ombudsman \(2016\)](#)

Consumers who complained

- 8.3 Only 9% of all consumers surveyed made a complaint to the solicitor firm about an aspect of the solicitor’s service. This equates to one-quarter (26%) of consumers who stated they were dissatisfied with the work carried out by their solicitor.
- 8.4 Consumers who complained about their solicitor’s service were:
- more likely to be male than female (12% compared to 6%)
 - more likely to be first-timers than consumers with experience of conveyancing (20% compared to 5%).
- 8.5 Consumers who complained about an aspect of the solicitor’s service did so for two main reasons: poor customer service and mistakes made by the solicitor. Complaints involving poor customer service usually concerned issues with communication from the solicitor. Where complaints were made because of mistakes, these involved errors being made in legal documents or invoices. For example, one consumer who participated in a depth interview had made a complaint to her solicitor because her name had been spelt incorrectly on two legal documents (see Figure 8.1).

Figure 8.1 - Case Study: Complaints



Response to consumer complaints

- 8.6 14% of consumers who made a complaint said they did not receive a response from their solicitor. This finding is supported by recent research into the first tier complaints processes used by firms⁶³, which found 20% of complainants did not receive a response from their solicitor. This could be because consumers are not using the approach set out in the firm's complaints procedure. Previous research has also identified that consumers may not be clear when expressing dissatisfaction that they want it to be recognised and resolved through the formal complaints procedure.
- 8.7 Those who did complain reported a variety of different responses from their solicitor, with the most common being a commitment to progress the work (27%), an explanation to allay consumers concerns (24%) and an apology (23%).
- 8.8 Three quarters of consumers who received a response from their solicitor after complaining received a positive response. Typically, the firm acknowledged the issue and offered to rectify it or compensate the consumer. However, 17% said that their solicitor did not agree with the complaint and offered no resolution, while 9% said that they were unable to understand the response from their solicitor because it was written in language that they couldn't understand.⁶⁴ This emphasises the recommendation in the Language of Complaints research that complaint responses should avoid unnecessary jargon or detail to improve the chances of reaching an amicable resolution⁶⁵.

Role and importance of regulation

- 8.9 Most consumers who took part in focus groups were unfamiliar with the regulatory and redress landscape of the legal services sector. Very few had heard of the SRA or the Legal Ombudsman before, and, even where they had, none were able to explain the function or remit of either organisation. In many cases, consumers thought that solicitors were regulated by The Law Society.
- 8.10 Perhaps because of this lack of familiarity with regulation in the legal services sector, most consumers were unaware that their solicitor was regulated and whether they were regulated by the SRA

"I think you just assume that they are [regulated], you trust that they are anyway."

Birmingham focus group, first time buyer, freehold

"It shows a lack of foresight from most of us, not to think whether they're regulated or un-regulated."

⁶³ Research into the experiences and effectiveness of solicitors' first tier complaints handling process, London Economics and YouGov for the SRA and the Legal Ombudsman (2017)

⁶⁴ These figures sum to more than 100% as 7% of consumers who complained and received a response reported a mixture of positive and negative responses.

⁶⁵ The Language of Complaints, IFF Research for the Legal Ombudsman (2017)

London focus group, previous experience, bought and sold, freehold

- 8.11 This lack of awareness emphasises the relevance of the ongoing work the SRA are doing to improve the information provision in the legal services market, including proposals for a digital badge explaining when a firm is regulated by them.
- 8.12 Despite there being little awareness of the regulatory environment that solicitors operate in, most consumers had a general understanding of the role of regulation. In some cases, consumers drew comparisons with regulators in other sectors, such as the Financial Conduct Authority (FCA)⁶⁶, Ofgem⁶⁷ and Ofsted⁶⁸.
- 8.13 Consumers commonly thought that, if regulated, the work conducted by a solicitor would need to adhere to certain standards and that the regulatory body would provide protections for consumers. Some consumers likened having a regulated solicitor to having insurance; if an issue arose consumers would be safeguarded.

“With every transaction, there’s a level of risk regardless of who’s doing it. If you regulated that you’re reducing that, you know, you’re reducing the risk aren’t you.”

Birmingham focus group, previous experience, bought and sold, leasehold

“So, if they were regulated by the SRA, and I had an issue with the solicitor, I can go to the SRA, who’s, like, the investigators, and they can find out what’s gone wrong.”

Birmingham focus group, first time buyer, freehold

- 8.14 If an issue arose with the service provided by a solicitor, most consumers said that they would complain to their solicitor in the first instance. Some consumers were confused between the roles of the SRA and Legal Ombudsman, and said that if the issue was not resolved by the solicitor, they would escalate the complaint to the regulator and would expect them to fix it and/or compensate them. If a serious issue, consumers would expect the regulator to penalise the solicitor. The first tier complaints research has also identified consumer confusion about the roles of the SRA and the Legal Ombudsman and has recommended that both organisations ‘*Continue to educate and inform consumers about the role of the SRA and the Legal Ombudsman, including the role the Legal Ombudsman can play in independently resolving complaints at the second tier*’

“Investigate the solicitor. If they have done anything previously, or it’s, like, a common thing, get them struck off. It depends on how serious it is and how many times they’ve done it.”

