

Annual Regulatory Return Analysis 2016



Contents

Contents.....	1
Foreword	4
Key Findings of the 2016 Annual Regulatory Review.....	4
Progress on Actions from the 2015 Annual Regulatory Review	6
Introduction.....	8
Format.....	8
Method	9
Use.....	9
Executive Summary.....	11
Scope and Purpose	11
Method	11
Location (page 19)	11
Competitors (page 22).....	12
Types of Work (page 24)	12
Clientele (page 25).....	12
Staffing (page 29).....	12
Sole Practitioners (page 32)	12
Managers (page 32)	12
Employees (page 36)	13
Gearing (page 41)	13
Equality and Diversity (page 43)	13
Succession Planning (page 45)	13
Investment Decisions (page 46)	14
Communications with Clients (page 54)	14
Conversion Rates (page 56).....	14
Client Satisfaction Surveys (page 57).....	15
Vulnerable Clients (page 59)	15
Complaints (page 62).....	16
Pricing (page 72)	16
Compliance (page 78)	17
Risks and Opportunities (page 83).....	17
1. Market Segmentation	18
Turnover.....	18

Location	19
Competitors	22
Types of Work	24
Clientele	25
2. Workforce	29
Staffing	29
Sole Practitioners	32
Managers' Authorisation	32
Employees' Authorisation	36
Supervision of Non-Authorised Persons	41
Equality and Diversity Monitoring	43
Gender Equality	44
Succession Planning	45
3. Investment and Ownership	46
Investment Decisions	46
Sources of Funding	48
Investment in Alternative Business Structures	49
Attitudes Toward Investment	52
4. Dealing with Clients	54
Communications	54
Conversion Rates	56
Client Satisfaction Surveys	57
Vulnerable Clients	59
Complaints Procedure	62
Complaints Received	65
Complaints Handling	67
5. Pricing	72
Hourly Rates	72
Rates for Services	73
Determining Prices	76
6. Transactional Information and Regulatory Compliance	78
Acting for Both Sides	78
Sources of Instructions	78
Compliance	78
Anti-Money Laundering and Combating Terrorist Financing	79

7. Comments.....	83
Risks	83
Opportunities.....	83
Appendix 1: Survey Details	85
Appendix 2: The CLC Annual Regulatory Return 2015-16 Questionnaire.....	88
CLC Annual Regulatory Return 2015/16 Questionnaire.....	88
Introduction	88
A: Licensed Organisation.....	89
B: Licensee Identifying Information	90
C: Market Segmentation.....	91
D: Workforce Information: Managers	95
E: Workforce Information: Other Employees	99
F: Gearing and Supervision	104
G: Disciplinary Issues with Individual Staff.....	105
H: Succession and Diversity.....	106
I: Investment Decisions	107
J: Ownership.....	108
K: Dealing with Clients	110
L: Client Satisfaction Surveys.....	112
M: Dealing with Vulnerable Clients	114
N: Pricing	117
O: Complaints Procedure	121
P: Formal Complaints	123
Q: Transactional Information	129
R: Anti-Money Laundering and Counter-Terrorism Finance	130
S: Regulatory Compliance Information.....	134
T: CLC Services Information	135
U: Conclusion	136

Foreword



Sheila Kumar

Chief Executive

November 2016

This report looks at the findings of the CLC's 2016 Annual Regulatory Return (ARR). It is a detailed survey of the regulated community that was completed by each of the entities that are licensed by the CLC. The survey has a broad scope, intended to deepen further our insight into the market place. It bolsters our close continuous engagement with the firms and individuals we regulate and enriches the evidence that drives our risk-based approach to regulation.

2016 saw some notable successes for the CLC in the shape of very positive evaluations of our performance by the regulated community and our oversight regulator, the Legal Services Board. The findings of this Annual Regulatory Return will help keep us on that path.

Completing the Annual Regulatory Return is mandatory, but it is also a significant exercise and I am very grateful to all of the CLC's regulated entities for taking the time and care to provide us, again, with such a complete set of data. It is of enormous help in providing consumer protection and fostering competition and innovation in property law services.

Below, I draw out what appear to me to be the most significant findings from this year's ARR before going on to provide a brief update on the five areas of focus that emerged from [last year's report](#). An executive summary and full analysis begin at [page eight](#).

Key Findings of the 2016 Annual Regulatory Review

Client care

We found that, overall, less than half of all practices conduct client satisfaction surveys, although this hides a great deal of variation by practice size. We also probed firms' approaches to identifying and supporting vulnerable clients and found that there was limited awareness of how to spot vulnerable clients and how to assist them.

Action – *Although complaints about CLC lawyers run at remarkably low rates, we have begun work to look at how we can increase the use of client feedback surveys and action taken in response. We are working with the Legal Services Consumer Panel to increase understanding of issues around vulnerable clients. This will inform our work reviewing the Handbook as well as the direct provision of advice to the profession.*

Breadth of business models

While there is great consistency in the services provided by CLC-regulated firms and a very high degree of specialisation in either conveyancing or probate by the lawyers within them, this ARR underlines the diversity of business models for the delivery of those services; from size to pricing, from client base to pricing approaches, there is huge variation in CLC firms' offering to clients and their ways of doing business.

Action – *Our continuing review of the Handbook needs to take into account this diversity even as we work to explore and exploit the strengths of specialist regulation of property law services. The CLC prides itself its support for innovation in the regulated community and that community has expressed the value it places on that support. This is a core part of our ethos and approach that we will continue to foster.*

Succession planning

This year we included just one simple question about succession planning. It's important for all firms to know how their business can be carried on as owners and managers leave or retire and to be prepared for sudden change of some kind. Overall, less than one-third of all firms reported that they have a written succession plan, ranging from 23% of the smallest firms to two-thirds of the largest firms.

Action – *This will be picked up during inspections and through support for the regulated community. We will review progress in two years. We will also include an expanded suite of questions about business continuity planning and related issues in the next ARR, to ensure that we understand the breadth and depth of any problems.*

Investment

In another first, we asked firms about their approach to investment in the business, both the purpose and sources of investment. There are marked differences of attitude towards external investment even if there is considerable consistency about the uses of investment and that it is available when needed. Among all firms, the major uses of investment were to grow staffing, improved management of the firm through IT and purchase of customer-facing IT systems.

Action – *These finding seem to offer some explanation as to why we have seen less external investment in law firms that was expected. Profits generate sufficient funds for the vast majority of firms' investment needs it would seem and there is a fairly widespread view that retaining control is very important. The CLC's only role here is to ensure that there are no unwarranted obstacles to external investment.*

Pricing of services

90% of practices offer services on a fixed price basis. There is a little more use of hourly rates in smaller firms than in the largest firms, but overall the picture is fairly consistent. Pricing, whether on hourly rates or on a fixed basis shows considerable variation, reflecting the diversity of business models and consumer offering noted above. However, there is clear clustering around the average pricing.

Action – We are beginning consultations to explore how pricing can be made more transparent in ways that benefit consumers and do not have any undesirable consequences. We are also examining how further information held by the CLC can be added to price information to give consumers a rounded picture of each firm.

Diversity and inclusion

Some 70% of practices do not monitor diversity in their workforce. This is of particular concern given the challenges in career progression for women (as noted last year) and BME staff in the regulated community.

Action – We are taking part in the LSB's consultation on encouraging a diverse profession and look forward to recommendations that we hope will be a useful compendium of best practice for regulators and regulated entities. We will expect a far greater proportion of firms to monitor diversity in future and to see better career progression outcomes for women and BME staff. Steps towards this will be built into revision of the Handbook in 2017.

Anti-money laundering (AML)

Some firms reported they were not certain that they were fully compliant with AML requirements. Some also reported they had not reviewed their AML arrangements during the year and some that not all relevant staff had received training in those arrangements. However, we should bear in mind that we have examined only the calendar year 2015.

Action – We will do more to promote best practice as well as the guidance and training that is available for firms. We will be contacting directly the firms that have reported poor compliance with AML requirements. AML compliance is reviewed through the regular monitoring and inspection process and we will monitor improvement over time.

Progress on Actions from the 2015 Annual Regulatory Review

Innovation – Findings underlined the importance of freedom to innovate for CLC firms. Our review of the Handbook began in 2016 with changes to the professional indemnity insurance regime that enhanced consumer protection and lowered costs for practices. We have also reduced regulatory fee rates for entities by 20%. Consultation on proposals for changes to the CPD regime and the Accounts Code are continuing the review and the entire Handbook will have been reviewed by the end of 2017.