⁶⁶ The Financial Conduct Authority: regulates the financial services industry in the UK

⁶⁷ Ofgem: regulates the electricity and gas markets in Great Britain

⁶⁸ Ofsted (Office for Standards in Education, Children’s Services and Skills) inspects and regulates services that care for children and young people, and services providing education and skills for learners of all ages across England.

London focus group, first time buyer, freehold

- 8.15 Some consumers said they would probably not complain to either the solicitor or the regulator. In a few cases, this was because they felt that if they complained they would likely receive a poorer service from the solicitor. This barrier has been highlighted in other studies, including the SRA's research into the quality of legal services for asylum seekers. It found there was a misconception among asylum seekers that pursuing redress would adversely impact on the outcome of their asylum application⁶⁹.
- 8.16 Other consumers thought that issues were to be expected during conveyancing, so it was not worth complaining about.

"I'd probably just, you know, grit your teeth and say, 'It happens'. Because you hear about it so often. It is the norm."

Birmingham focus group, first time buyer, freehold

- 8.17 As part of their Looking to the Future: Better information, more choice consultation⁷⁰, the SRA is proposing building and publishing a digital register of key regulatory data about the solicitors and firms they regulate. In addition to this, they are also proposing to publish the data they already collect on first tier complaints made against firms and requiring firms to publish their complaints procedures and information about regulatory protections on their own websites. These proposals will allow consumers to check their solicitors' regulatory and complaints history and make more informed choices when shopping around in the legal services market.
- 8.18 As highlighted in Section 7, this research has identified that conveyancing consumers are broadly happy with the service provided by their solicitor. When they do complain, the majority also reported receiving a positive response, with their solicitor typically acknowledging the issue and offering to rectify it or compensate them.
- 8.19 However, complaints could be avoided if solicitors improve their communication and provide better information via regular updates, as these were cited as some of the main reasons for dissatisfaction.
- 8.20 In line with the SRA's consultation proposals, there is also opportunity for solicitors to provide better information about their complaints procedure and regulatory status, including information about their right to access to the Legal Ombudsman. This will allow consumers to make more informed decisions when shopping around for a provider and increase awareness of regulation and first and second tier complaints procedures in the legal services market.

⁶⁹ Quality of legal services for asylum seekers, Migration Work CIC in partnership with Refugee Action and Asylum Research Consultancy for the SRA and Legal Ombudsman (2016)

⁷⁰ Looking to the future: better information, more choice consultation, SRA (2017)

9 Opportunities and risks of digitisation

Key Findings

- Most consumers had communicated with their solicitor via email in the transaction but had not used other forms of technology such as e-signatures or portals.
- While the appetite for digital transactions isn't universal, most want email correspondence as a minimum; and there is considerable interest in harnessing technology to the consumer's advantage going forward. One popular suggestion was an online portal to check the progress of their transaction. This was popular with consumers for several reasons: it would offer greater transparency, help to orientate them and 'de-mystify' the process for first timers, and would mean that all relevant information would be in one place.
- Other suggestions included a live chat feature and the opportunity to exchange documents online.
- Consumers did highlight concerns about the risk of identity theft and cybercrime, and were particularly worried given that emails exchanged during the process contain very sensitive information that would enable someone to steal your identity and/or your money. There were also concerns about hacking, viruses, or 'the system going down', causing a delay or information to be lost or stolen.
- To mitigate the risks of increased use of technology, consumers suggested that solicitors should provide sensitive information in hard copy, supplement emails with a phone call when dealing with sensitive information, encrypt emails 'end-to-end', and ask for a pin code to access any online portal, like online banking.

9.1 As digital technologies advance and become more integrated into daily lives, more and more industries are making use of them. High profile examples include the Bank of England, who are using Artificial Intelligence (AI) to flag financial abnormalities, and the NHS, who use chatbots to help with answering 111 calls.⁷¹

9.2 In recent times, firms in the conveyancing market have also gradually adopted more technology to assist in the delivery of services. This development has been driven by technological advancements and changes in consumer preference. The types of technology adopted by firms include:

⁷¹ Artificial intelligence (AI) is an area of computer science in which computers' intelligence is developed such that they can work and react like humans.

A chat bot is a service, powered by computer programming and rules, that a user may interact with it through a chat function, for examples a user can ask a common question and the 'chatbot' can provide the answer. Simon Wood, TM Group, speaking at the LFS Conveyancing Conference (2017).