Specialisation – The 2015 ARR underlined the degree of specialisation in our regulated community. We have continued to explore how tailored specialist regulation can help consumers and lawyers. The Legal Services Board has also recognised the strength of our approach as a model for other parts of the legal sector.

Accessibility – The make-up of the regulated community is diverse and our changes to routes to qualification will support an even more diverse intake.

Supervision – High numbers of non-Authorised Persons in CLC firms means that we focus on the effectiveness of the supervision undertaken by Authorised Persons. New qualifications below the level that leads to licence are now becoming available to provide additional assurance.

Consumers – To support better consumer information, we have completed a joint project with the other front line regulators to review the use of client care letters and provide guidance to lawyers. We have also engaged closely with the Competition and Markets Authority to inform their study of the legal sector and are consulting on initiatives the CLC could implement to make better use of data that we hold on the regulated community to improve consumer choice.

Introduction

The Council for Licensed Conveyancers (CLC) is a specialist property law regulator. It has authority over the profession of licensed conveyancers, but it is primarily an entity regulator. This means that it has a particular interest in the good management of the practices for which it has regulatory responsibility. The CLC monitors various aspects of these practices, and employs Regulatory Supervision Managers to maintain direct relationships with them. These activities are supplemented by the Annual Regulatory Return (ARR), a mandatory survey which must be completed by all practices. The purpose of the ARR is to gather data on a range of issues and use that to present a yearly snapshot of the CLC's regulated community. The survey was carried out using an online questionnaire, with an accompanying request that it be completed by a manager.

We have not repeated all of the areas of investigation from the 2015 ARR because we believe that there will not be sufficient change in twelve months to merit gathering all of that information. Some of the omitted questions will be repeated in future ARRs though and contribute to our view of the evolution of the market.

As was the case last year, few of the findings came as a surprise, which is reassuring as it suggests both that – through their routine interactions with our Regulatory Supervision Managers and other CLC staff – we maintain a good working knowledge of the practices that we regulate, and that the findings of last year's ARR were reasonably accurate.

This report is a rich source of information on the sector. We encourage researchers and policy-makers to make use of it. We can make available most of the raw data too where that would be useful, but must respect that some of it may be commercially confidential and so must be anonymized.

Format

This is the second year of our new format ARR, and we have expanded the scope of our investigation. Last year we looked at market segmentation, workforce, and some basic details about regulatory compliance. This report presents an analysis of survey responses falling within seven broad areas:

- **Market segmentation** which is concerned with building up a picture of the market for licensed conveyancers' services, including an examination of turnover, location, competitors, types of work and clientele.
- **Workforce**, which addresses issues of staffing, including sole practitioners, the authorisation of managers and employees, the supervision of staff who are not authorised persons, equality and diversity monitoring, gender equality and succession planning.
- **Investment and ownership** which considers investment decisions, sources of funding and investment in Alternative Business Structures.

- **Dealing with clients** looks at how practices communicate with their clients, conversion rates, client satisfaction surveys, vulnerable clients, complaints procedures, complaints received, and complaints handling.
- **Pricing** covers hourly rates, the prices charged for different services, and the factors that help in determining those prices.
- **Transactional information and regulatory compliance** is a sort of catch-all covering whether or not practices have acted for both sides in a transaction, the sources of their instructions, and compliance, with a particular focus on anti-money laundering and counter-terrorism financing rules.
- **Comments** which covers responses to questions about improving the work of the CLC, and the greatest risks and opportunities facing our regulated community.

Method

The ARR's primary source of data was an online survey of practices that had been operating for at least 9 months in the 2015 calendar year. Most of the questions pertained specifically to the practices' make-up and activities during that period.

Some 218 practices responded to the survey, though not all of them completed all the elements to the same high standard. A summary of the survey respondents is available in [Appendix 1: Survey Details](#).

It was decided that once again the primary frame of reference for analyzing these data would be by turnover band. Turnover band is a good proxy measure for other indicators of size; practices with higher turnovers tend to have a larger compliment of managers and employees, more offices, and greater geographical spread. The same turnover-based criteria are used to determine the fees that regulated practices are required to pay to the CLC.

Findings are typically represented in tables, many of which show the minimum and maximum values, lower and upper quartiles, and median and mean averages. Together these offer a good overview of what might be expected from practices in different turnover bands, and could be used as a guide when evaluating performance, either as part of a risk assessment, or for commercial reasons. There is an explanation of how to interpret these tables under the [Types of Work](#) heading in section 1, Market Segmentation, below.

Use

Building on our existing knowledge of the sector and data collected in previous ARRs we hope that following next year's survey we will have accumulated sufficient data to produce a baseline for measuring future improvements in our services and the businesses we regulate.

Aside from providing a richer, more detailed understanding of CLC-regulated practices and the world in which they operate, and alerting us to issues that may require closer regulatory attention, the information gathered in the ARR is used to inform risk ratings, directly improving the focus and impartiality of our regulatory activities.

The key findings, as set out in the chief executive's foreword, inform a series of actions which the CLC will attempt to implement throughout the coming year.

Executive Summary

Scope and Purpose

- The annual regulatory return (ARR) is a yearly survey of legal practices regulated by the Council for Licensed Conveyancers (CLC). In past years, it has focused in on areas of particular concern. In 2016 we undertook an extensive survey of a broad range of measures, but there were special sections focusing on issues of particular interest, such as:
 - Investment and ownership;
 - Vulnerable clients;
 - Client satisfaction surveys;
 - First tier complaints;
 - Anti-money laundering and counter-terrorism financing; and
 - Pricing.
- This report provides a guide to the current state of the CLC's licensed community, and a useful additional source of data for developing more quantitatively driven, objective measures of risk.

Method

- The annual regulatory return's primary source of data source was an online survey of practices that had been trading for nine to 12 months in the 2015 calendar year.
- Some 218 practices responded to the survey, though not all completed all the elements to the same high standard.

Location (page 19)

- Almost half of the offices of CLC-regulated practices (46.4%) are located in just three regions: South-East England (23.2%), North-West England (13.1%), and South-West England (10.1%).
- Although they can operate throughout the whole of England and Wales, most CLC-regulated practices operate within relatively small geographical areas. To develop a better understanding of the situation, the ARR divides England and Wales into 12 regions.
- More than half of practices (52.3%) claim to have a substantial portion of their completions or grants of probate originating from one of just four regions: South-East England (20.8%), Outer London (11.2%), South-West England (10.6%), and North-West England (9.7%).
- 80.9% of all practices had most of their completions or grants of probate originate in just a single region.

Competitors (page 22)

- The most commonly reported characteristics of businesses that CLC-regulated practices' regard as their "main competitors" suggest that they are:
 - medium-sized (39.1%);
 - local (49.5%); and
 - regulated by the Solicitors Regulation Authority (67.6%).

Types of Work (page 24)

- We asked respondents to estimate the proportion of their practices' workload that was made up of each of four categories of activity: residential conveyancing; commercial conveyancing; wills, probate or trusts; and, non-reserved legal activities regulated by the CLC.
- Residential conveyancing was by far the greatest part of work for all practices, ranging from 73.9% for those in the lowest turnover band to more than 97.9% of those in the highest band.

Clientele (page 25)

- Of those using the services of CLC-regulated practices, 91.7% are private consumers, and 6.4% are small or medium-sized businesses or charities without their own legal advisors.
- The median average number of clients per practice was 397. The mean was 1,469, (a figure raised substantially by a small proportion of practices in the highest turnover band, with very large numbers of transactions).

Staffing (page 29)

- The median practice has 3 managers and 3 employees.
- The mean practice has 3.7 managers and 16 employees.

Sole Practitioners (page 32)

- Sole practices make up just over a quarter of all practices (26%), but almost half of practices in the lowest turnover band (48.6%).

Managers (page 32)

- 95.3% of practices in the survey have at least one manager who is a licensed conveyancer and licensed conveyancers make up the largest proportion of managers (69.4%).

- The next largest groups of managers were solicitors and non-authorised persons (each comprising 9.6%).
- The average number of managers per practice overall was 3.5, but this ranges between 2.1 for practices with turnover between £0 and £100,000 and 7.2 for those with turnover in excess of £3,000,000.
- 57% of managers work exclusively in conveyancing, 1.8 percent work exclusively in probate, with 7.3% do administrative work.

Employees (page 36)

- More than 80% of employees in CLC-regulated practices are members of one of the four following groups:
 - non-authorised persons, excluding students or trainees (50.7%);
 - licensed conveyancers (16.3%);
 - students or trainees (9.4%); and
 - solicitors (7.4%).
- 31.3% are authorised persons.
- The average number of employees per practice was 16.
- 53.8% of employees work exclusively in conveyancing, 2.1 percent work exclusively in probate, and 21.8% do administrative work only.