- *Client self-service platforms.* In 2016, MyHomeMove – one of the market leaders in the UK conveyancing market – launched eWay which enables clients to monitor progress and complete documentation on their smartphone, tablet or PC.⁷² Many individual law firms offer something similar.
- *Digitalisation of processes;* Convey Law facilitated the first ever electronic signature exchange of contracts in April 2016.⁷³
- *Automation of processes.* Visualfiles – the most widely used Case Management System in the UK – allows for fully automated document assembly and data entry.⁷⁴
- The first blockchain-backed conveyancing transaction.⁷⁵

9.3 In addition, HM Land Registry have recently conducted a consultation with a view to offering a single, digital Local Land Charges register in 2017. The recommendations include allowing for fully digital conveyancing documents with e-signatures and revoking existing rules allowing only for limited digital mortgages⁷⁶.

9.4 The Law Society anticipates that over the next decade there will be a considerable increase in the application of technology in legal services, particularly artificial intelligence.⁷⁷

9.5 There is an opportunity for the conveyancing sector to further increase efficiency with technology. Given it is an area of law which is largely process driven, it is considered as 'ripe for automation'.

9.6 This chapter establishes the use of digital technology in consumers' recent conveyancing transactions and explores reactions to the idea of new digital technology being incorporated in the conveyancing process. Consumers discussed various opportunities that greater use of digital technology presents, but also identified several risks associated with increasing reliance on technology. The section concludes by considering consumers' expectations of the measures law firms should be putting in place to address these risks.

Use of digital technology in conveyancing

Background

9.7 Use of features such as email, online portals and automation, can speed up processes and improve the customer service that businesses provide. At the same time, it must be acknowledged that, as well as these opportunities, greater use of digital technology

⁷² [eWay- Revolutionary Conveyancing, MyHomeMove \(2016\)](#)

⁷³ [ConveyLAW facilitates first ever electronic e-signature contract exchange, Convey Law \(2016\)](#)

⁷⁴ [Lexis Visualfiles for Legal Counsel: Helping you do more with less, Lexis Nexis \(2014\)](#)

⁷⁵ Blockchain is a public ledger where transactions are recorded and confirmed anonymously, and shared between many parties. [Online conveyancer claims blockchain-backed transaction first, Legal Futures \(2017\)](#)

⁷⁶ [Consultation proposals to amend the Land Registration Rules 2003, HM Land Registry \(2017\)](#)

⁷⁷ [Capturing Technological Innovation in Legal Services, The Law Society \(2017\)](#)

comes with increased risks. One of the risks which has received significant publicity from legal publications is fraudsters impersonating solicitors and intercepting emails or bank transfers, which can lead to great sums of money being lost.⁷⁸

- 9.8 This is an important issue for the sector to address. Indeed, industry bodies have already started to produce guidance to help solicitors in this area: HM Land Registry and the Law Society have jointly produced a note on title fraud which is designed to guide solicitors as to the warning signs which may indicate identity theft in title fraud.⁷⁹

Current use of technology in the conveyancing process

- 9.9 Focus group participants were asked about the types of digital technology they had used in their recent conveyancing transaction. Most participants had used email to communicate with their solicitor, but had not used other forms of digital technology in their recent transaction. Nobody had used digital signatures or portals in their transaction, though a few did reference having heard of a portal where it was possible to check on the progress of your chain.

- 9.10 One respondent, whose solicitor sent everything in hard copy, reported finding it very difficult to digest all the information she was sent:

"I don't know if they were just more old school, but they liked to handwrite everything, and so they would do it that way instead, and I was just like highlighting her little notes beside it and I was, like, forever sifting through it. It was awful."

London group, First time buyer, leasehold

- 9.11 This limited use of new technologies, even among those who saw themselves as more technologically-savvy, perhaps indicates that consumers are being limited to what their solicitor offers.

Opportunities of increased use of technology

- 9.12 Focus group participants were also asked to consider what forms of technology they would like to see in future transactions. Most wanted email correspondence as a minimum; and there was considerable interest in online portals, but the appetite for digital transactions was not universal. Some consumers said they would still telephone their solicitor, even if they received an online update. This research has shown that consumers place importance on being able to develop trust and build rapport with their conveyancing solicitor, which are difficult to achieve via online communication methods. This may also be a reason for the limited use of new technologies.

- 9.13 However, though they had not used digital technology beyond email in their conveyancing transaction, most focus group participants were open to the idea of doing so and suggested ways that technology could be harnessed to improve the customer experience. Given that their concerns, particularly those of the younger first-time buyers, related to being unsure of the process and wanting to be kept up to date

⁷⁸ Fraudsters going to "considerable lengths" to impersonate conveyancers, *Legal Futures* (2017)

⁷⁹ *Joint property and title fraud advice note, The Law Society and HM Land Registry* (2017)

more frequently than their solicitor was typically willing to do, their suggestions focused on ways that the transparency and clarity of the process could be improved.

Online portal for progress updates

- 9.14 One suggestion that participants, both those going through the conveyancing process for the first time and those with more experience, came up with in the focus groups was a website or portal which could be used to check the progress of their transaction. As discussed, this is something that some firms are already doing.⁸⁰
- 9.15 One group drew an analogy with an online delivery tracker, in that it would show which steps of the transaction had already been completed and which were still outstanding, while another group envisaged it being more like an online banking portal:

“In my mind, as you would get when you log into a website which shows either your bank account or your investments, or something along those lines... why not have the same thing for your solicitor’s, particular transaction? It would be, sort of, a dashboard, money is here, tick, this way through progress from start to finish, and then you can see. Outstanding elements, in the bottom left-hand corner, that sort of thing. So, you can log in, you don’t have to chase, and it’s the solicitor’s responsibility to keep that updated. If anything’s electronic, and we’re not relying on paperwork going backwards and forwards, it would, potentially, link to this dashboard, and update automatically.”

London group, previous experience, buyers and sellers, freehold

- 9.16 One suggestion was to use ‘traffic light’ colours to show tasks completed/in progress/outstanding. A portal was seen to have several benefits for the customer: not only would it help to orientate them, ‘de-mystify’ the process for first timers and allow them to see what actions the solicitor was taking (and so better ‘trust’ them); it would also help them to know what was expected from them at each stage of the process, as well as providing some easily trackable documentation of what they have already done.
- 9.17 One or two participants, however, thought they would still want to hear from their solicitor periodically via a telephone call, even if the portal showed that things were progressing smoothly.
- 9.18 Some were sceptical as to whether law firms would realistically want to engage with an online portal for tracking progress because it would add a further burden to their workload. One person had been told about an online portal at the beginning of the process and had used it himself only to find that the law firm did not, which was frustrating:

“M: It sounded brilliant... the idea of it, how, you know, I don’t have to chase them to get an update. It ended up being that I had to chase them to get updates, because they

⁸⁰ Some examples include: <https://www.nbmlaw.co.uk/casetracker.htm>; <http://daviesphillips.co.uk/about-case-tracker>; <https://www.walthamstowcentral-conveyancingsolicitors.co.uk/case-tracker>

didn't access it or use it, and [there were] no documents in the first two or three weeks... You know, I sent my ID on there, I scanned it in, and then it just got... you know, there was no communication through there at all."

London group, first time buyers, leasehold

- 9.19 To ease the burden on solicitors' workloads, participants wondered whether the portal could be updated automatically rather than being something the solicitor would actively have to log in and update, for example a notification being automatically triggered when a solicitor completes a task.
- 9.20 Some felt, more cynically, that law firms would not want to use it because it would 'give away' when the solicitor was falling behind with the work.
- 9.21 Even those who were most keen on the idea of a portal acknowledged that, although they felt comfortable with the idea of using an online portal, not everybody would. They, therefore, felt it should not be mandatory to use.

"I think you would have to offer, like, an alternative though because not everybody is online. I know the majority of people are, but, you know, slightly older people. Like my nan and grandad, for example, they would hate to have something online..."

Birmingham group, first time buyers, freehold

- 9.22 There were some older consumers who were more negative about the idea of a portal. A couple of older participants (who saw themselves as less computer literate) thought that being expected to use a portal would lead to more 'hassle' for the consumer, and that they would struggle with finding things like log-in details.
- 9.23 One or two also felt that having something like an online portal, showing the step-by-step progress of their transaction, would lead to more stress as they would constantly be checking the progress of their sale/purchase – and this seemed particularly likely to lead to increased stress if progress was slow on their transaction. In an interesting contrast to the first timers, some of the more experienced buyers and sellers felt they might just want to know when it would be done and didn't necessarily want to be involved in the smaller steps. As a compromise, they suggested that they would prefer if the portal triggered an automatic email when the solicitor had completed each step, rather than them having to proactively log in and check.
- 9.24 Those who were more positive towards the idea of an online portal for tracking progress felt that it would provide them with greater transparency and would mean that all relevant information would be in one place.

Live chat function

- 9.25 Another suggestion was for a live chat function, similar to those used by gas and electricity providers, to be available on law firm websites, possibly as part of the portal described above. This addressed the group's desire to have their questions answered more promptly than they had been.

“So many people are moving over to the chatrooms, or whatever they’re called... like with my gas and electricity. Rather than picking up the phone, I can just, literally, type them a question, leave it on the side, and carry on washing up and know that the answer is going to be there, rather than sitting on the phone for 45 minutes on hold.”

Discussion about live chat, Birmingham group, first time buyers, freehold

9.26 Again, they acknowledged this could add to the solicitor’s workload, though did not suggest a solution.

Online exchange of documents

9.27 One group wondered whether there could be an easier, automated way to highlight important parts of a legal document – given that such things are often standardised in conveyancing (and solicitors often sent over the documents without highlighting what the client should look at, leaving them feeling overwhelmed). It could be a two-way process: the consumer could then also highlight things that they were interested in, or concerned or confused by.