Gearing (page 41)

- Although 68.1% of practices have at least one non-authorised employee, just 24.2% of practices use those employees to carry out reserved legal activities.
- The number of non-authorised employees to properly licensed supervisors is just 2.1:1.

Equality and Diversity (page 43)

- Just 13% of practices take any formal steps to monitor the equality and diversity of their staff.
- 73.7% of the people working in CLC-regulated practices are women.
- Men make up 26.3% of the total workforce, but have 57.6% of managerial roles.

Succession Planning (page 45)

- Just over a quarter of practices (27.1%) have a written succession plan.

Investment Decisions (page 46)

- 28.6% of practices made substantial investments in their legal business.
- 7.6% seriously considered making an investment, but did not go through with it.
- 52.2% of Alternative Business Structures made an investment, more than double the proportion of recognised bodies (23.2%).
- The three most popular targets for investment were:
 - hiring staff;
 - management IT; and
 - consumer-facing IT.
- Among those making an investment in their legal business, by far the most popular source of funds was profits or cash reserves (76.7%)

Communications with Clients (page 54)

- All practices make it possible for consumers to communicate with them by telephone.
- More than 90% of practices also offer clients the possibility of communicating by e-mail, face-to-face, and traditional post.
- Almost two-thirds of practices with turnovers in excess of £3,000,000 use online interactive systems (like specialist web portals or video conferences), compared to 38.5% in the third band, 24.8% in the second, a just 11.6% of practices with turnovers up to £100,000.
- Telephone, e-mail and face-to-face (in that order) remain the most popular means for clients making initial contact with a CLC-regulated practice, comprising 94.4% of all approaches.

Conversion Rates (page 56)

- A conversion rate is the number of approaches a practice received, divided by the number of individuals or organisations that went on to become clients. A conversion rate of 0 would signify that no approaches were converted into clients, whereas a conversion rate of 1 would signify that they all were.
- Across all practices the average conversion rate was high, 0.68.
- The average conversion rate of practices in the top turnover band was considerably lower, just 0.43.

Client Satisfaction Surveys (page 57)

- 39.9% of practices conducted some form of client satisfaction survey (rising to 100% of the largest practices).
- By far the most popular way for practices to monitor client satisfaction was with questionnaires sent by post, which were used by 68.7% of those practices that surveyed clients.
- The top three topics for client satisfaction surveys were:
 - the quality of the services;
 - whether or not clients would recommend the business to others; and
 - the clients' overall level of satisfaction.

Vulnerable Clients (page 59)

- Evaluating the abilities of their clients, respondents believed that:
 - 79.9% understood the information relevant to any decisions they might have to make;
 - 52.4% retained that information;
 - 63% were able to use that information when making decisions; and
 - 69.3% could communicate their decisions clearly.
- Practices were asked if they were aware of having provided services to clients with any of a list of characteristics which might have contributed to a vulnerability. The most widely recognised of which were:
 - advanced age;
 - ill-health; and
 - English as a second language or limited ability in English.
- 9.3% of practices were unaware of having carried out any work for clients that might have had characteristics that could have contributed to vulnerability.
- 48.1% of practice claim to have policies in place to meet the needs of vulnerable clients.
- But just 10% of practices were taking effective measures to identify vulnerable clients and ensure that they receive services that meet their particular needs.
- Practices estimated that 5.3% of clients would meet a broad definition of "vulnerable".

Complaints (page 62)

- At instruction, more than 90% of practices informed clients about:
 - the likely overall cost of the matter;
 - the name and position of the person dealing with the matter; and
 - their in-house complaints procedure.
- And more than four-fifths of practices describe their complaints procedures as:
 - easy to understand;
 - providing complainants with clear instructions; and
 - providing contact details for the Legal Ombudsman.
- 30.8% of practices received a formal complaint from a client.
- The average number of complaints received by all practices was 24.2, with 22 resolved in-house, and 2.3 referred on to the Legal Ombudsman.
- The proportion of first tier complaints that practices referred to the Legal Ombudsman was 9.5.
- The top five categories of complaint were:
 - delay;
 - dissatisfaction with the outcome or the advice given;
 - failure to advise;
 - failure to communicate accurately; and
 - failure to progress.
- The top three outcomes for clients' complaints were:
 - the practice providing a full explanation for its decision;
 - the practice apologising to the complainant; and
 - the complaint being resolved to the complainants' satisfaction.
- 92.3% of practices related to residential conveyancing.

Pricing (page 72)

- 90% of services are offered on a fixed price basis.
- The average hourly rates for staff working in CLC-regulated practices are as follows:
 - senior fee earner: £173
 - junior fee earner: £139
 - support staff: £54
- Practices offer broadly similar prices for services, regardless of turnover band.
- In order of importance, the top three determinants of price are:

- complexity - the mental effort and expertise the work will require;
- value - the size of the property or estate in question; and
- time - how long the matter will take.

Compliance (page 78)

- 60.2% of practices acted for both sides in a transaction.
- The three main sources of instruction were:
 - former clients returning to use your services again;
 - new clients approaching your business directly; and
 - referral arrangements.
- 92.8% of practices were confident that their anti-money laundering policies complied with the CLC Code of Conduct.
- 93.9% had an independent money laundering reporting officer.
- 48.1% of practices carried out work for clients who were not physically present for identification purposes.
- 1.4% of practices carried out work for clients who were politically exposed persons.

Risks and Opportunities (page 83)

- Based on respondents' perceptions, as reported in responses to open ended questions, the three greatest risks confronting CLC-regulated practices are:
 - fraud (18.2%);
 - access to mortgage lender panels (17.7%); and
 - cybersecurity (14.0%).
- The greatest opportunities include practices expanding their businesses, offering personalised services, and generating good word of mouth, as well as increased demand for housing.

1. Market Segmentation

Turnover

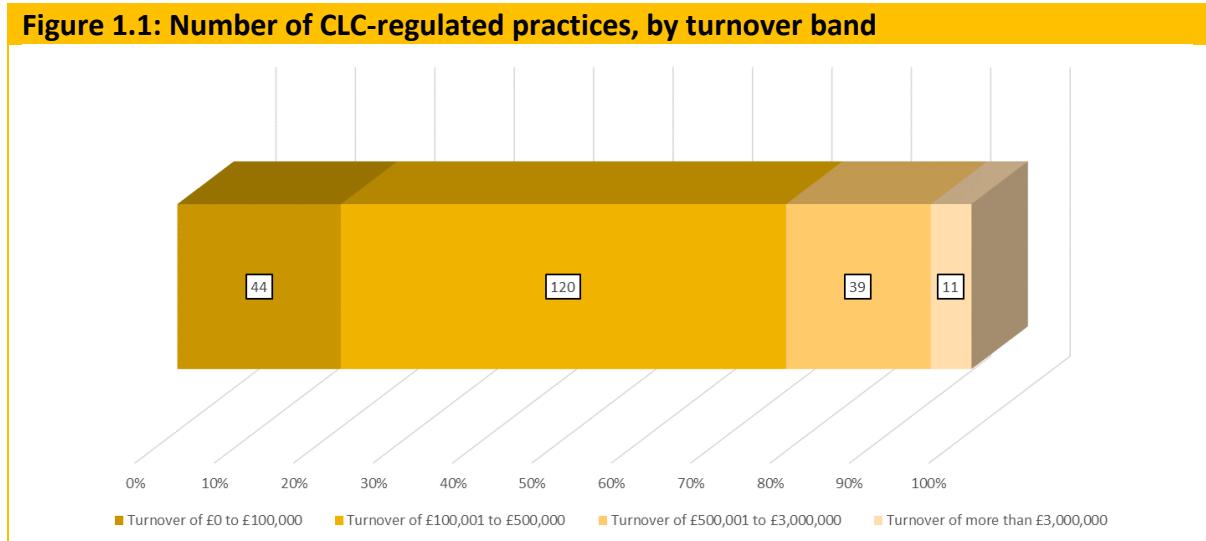
Most of the analysis in this report looks at survey results through a lens of turnover. The CLC is an entity regulator, and the fees it charges vary depending on the size of practices as measured by their annual turnover. Turnover is assessed, and each practice is assigned to one of four turnover bands. Table 1.1 shows the number and proportion of practices falling within each turnover band, as well as the cut-points for the bands themselves.