“So, what I was thinking was... there must be [a way] on the system where it can be automatically highlighting [...] the important things. Obviously, it’s going to differ in different properties, but there must be something where we all have the same [...] pitfalls.”

So, some sort of computerised way of highlighting the bits that are always there in certain documents that are crucial?

F: “Yes... obviously, as I said, you have to tailor it to each one, but you have a bulk there and [...] then you can read it, you know, take it easy, go back, read it, go back and forth, and, if you have any further questions, you can go back and speak to the solicitor.”

M: “I think it’s like track changes, but I’ve called it track advise. So, basically, you highlight sections that you’re not familiar with or you want further explanation, and then would that flag up to the solicitor to say, ‘Okay, so that’s the section that you want me to get back to you on.’ That could be a good way of creating that two-way communication or highlighting the things that you don’t understand.”

Discussion about editable documents, London group, first time buyers, leasehold

9.28 Consumers wondered whether this could be incorporated as part of the online portal.

Risks

9.29 Most focus group and interview participants could see, without any prompting, that there would be risks associated with greater use of technology in the conveyancing process. Several consumers raised concerns about identity theft and fraud, and were particularly worried given that the emails being exchanged as part of the conveyancing process contain a lot of sensitive, personal information that would enable someone to steal your identity and/or your money. Some participants in the focus groups recounted stories about fraudsters intercepting great sums of money being transferred by people they knew.

- 9.30 Not everyone spoke of cybercrime in the sense of identity theft or fraud. There were also concerns about hacking, viruses, or 'the system going down', meaning that the transaction is delayed, or information is lost or stolen.
- 9.31 There tended to be a greater focus on the risks of increased use of digital technology among older participants.
- 9.32 Several who were more used to digital online banking were happy that the benefits outweigh the risks.

"Everything is safe enough now, so long as you have the proper security."

Female, 35-44, first time buyer, freehold

- 9.33 There are mixed views on how to mitigate these risks: the various ideas suggested were providing bank details in a hard copy welcome pack, supplementing any emails with a phone call when dealing with personal/sensitive information, and encrypting emails 'end-to-end' when sending personal/sensitive information. A few spontaneously suggested having a secure portal which could only be accessed with a pin/code/password, like that in online banking, to use to make sure information does not fall into the wrong hands, while others thought having the information on paper was important.

"M: What they need to do is send you an email saying, 'We've sent you a secure message, please log in.' Then once you've logged into the site, you know-

M: But then you've got to know that the site is secure.

M: Well, yes.

M: That would be the only downside.

M: So assuming the site is secure, you can...

M: Yes, if they sent the email via the site.

M: I got the bank details by post, with a wad of documents, so no fraud is going to generate that much information, and then I'm happy then."

Respondents discussing appropriate security measures, London group, previous experience, freehold

- 9.34 Although there is an increase in the use of technology across the conveyancing market, consumers still place importance on rapport building and developing trust with their solicitor, which are difficult to achieve through digital communication methods. Consumers also raised concerns about the risk of identity theft and cybercrime, particularly because the emails exchanged in a conveyancing transaction contained very sensitive information that would enable someone to steal their identity and/or their money.
- 9.35 However, conveyancing consumers are open to utilising technology more throughout their transactions and were proactive in suggesting ways to mitigate the risks they recognised, including suggesting examples from online banking such as the use of pin codes to access portals.

9.36 They were also proactive in suggesting opportunities for improvements including an online portal for progress updates and live chat feature. These suggestions highlight the appetite for better communication and information provision from solicitors, which technology can assist them with, with consumers suggesting the features would offer greater transparency and 'de-mystify' the conveyancing process overall.

10 Conclusions and recommendations

- 10.1 The aim of this research was to understand the experiences of consumers who have used a solicitor to help them with buying or selling a residential property.
- 10.2 Evidence from previous research has shown that consumer behaviours are beginning to shape how solicitors and other legal services providers are delivering their services. Consumers want more information on price, the type of service provided and how that service will be provided. If consumers receive this information early in the process, they can make an informed choice about their legal representative.
- 10.3 Data from the LSCP Tracker Survey showed that almost half of conveyancing consumers choose their legal representative through a recommendation or referral, with 22% being referred by an estate agent or insurance company. The same survey also found that 81% of conveyancing consumers identified cost as an important factor when choosing their solicitor.
- 10.4 Despite these changes to the way consumers access conveyancing legal services, the CMA remain concerned that the legal services market does not work in the best interests of consumers, with a lack of transparency around price, service and quality.
- 10.5 This view was supported by complaints data from LeO, which showed conveyancing to be the most complained about area of law, and identified Delay/Failure to Progress, Failure to Advise, Failure to Follow Instructions and Failure to Keep Informed as the most common complaint types.
- 10.6 The SRA commissioned this research to confirm the extent to which the above issues were reflected in the experiences of consumers, and to help shape future discussions on how they regulate conveyancing solicitors.
- 10.7 Through a survey, focus groups and depth interviews, we asked over 1,500 consumers for their perceptions in relation to how they chose their solicitor, their overall satisfaction with the service, how they communicated with their solicitor and how they dealt with any issues and problems encountered.
- 10.8 Consumers were also asked for their views on specific issues, including information provision on leasehold properties, digitisation of the conveyancing process and how they thought the process could be improved in the future.

How consumers choose their legal representative

- 10.9 Currently the most common way of finding a solicitor is through recommendation, either from estate agents or family, friends or colleagues. A significant proportion of consumers use estate agent referrals to select their solicitor with the survey showing that over a third considered them to be important when choosing a conveyancing provider.

- 10.10 However, concerns were raised in previous research⁸¹ about the impact of estate agent referrals on consumer choice and competition, and whether consumers were receiving the best quality of service from referred solicitors. These concerns have led to DCLG's consultation paper that considers banning them.
- 10.11 If DCLG does not ban them, estate agent referrals will continue to play an important role in consumer's selection of a conveyancing provider. However, there needs to be better understanding about the referral process and the solicitor that is being recommended.
- 10.12 **Recommendation:** Work with estate agents and other intermediaries to improve consumer understanding of the referral process and to provide information on the solicitor they are recommending.
- 10.13 Cost remains the most important factor for consumers when choosing a conveyancing solicitor. However, some consumers, particularly first timers, have limited understanding about the services they are paying for and could benefit from a mechanism for comparing price.
- 10.14 When asked about comparison websites, consumers were aware of, and had used, comparison websites in other sectors, but only a small proportion used them to find their solicitor. The CMA Market Study argued that more informed consumers, carrying out more comparisons of solicitors, may lead to greater competitiveness and price transparency in the sector.⁸²
- 10.15 **Recommendation:** There is need to raise awareness and encourage the use of comparison websites as a mechanism to help consumers choose their conveyancing provider.

Better information and communication

- 10.16 This research has identified problems with the information conveyancing solicitors provide to consumers. These included:
- Providing information in an inaccessible format, which was demonstrated by low levels of consumer recall and concerns about documents containing legal jargon they did not understand.
 - Providing consumers with substantial quantities of information and leaving the onus on them to identify the key issues.
 - Failing to provide information on specific issues, including leasehold properties and how to complain. Only 20% of survey respondents remember being given information on particular aspects of buying a leasehold property, and less than a third remembers being provided information on how to complain.

⁸¹ Referral arrangements, Legal Service Consumer Panel (2010)

⁸² Legal Services Market Study, Competition & Markets Authority (2016)

- 10.17 Government and the press highlighted concerns about aspects of leasehold transactions and the advice solicitors are providing consumers. A parliamentary enquiry into the handling of leasehold sales led to a consultation paper tackling unfair practices in the leasehold market⁸³. Evidence from this research has identified that consumers are not always being provided information about the length of lease remaining and service charges. This results in additional costs for the client and negatively impacts their overall experience of the legal process.
- 10.18 **Recommendation:** Firms need to provide and explain relevant information at the appropriate time in the process and provide it in an accessible format.
- 10.19 **Recommendation:** Firms need to provide and explain information on particular aspects of buying a leasehold property, including length of lease and service charges.
- 10.20 **Recommendation:** Firms need to provide more information on who to complain to and their complaints process.

Lack of understanding of the legal process

- 10.21 Information on the legal process is important for consumers, particularly those who are using a legal service for the first time. Only just over half of survey respondents could remember being provided with information on the conveyancing legal process by their solicitor. This highlights that firms may not be providing information on the legal process or are providing this information in an inaccessible format.
- 10.22 **Recommendation:** Similar to previous recommendations, firms need to provide information about the legal process in an accessible format to consumers.

Satisfaction with service and resolving complaints

- 10.23 Overall, consumers are satisfied with the quality of service provided by their solicitor. Satisfaction was driven by the speed and efficiency of the service and the customer service that was provided.
- 10.24 Among those who did experience issues, the most common related to their property chain rather than issues with their own solicitor's service. However, a small proportion of consumers were dissatisfied with their solicitor and cited issues around delays, inefficient service and mistakes made by their solicitor.
- 10.25 Just over a quarter of those who were dissatisfied made a complaint to the solicitor firm. Consumers who complained did so for two main reasons: mistakes made by the solicitor, typically involving errors in legal documents or invoices and poor customer service relating to inadequate communication from the solicitor.