Table 1.1: Number and proportion of CLC-regulated practices, by turnover band

	Number of practices	Proportion of all practices (%)
Turnover of £0 to £100,000	44	20.6
Turnover of £100,001 to £500,000	120	56.1
Turnover of £500,001 to £3,000,000	39	18.2
Turnover of more than £3,000,000	11	5.1
All practices	214	100.0

Figure 1.1 graphs some of the findings laid out in table 1.1, and reveals that more than half of CLC-regulated practices have an annual turnover between £100,001 and £500,000.

Figure 1.1: Number of CLC-regulated practices, by turnover band



Location

The survey asked respondents to indicate in which of 12 regions their organisation maintained offices. Table 1.2 shows that almost a quarter of all practices are based in the South-East of England, however the largest practices by turnover were substantially less likely to be based in this region, with their area of greatest concentration in the North-West of England, where more than a fifth of their offices are located.

Table 1.2: Locations of practices' offices, by turnover band

	Turnover of £0 to £100,000		Turnover of £100,001 to £500,000		Turnover of £500,001 to £3,000,000		Turnover of more than £3,000,000		All practices	
	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)
South-East England	11	25.0	30	22.6	13	31.7	1	5.3	55	23.2
North-West England	1	2.3	22	16.5	4	9.8	4	21.1	31	13.1
The West Midlands	4	9.1	14	10.5	3	7.3	3	15.8	24	10.1
South-West England	6	13.6	10	7.5	6	14.6	0	0.0	22	9.3
The East Midlands	5	11.4	7	5.3	5	12.2	3	15.8	20	8.4
Outer London	6	13.6	10	7.5	2	4.9	1	5.3	19	8.0
East of England	1	2.3	11	8.3	3	7.3	2	10.5	17	7.2
Yorkshire and the Humber	3	6.8	10	7.5	1	2.4	2	10.5	16	6.8
South Wales	3	6.8	5	3.8	2	4.9	3	15.8	13	5.5
North-East England	1	2.3	8	6.0	0	0.0	0	0.0	9	3.8
Inner London	1	2.3	4	3.0	2	4.9	0	0.0	7	3.0
North Wales	2	4.5	2	1.5	0	0.0	0	0.0	4	1.7

Figure 1.2 is a map showing the locations of practices' offices, based on data from the "All practices" column in table 1.2. The darker the shading, the higher the concentration of practices.

Figure 1.2: Locations of practices' offices

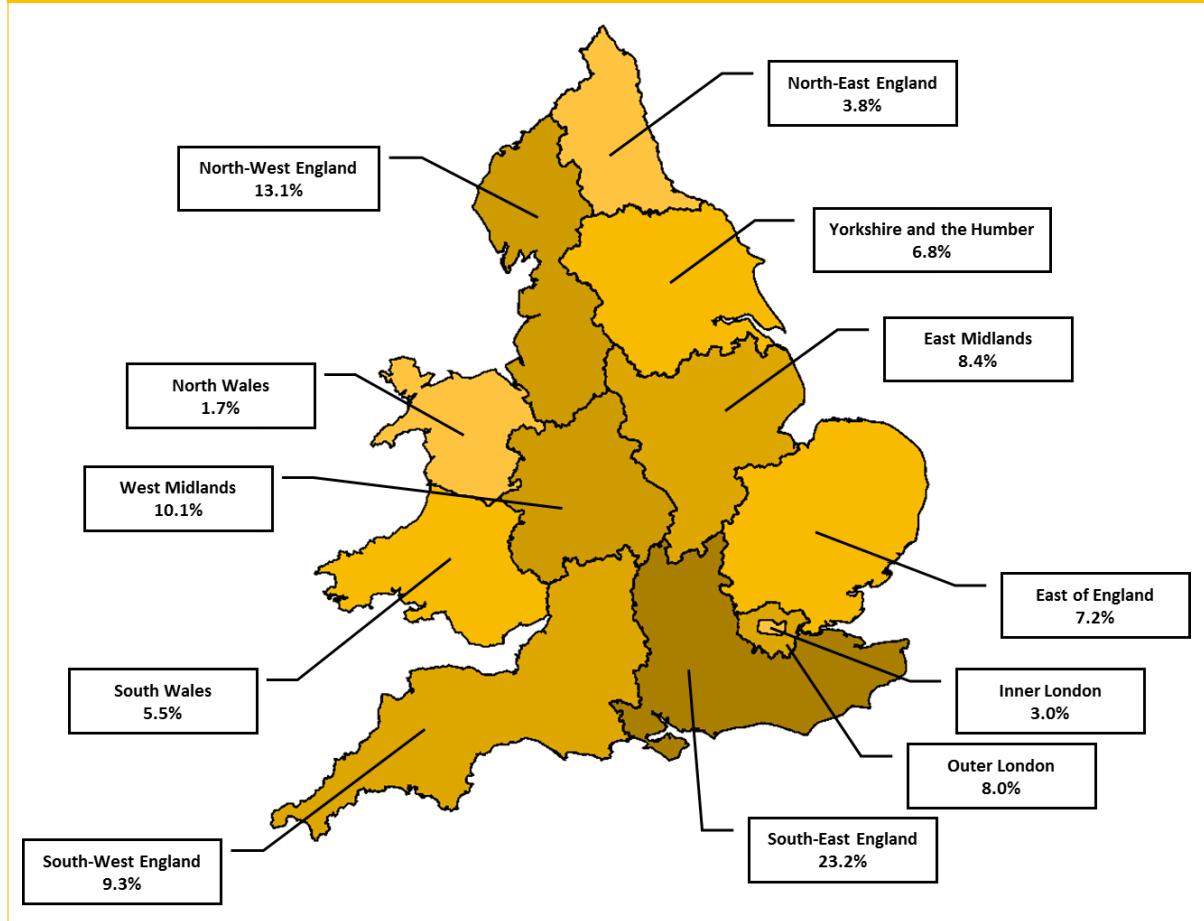


Table 1.3 shows that the South-East of England is also the region from which most work originates (just over a fifth), but while just 8% of practices have offices in Outer London, it is the second-most productive region, providing substantial work for 11.2% of practices. North Wales, the region with fewest offices, is also the region from which the least work originates (see [table 1.2](#)).

Table 1.3: Regions from which practices claim a substantial proportion of their completions or grants of probate originated, by turnover band

	Turnover of £0 to £100,000		Turnover of £100,001 to £500,000		Turnover of £500,001 to £3,000,000		Turnover of more than £3,000,000		All practices	
	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)
South-East England	11	24.4	33	22.1	17	31.5	8	9.6	69	20.8
Outer London	5	11.1	17	11.4	7	13.0	8	9.6	37	11.2
South-West England	6	13.3	15	10.1	7	13.0	7	8.4	35	10.6

North-West England	2	4.4	21	14.1	3	5.6	6	7.2	32	9.7
The West Midlands	3	6.7	13	8.7	3	5.6	8	9.6	27	8.2
The East Midlands	2	4.4	10	6.7	6	11.1	8	9.6	26	7.9
East of England	2	4.4	10	6.7	4	7.4	8	9.6	24	7.3
North-East England	4	8.9	8	5.4	1	1.9	7	8.4	20	6.0
Yorkshire and the Humber	3	6.7	8	5.4	1	1.9	7	8.4	19	5.7
Inner London	1	2.2	7	4.7	4	7.4	6	7.2	18	5.4
South Wales	4	8.9	4	2.7	1	1.9	5	6.0	14	4.2
North Wales	2	4.4	3	2.0	0	0.0	5	6.0	10	3.0

Figure 1.3 provides a graphical representation of the regions from which work originates (based on the “All practices” data from table 1.3).

Figure 1.3: Regions from which practices claim a substantial proportion of their completions or grants of probate originated

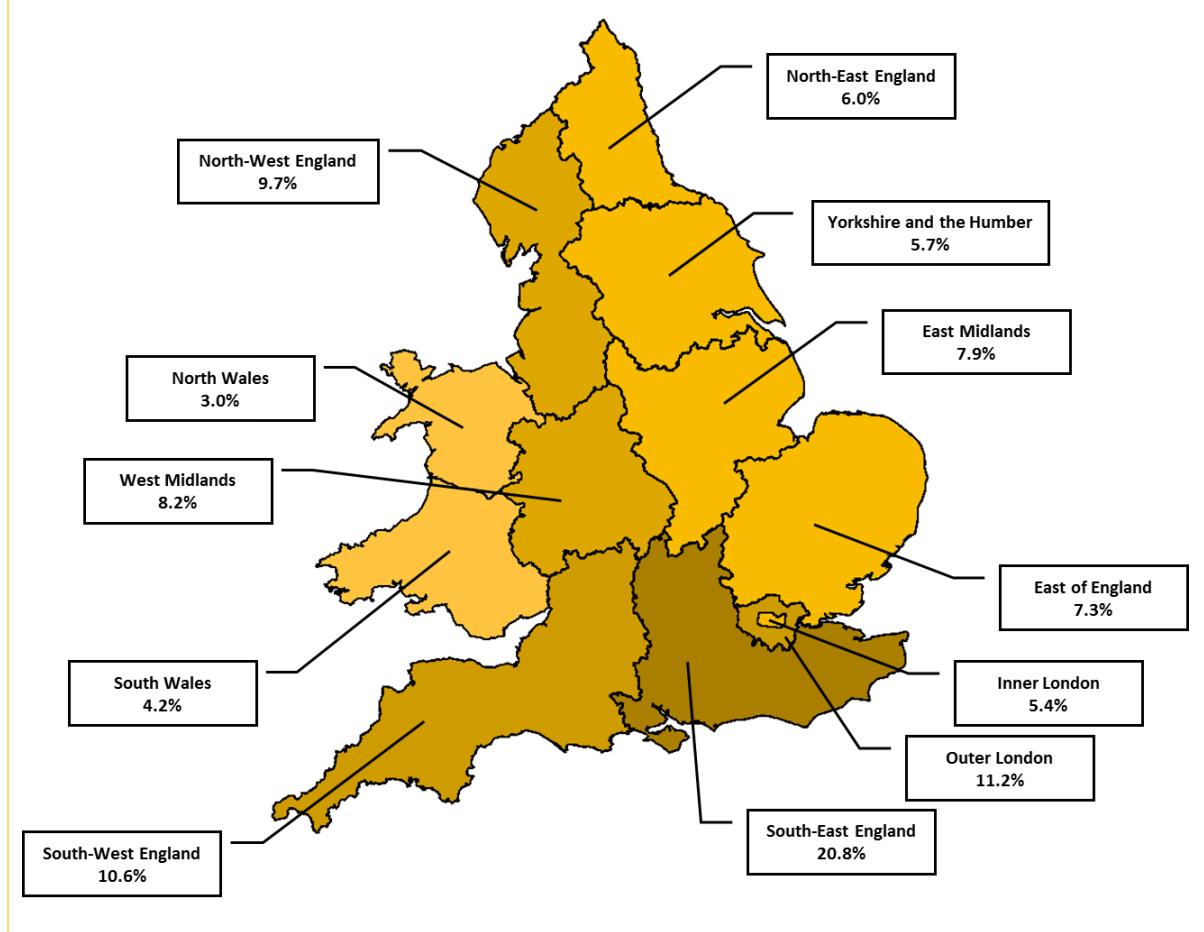


Table 1.4 shows that on average, 12.9% of practices received a substantial quantity of work from any particular region. The greater geographic reach of the largest practices is evident, as on average you would expect 62.9% of them to service any given region.

Table 1.4: Relationship between practices' turnover and geographic spread (in terms of the quantities of work they receive from each of the 12 regions), by turnover band					
	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Number of practices	44	120	39	11	214
Cumulative number of regions from which practices receive substantial quantities of work	45	149	54	83	331
Mean proportion of practices within band receiving work from any one region (%)	8.5	10.3	11.5	62.9	12.9

Table 1.5 underlines these findings; half of the largest practices take work originating from 10 or more regions, compared to just 3.2% of all practices. More than four-fifths of practices received most of their work from a single region.

Table 1.5: Number of regions from which most practices' completions or grants of probate originated, by turnover band										
	Turnover of £0 to £100,000		Turnover of £100,001 to £500,000		Turnover of £500,001 to £3,000,000		Turnover of more than £3,000,000			
	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)	Number of practices	Proportion of practices (%)
1 region	30	88.2	91	85.8	30	78.9	1	10.0	152	80.9
2 to 3 regions	3	8.8	8	7.5	7	18.4	1	10.0	19	10.1
4 to 9 regions	1	2.9	6	5.7	1	2.6	3	30.0	11	5.9
10 to 12 regions	0	0.0	1	0.9	0	0.0	5	50.0	6	3.2

Competitors

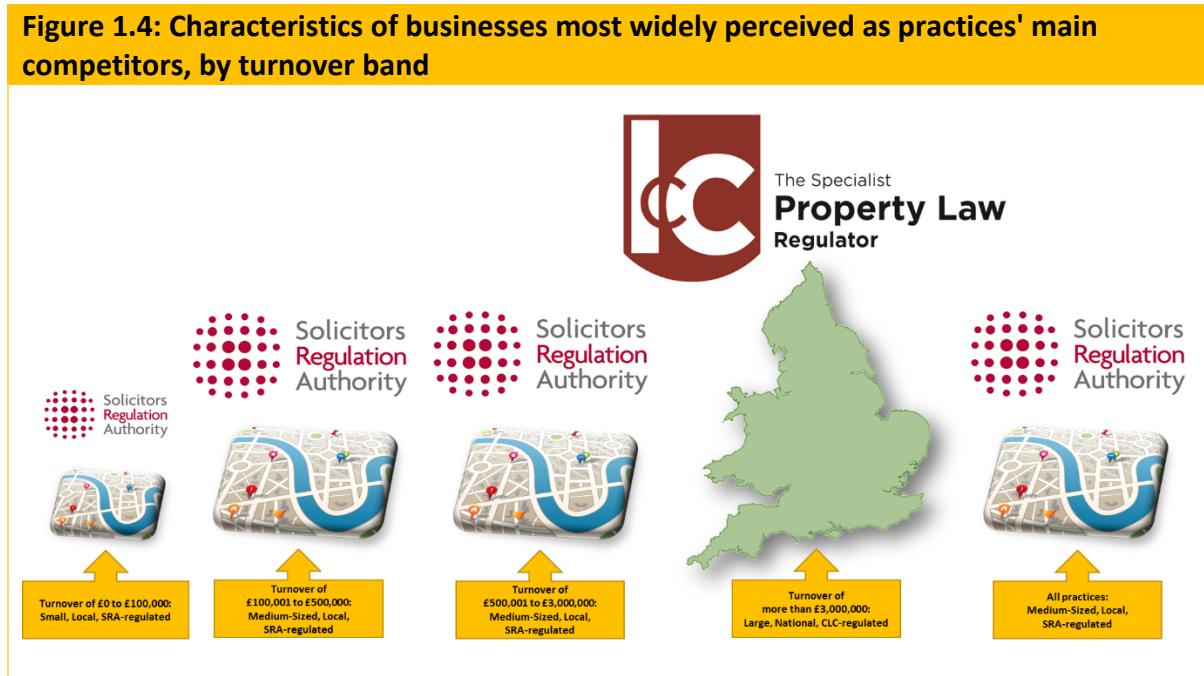
Table 1.6 suggests that in general, practices are most concerned about competitors of a similar size to themselves. Almost half are most concerned about competitors operating at a local level, and more than two-thirds regard SRA-regulated practices as posing the biggest challenge. This is broadly in line with what we might expect, as a consequence of market share. However, among the largest practices, almost two-thirds see other CLC-regulated entities as their greatest rivals.

Table 1.6: Characteristics of businesses perceived as practices' main competitors, by turnover band

	Turnover of £0 to £100,000 (%)	Turnover of £100,001 to £500,000 (%)	Turnover of £500,001 to £3,000,000 (%)	Turnover of more than £3,000,000 (%)	All practices (%)
Main competitor(s) size					
Sole practitioner(s)	2.4	2.6	2.6	0.0	2.4
Small firm(s)	43.9	34.2	26.3	0.0	32.9
Medium firm(s)	41.5	38.5	44.7	18.2	39.1
Large firm(s)	12.2	24.8	26.3	81.8	25.6
Main competitor(s) geographic scale					
Local	51.2	55.2	44.7	0.0	49.5
Regional	26.8	20.7	28.9	18.2	23.3
National	22.0	24.1	26.3	81.8	27.2
Main competitor(s) regulator					
Council for Licensed Conveyancers	22.0	24.3	29.7	63.6	27.0
Solicitors Regulation Authority	78.0	67.8	67.6	27.3	67.6
Chartered Institute of Legal Executives	0.0	0.9	0.0	0.0	0.5
Other	0.0	0.9	0.0	0.0	0.5
Not regulated	0.0	1.7	2.7	0.0	1.5
Don't know	0.0	4.3	0.0	9.1	2.9

Figure 1.4 takes the most common responses from table 1.6, and presents an infographic showing the relative size, geographic scale and regulator of the businesses most likely to be perceived as the main competitor within each turnover band.