⁸³ Tackling unfair practices in the leasehold market, Department for Communities and Local Government consultation (2017)

- 10.26 Over three quarters of consumers received a positive response to their complaint, including their solicitor offering compensation or promising to progress the work.
- 10.27 There were reports of solicitors not always providing responses to a consumer complaint. This could be because consumers are not always clear when expressing dissatisfaction or are not using the approach set out in the firm's complaints procedure. This could also be explained by consumers' poor recall of being provided with information on how to complain, as detailed above.
- 10.28 Most focus group participants were unfamiliar with the redress landscape of legal services and the roles of the SRA and Legal Ombudsman in resolving complaints.
- 10.29 **Recommendation:** LeO and the SRA need to provide better information on complaints processes, including their respective roles in the process. Providing this information could further increase satisfaction with complaints handling in the conveyancing market.
- 10.30 Consumers most commonly paid their conveyancing solicitor via fixed fee and stated this preference over estimates based on hourly rates. However, 11% ended up paying more than the original fixed fee quoted, with first timers more likely than those with previous experience to have paid more than agreed.
- 10.31 **Recommendation:** Alongside publishing cost information, solicitors should make consumers aware of points in the conveyancing process where additional costs could be incurred.

Lack of understanding of protections through regulation

- 10.32 Almost three quarters of survey respondents said that evidence of accreditations was important to them when choosing a solicitor, with this being especially important to first timers. However, focus group participants demonstrated poor understanding of the difference between accreditation and regulation when probed. Specifically, they were unaware if their solicitor was regulated when they chose them.
- 10.33 While they believed regulation was important, and associated it with standards and protections, focus group participants were unfamiliar with the role of regulation.
- 10.34 **Recommendation:** The SRA and firms need to increase consumer awareness and understanding of regulation and the additional protections that such regulation provides them. This will help consumers make an informed choice between regulated and unregulated service providers. The CMA have recommended that the SRA pilot badges/logos on firms' websites to show that they are regulated. The SRA are currently considering this proposal.

Use of technology

- 10.35 As conveyancing transactions follow an established process, much of it can be automated. The Law Society anticipates that over the next decade there will be a considerable increase in the application of technology in legal services, particularly

artificial intelligence.⁸⁴ Firms have already recognised some of the benefits of technology in increasing efficiency and improving the consumer experience and are introducing new approaches to service delivery. The HM Land Registry have also recently consulted on introducing fully digital conveyancing documents and expanding the rules regarding digital mortgages⁸⁵.

- 10.36 Consumers also recognise the benefits of digitisation and automation and are open to the prospect of more technology being introduced to further improve and streamline the process.
- 10.37 However, they also identified several risks associated with this continued move towards digitisation of the conveyancing process, including cybercrime and fraud.
- 10.38 Suggestions to mitigate these risks included end-to-end encryption, introduction of pin codes (similar to those used in online banking) and re-confirming requests for sensitive information, such as bank details, through multiple channels, as possible solutions.
- 10.39 **Recommendation:** Firms should continue to identify ways in which technology can improve their processes and consumer experiences while minimising and mitigating against any associated risks.

What the SRA and firms can do to improve consumer experience

- 10.40 This research has found that most consumers are satisfied with the service they receive from their solicitor. However, it has also identified several areas where the overall experience of consumers could be improved. The key to such improvement is firms and the SRA providing consumers with better information throughout the conveyancing legal process.
- 10.41 The SRA need to provide more information on the role of regulation in protecting consumers, encourage firms to provide consumers with better and more accessible information about their service offer and raise awareness of comparison websites.
- 10.42 Firms should concentrate more on customer service by:
- Providing better and more accessible information about the services they offer, how these services are delivered and who in the firm is responsible for delivering them.
 - Giving consumers more regular updates on the progress of their transaction, even if the update is that nothing has changed.

⁸⁴ [Capturing Technological Innovation in Legal Services, The Law Society \(2017\)](#)

⁸⁵ [Consultation proposals to amend the Land Registration Rules 2003, HM Land Registry \(2017\)](#)

- Making sure they provide better information on leasehold properties and the process for complaining.

11 Appendices

Appendix A: Profile of participants

Online survey

- 11.1 An online survey was conducted with 1,501 consumers who had used a solicitor to buy or sell a residential property in England and Wales in the last two years.
- 11.2 There was a fairly even spread of consumers who participated in the survey who had bought (42%), sold (22%) or done both (36%). The majority of survey participants had previous experience of conveyancing, compared to first timers: 65% of those who took part in the online survey had previous experience, compared to 35% who were doing it for the first time.
- 11.3 A greater proportion were male (58%) compared to female (42%), and there was a mix of different ages, though it slightly skewed towards an older age range: 26% were aged 55-64 and 19% aged 65 and over, compared to 3% who were aged 16-24 and 18% aged 25-34. The vast majority were of white ethnicity (91%).
- 11.4 Survey participants were from a mix of different regions, with London (19%) and the South-East best (16%) represented of all regions.
- 11.5 Finally, survey participants skewed slightly towards more affluent household income ranges (35% earned a total annual household income of more than £50,000), which is likely to reflect the nature of those going through conveyancing transactions.
- 11.6 Table 11.1 presents a breakdown of the key characteristics of participants.