Figure 1.4: Characteristics of businesses most widely perceived as practices' main competitors, by turnover band



Types of Work

We asked respondents to estimate the percentage of their practices' workload that was made up of each of four categories of activity:

- Residential conveyancing;
- Commercial conveyancing;
- Wills, probate or trusts; and,
- Non-reserved legal activities regulated by the CLC.

Table 1.7 shows the range of responses within each turnover band to the question of how their workload was composed:

- Minimum: Is the lowest response within the set;
- Lower quartile: Is the 25th percentile – a quarter of responses within the set were lower than this;
- Median: Is the mid-point, if all the responses were ordered from smallest to largest;
- Upper quartile: Is the 75th percentile – three-quarters of responses within the set were lower than this;
- Maximum: Is the highest response within the set;
- Mean: Is the sum of all responses in the set divided by the number of all responses in the set (often referred to as the “average”); and
- Modified mean: Respondents estimates did not always sum to 100%, so we calculated a “Modified mean” to make better sense of their responses.

It reveals that more than 85% of the legal work that practices carry out is in the area of residential conveyancing. Smaller practices are more omnivorous, with less than three-quarters of their work in residential conveyancing, by contrast little more than 2% of the work carried out by the largest practices is in any other field.

Table 1.7: Estimated composition of practices' workloads, by turnover band

	Minimum (%)	Lower quartile (%)	Median (%)	Upper quartile (%)	Maximum (%)	Mean (%)	Modified mean (%)
Turnover of £0 to £100,000							
Residential conveyancing	5.0	70.0	90.0	100.0	100.0	79.7	73.9
Commercial conveyancing	0.0	0.0	2.0	15.0	95.0	12.7	11.8
Wills, probate, or trusts	0.0	0.0	1.0	10.0	95.0	11.9	11.0
Non-reserved legal activities regulated by the CLC	0.0	0.0	0.0	1.0	37.0	3.6	3.3
Turnover of £100,001 to £500,000							
Residential conveyancing	0.0	90.0	95.0	100.0	100.0	90.0	87.6
Commercial conveyancing	0.0	1.0	3.0	6.0	71.0	5.6	5.5
Wills, probate, or trusts	0.0	0.0	0.0	5.0	100.0	6.6	6.4

Non-reserved legal activities regulated by the CLC	0.0	0.0	0.0	0.0	20.0	0.5	0.5
Turnover of £500,001 to £3,000,000							
Residential conveyancing	20.0	85.0	96.0	100.0	100.0	90.0	86.7
Commercial conveyancing	0.0	0.0	2.0	5.0	30.0	4.5	4.3
Wills, probate, or trusts	0.0	0.0	0.0	7.0	100.0	9.0	8.7
Non-reserved legal activities regulated by the CLC	0.0	0.0	0.0	0.0	10.0	0.3	0.3
Turnover of more than £3,000,000							
Residential conveyancing	89.0	99.0	100.0	100.0	100.0	98.8	97.9
Commercial conveyancing	0.0	0.0	0.0	1.0	1.0	0.3	0.3
Wills, probate, or trusts	0.0	0.0	0.0	0.0	11.0	1.8	1.8
Non-reserved legal activities regulated by the CLC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
All practices							
Residential conveyancing	0.0	87.0	96.5	100.0	100.0	88.4	85.1
Commercial conveyancing	0.0	0.0	2.0	6.0	95.0	6.6	6.4
Wills, probate, or trusts	0.0	0.0	0.0	5.0	100.0	7.9	7.6
Non-reserved legal activities regulated by the CLC	0.0	0.0	0.0	0.0	37.0	1.0	1.0

Clientele

Table 1.8 sets out the numbers of consumers at each practice, and the numbers of transactions carried out on their behalf. Looking at the “All practices” figures, the “Mean” results are actually quite misleading, in terms of how well they reflect the reality of most practices (dragged up by a handful of exceptionally large practices). The “Median” results are more representative, suggesting that most practices had around 397 consumers, and carried out 350 completions or grants of probate.

Table 1.8: Total number of consumers and completions or grants of probate per practice, by turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Number of consumers	10	59	100	228	1,200	179.5
Number of completions or grants of probate	1	56	80	150	650	117.3
Number of completions or grants of probate per consumer	0.0	0.7	0.9	1.2	6.0	1.1
Turnover of £100,001 to £500,000						
Number of consumers	8	225	355	500	2,076	435.6
Number of completions or grants of probate	2	200	355	530	1,450	396.1

Number of completions or grants of probate per consumer	0.0	0.9	1.0	1.3	4.4	1.0
Turnover of £500,001 to £3,000,000						
Number of consumers	350	700	1,025	1,600	5,000	1,379.1
Number of completions or grants of probate	5	600	1,200	1,870	4,000	1,285.2
Number of completions or grants of probate per consumer	0.0	0.8	1.0	1.2	3.0	1.0
Turnover of more than £3,000,000						
Number of consumers	4,250	5,001	6,280	23,776	79,089	19,207.5
Number of completions or grants of probate	5,331	5,958	8,300	26,000	85,621	24,245.8
Number of completions or grants of probate per consumer	0.5	0.8	1.0	1.3	1.6	1.0
All practices						
Number of consumers	8	200	397	750	79,089	1,468.7
Number of completions or grants of probate	1	150	350	700	85,621	1,743.8
Number of completions or grants of probate per consumer	0.0	0.8	1.0	1.3	6.0	1.0

Figure 1.5 graphs some of the data from table 1.8, specifically it graphs the variations in median and mean numbers of consumers, depending on practice-size. It also makes quite clear the extent to which the all practice mean is pulled up by the vast workloads of the largest practices.

Figure 1.5: Median and mean numbers of consumers, by turnover band

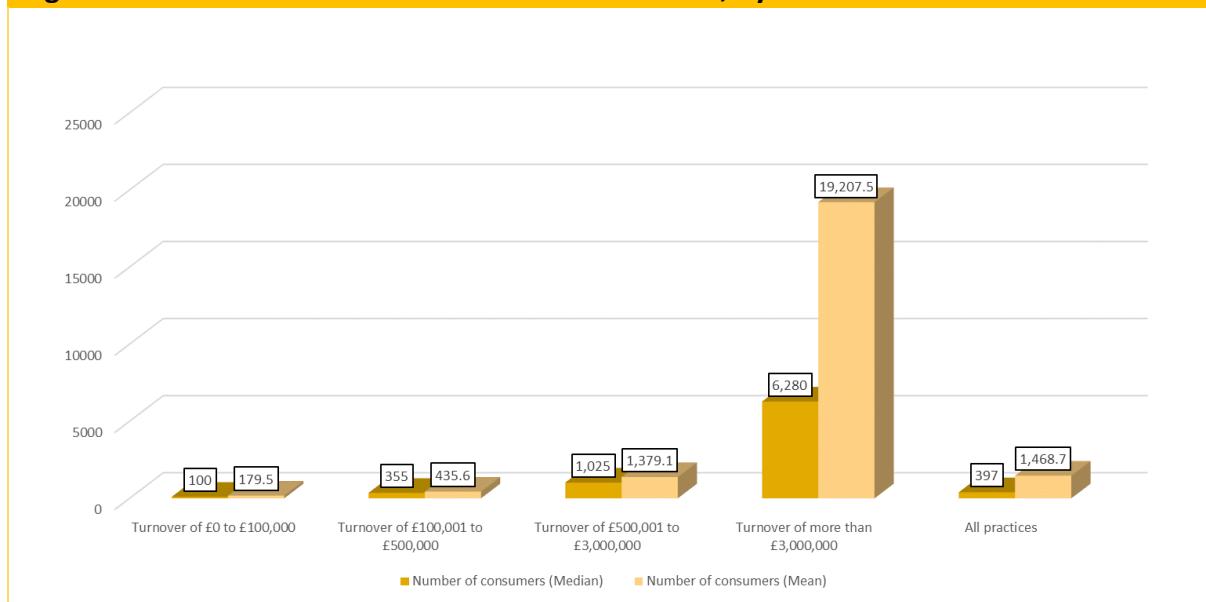


Figure 1.6 essentially replicates the previous graph, only this time with the focus not on numbers of consumers, but on the numbers of completions or grants of probate, the results are very similar:

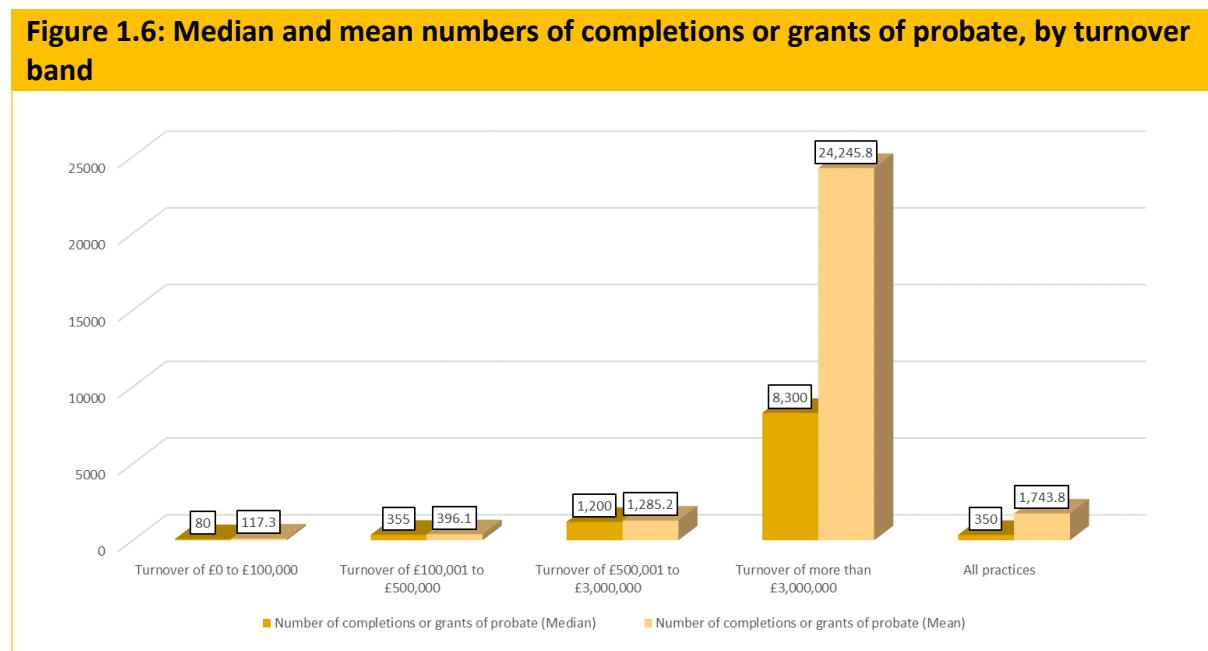


Table 1.9 shows that the great majority of clients at CLC-regulated practices are private individuals. They make up more than 90% of all consumers. The largest practices also have a large minority of consumers that are large businesses or government (just over a quarter).

Table 1.9: Estimated composition of practices' clientele, by turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean	Modified mean
Turnover of £0 to £100,000							
Private consumers (%)	0.0	98.0	100.0	100.0	100.0	92.1	87.1
SMEs or charities, without legal advisors (%)	0.0	0.0	1.0	10.0	100.0	13.4	12.7
SMEs or charities, with legal advisors (%)	0.0	0.0	0.0	0.0	5.0	0.3	0.3
Large businesses or Government (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Turnover of £100,001 to £500,000							
Private consumers (%)	60.0	95.0	99.0	100.0	100.0	96.4	94.5
SMEs or charities, without legal advisors (%)	0.0	1.0	2.0	5.0	100.0	5.1	5.0
SMEs or charities, with legal advisors (%)	0.0	0.0	0.0	0.0	5.0	0.4	0.4
Large businesses or Government (%)	0.0	0.0	0.0	0.0	6.0	0.1	0.1
Turnover of £500,001 to £3,000,000							
Private consumers (%)	55.0	90.0	97.0	100.0	100.0	93.8	93.3
SMEs or charities, without legal advisors (%)	0.0	0.5	4.5	8.0	45.0	6.2	6.2
SMEs or charities, with legal advisors (%)	0.0	0.0	0.0	0.0	10.0	0.5	0.5

Large businesses or Government (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Turnover of more than £3,000,000							
Private consumers (%)	3.0	86.0	96.0	100.0	100.0	80.7	70.1
SMEs or charities, without legal advisors (%)	0.0	0.0	2.0	11.0	14.0	4.7	4.1
SMEs or charities, with legal advisors (%)	0.0	0.0	0.0	0.0	2.0	0.3	0.3
Large businesses or Government (%)	0.0	0.0	0.0	80.0	97.0	29.5	25.6
All practices							
Private consumers (%)	0.0	95.0	99.0	100.0	100.0	94.2	91.7
SMEs or charities, without legal advisors (%)	0.0	0.0	2.0	5.0	100.0	6.6	6.4
SMEs or charities, with legal advisors (%)	0.0	0.0	0.0	0.0	10.0	0.4	0.4
Large businesses or Government (%)	0.0	0.0	0.0	0.0	97.0	1.5	1.5

Table 1.10 shows that almost half of all practices joined new mortgage lender panels in 2015, and just over a third were refused entry to at least one panel. Surprisingly perhaps, less than one in fifty practices said that they were ejected from a panel. The average practice belonged to 25 panels.

Table 1.10: Mortgage lender panel membership of practices, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Proportion of practices admitted to mortgage lender panels (%)	45.5	37.5	66.7	90.9	47.2
Proportion of practices refused admission to mortgage lender panels (%)	36.4	34.2	41.0	9.1	34.6
Proportion of practices ejected from mortgage lender panels (%)	2.3	0.8	0.0	9.1	1.4
Average number of mortgage lender panels to which practices belonged	8.0	24.5	30.8	76.1	25.0

2. Workforce

Staffing

Table 2.1 shows that the number of managers and staff varies considerably with the turnover of the practice, so while there is an average of almost 4 managers and 16 employees per practice, this ranges from roughly 2 managers and 2 staff in practices in the lowest turnover band, to 7 managers and 202 employees in the highest.

Table 2.1: Total numbers of staff, by turnover band						
	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Total number of managers	1	1	2	3	7	2.2
Total number of employees	0	0	1	3	14	1.8
Total number of staff (managers and employees)	1	1	3	5	21	4.1
Turnover of £100,001 to £500,000						
Total number of managers	1	1	2	4	16	3.2
Total number of employees	0	1	3	5	19	3.9
Total number of staff (managers and employees)	1	3	6	9	26	6.9
Turnover of £500,001 to £3,000,000						
Total number of managers	1	3	4	6	20	5.7
Total number of employees	0	6	11	19	68	15.7
Total number of staff (managers and employees)	4	10	15.5	28	71	21.7
Turnover of more than £3,000,000						
Total number of managers	1	4	6	8	21	7.1
Total number of employees	50	82	85	402	571	201.8
Total number of staff (managers and employees)	71	86	96	409	577	208.9
All practices						
Total number of managers	1	1	3	5	21	3.7
Total number of employees	0	1	3	8	571	16.0
Total number of staff (managers and employees)	1	3	6	12	577	20.8

Figure 2.1 shows the median and mean numbers of all staff in CLC-regulated practices. As we have observed previously, the largest practices have a disproportionate effect on the “All practices” mean.