Table 11.1 - Key characteristics of online respondents (unweighted)

Key characteristics	All consumers (1501)
Nature of conveyancing transaction	
Bought	42%
Sold	22%
Both	36%
First time transaction	
Yes	35%
No	65%
Gender	
Male	58%
Female	42%
Age	
16-24	3%
25-34	18%
35-44	17%
45-54	17%

55-64	26%
65 and over	19%
Ethnicity	
White	91%
Mixed	1%
Black	1%
Asian	5%
Other ethnic background	<1%
Average annual household income	
Under £20,000	10%
£20,000 - £9,999	13%
£30,000 - £39,999	16%
£40,000 - £49,999	17%
More than £50,000	35%
Prefer not to say	9%
Region	
London	19%
South East (England)	16%
North West (England)	12%
South West (England)	10%
East of England	9%
West Midlands (England)	9%
East Midlands (England)	8%
Yorkshire and The Humber	8%
Wales	5%
North East (England)	4%

11.7 Table 11.2 presents the type of property, the type of tenure and the mortgage status of those that bought a property and those that sold a property.

Table 11.2 - Characteristics of buyers and sellers (unweighted)

	Bought a property (1175)	Sold a property (802)
Type of property		
Semi-detached house	23%	17%
Detached house	18%	12%
Flat	16%	10%
Terraced house	13%	12%
Bungalow	7%	3%
Type of tenure		
Freehold	65%	45%
Leasehold	14%	8%
Mortgage status		
Redeemed/needed a mortgage	61%	48%
Did not redeem/need a mortgage	39%	52%

11.8 Table 11.3 presents consumer age by first time conveyancer status.

Table 11.3 - Consumer age by first time conveyancer status (weighted)

	First time conveyancers (520)	Previous experience of conveyancing (981)
Age		
16 to 24 years old	3%	*%
25 to 34 years old	29%	2%
35 to 44 years old	30%	11%
45 to 54 years old	17%	24%
55 to 64 years old	12%	32%
65 years old and over	8%	31%

In-depth interviews

11.9 Ten in-depth interviews were conducted with consumers who had completed the online survey, to understand their experience in greater detail. Consumers were selected for in-depth interviews to explain a variety of different experiences. This included consumers who had:

- Positive experiences;
- Reported mistakes being made by their solicitor;
- Reported poor communication from their solicitor; and/or
- Made a complaint about their solicitor.

11.10 Table 11.4 summarises the key characteristics of in-depth interview participants.

Table 11.4 - Characteristics of in-depth interview participants

Key characteristics	In-depth participants (10)
Nature of conveyancing transaction	
Bought	4
Sold	3
Both	3
First time transaction	
Yes	3
No	7
Gender	
Male	2
Female	8
Age	
25-34	2
35-44	3
45-54	1
55-64	4

Focus groups

11.11 Four focus groups were conducted with consumers, two in Birmingham and two in London. Each group had eight participants with a mix of characteristics and a mix of levels of satisfaction with the legal work carried out by their solicitor. Each focus group was conducted with a particular audience of consumers:

Table 11.5 - Profile of focus group

Focus group	Location	Audience
1	Birmingham	First time buyers of freehold properties
2	Birmingham	Those with prior experience of conveyancing that has recently bought or sold leasehold properties
3	London	First-time buyers of leasehold properties
4	London	Those with prior experience of conveyancing that had recently bought or sold freehold properties

Appendix B: Weighting

- 11.12 The data was compared to the profile of those that had participated in the CMA’s Legal Services Market Review survey and had used conveyancing services to ensure it was representative of the underlying population.
- 11.13 There were some differences in terms of age and gender between the profile of those who completed the Conveyancing Consumers survey compared to those that had participated in the CMA’s Legal Services Market Review survey. Weighting was therefore applied to make the data representative.

“

IFF Research illuminates the world for organisations businesses and individuals helping them to make better-informed decisions.”

Our Values:

1. Impartiality and independence:

IFF is a research-led organisation which believes in letting the evidence do the talking. We don't undertake projects with a preconception of what "the answer" is, and we don't hide from the truths that research reveals. We are independent, in the research we conduct, of political flavour or dogma. We are open-minded, imaginative and intellectually rigorous.

2. Being human first:

Whether employer or employee, client or collaborator, we are all humans first and foremost. Recognising this essential humanity is central to how we conduct our business, and how we lead our lives. We respect and accommodate each individual's way of thinking, working and communicating, mindful of the fact that each has their own story and means of telling it.

3. Making a difference:

At IFF, we want to make a difference to the clients we work with, and we work with clients who share our ambition for positive change. We expect all IFF staff to take personal responsibility for everything they do at work, which should always be the best they can deliver.



IFF Research

Chart House
16 Chart Street
London N1 6DD
Tel: +44(0)20 7250 3035
Website: iffresearch.com

Contact details:

Angus.tindle@iffresearch.com rob.warren@iffresearch.com