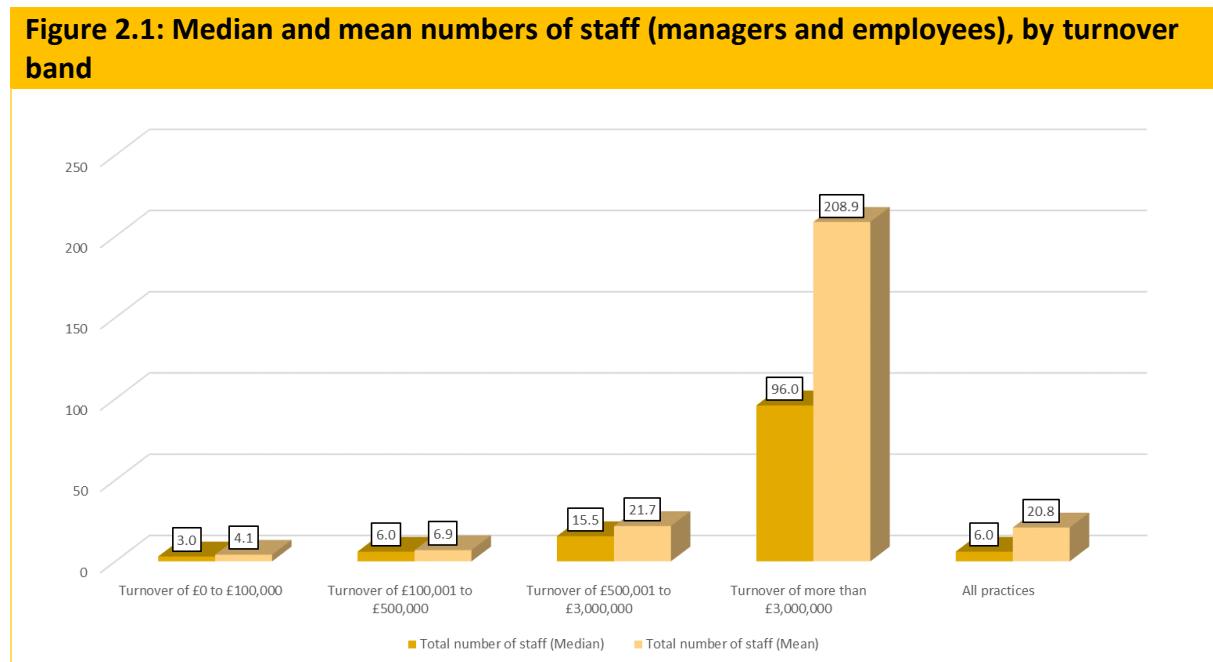
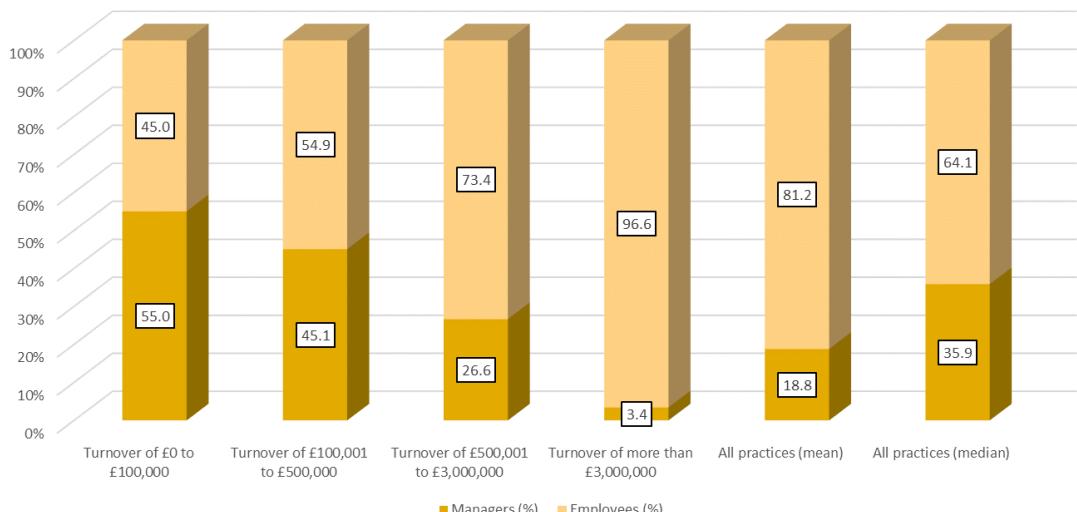


Table 2.2 shows the proportions of managers and employees in practices, by turnover band. It transpires that it is only in the smallest practices that the proportion of managers is greater than the proportion of employees, but this is also the band with the greatest proportion of sole practitioners (see [table 2.3](#)). The proportion of managers is closely related to turnover, with larger practices typically having more managers, but substantially more staff, with the net result being proportionally fewer managers; so the smallest practices have 55% managers and the largest have fewer than 4%.

Table 2.2: Proportion of managers and employees in practices, by turnover band					
	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Managers (%)	55.0	45.1	26.6	3.4	18.8
Employees (%)	45.0	54.9	73.4	96.6	81.2

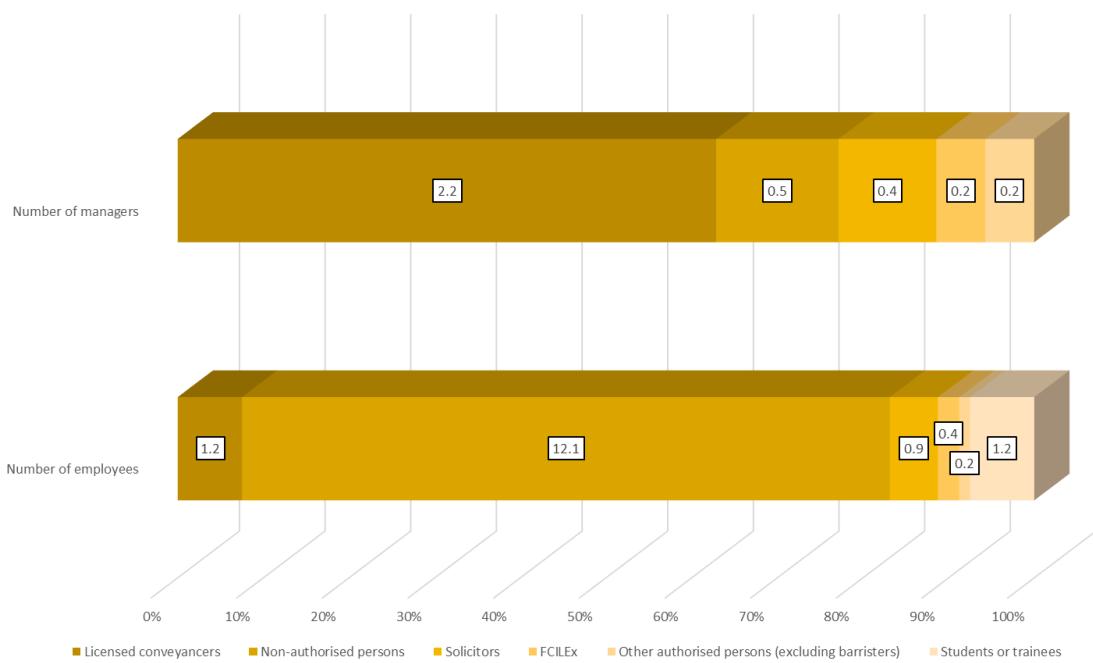
Figure 2.2 graphs the results set out in table 2.2. However, the mean proportions for all practices of 18.8% managers and 81.2% employees, are potentially misleading because of the distortionary effects of a small number of practices in the top turnover band, so this graph includes the median proportions, which may present a more realistic picture of roughly one manager (35.9%) for every two employees (64.1%).

Figure 2.2: Proportion of managers and employees in practices, by turnover band



The “All practice” figures from tables 2.6 (numbers of managers in individual practices) and 2.10 (numbers of employees in individual practices) below, can be combined to show the make-up of “the average practice” regulated by the CLC. This is set out in figure 2.3, and shows that the average practice has a total of 19.5 staff; 3.5 managers and 16 employees.

Figure 2.3: Numbers and proportions of managers and employees in “the average practice”



This average practice is perhaps not so representative of a typical CLC-regulated practice, because the large numbers of managers and employees in the largest practices effectively inflate the mean. But a randomly selected practice is also unlikely to resemble the modal average of 3 staff; 2 licensed conveyancer managers, and one non-authorised employee (see [table 2.6](#) and [table 2.10](#)).

Sole Practitioners

Table 2.3 shows that just over a quarter of practices are run by sole practitioners, but the proportion of sole practitioners is highly correlated with turnover; with almost half of the practices in the lowest turnover band identifying as sole practices, almost 30% in the second band, less than 3% in the third, and none in the fourth.

Table 2.3: Proportion of practices with a sole practitioner, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Sole practitioner (%)	48.6	29.4	2.6	0.0	26.0
Sole practitioner with no employees (%)	34.3	3.7	0.0	0.0	8.3
Sole practitioner with employees (%)	14.3	25.7	2.6	0.0	17.7
Sole practitioner with employees that carry out reserved legal activities (%)	5.7	3.7	0.0	0.0	3.1

Managers' Authorisation

Please note that the survey did not contain provision for recording any staff (managers or employees) as dual qualified. This means that if, for instance, there were anyone working within a practice who maintained active practising certificates as both a licensed conveyancer and a solicitor (and we know that there are), then whoever filled in the survey on behalf of that individual's practice would have to make a choice about which professional qualification deserves the greatest prominence, in their particular circumstances. This is not ideal, but in such a broad survey sometimes some detail must be sacrificed on the altar of expediency.

Table 2.4 shows that 95.3% of all practices have at least one manager authorised as a licensed conveyancer. More than a fifth have at least one manager who is not an authorised person.

Table 2.4: Proportion of practices that have at least one manager of a particular kind, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Licensed Conveyancer (%)	97.1	94.5	94.7	100.0	95.3
Solicitor (%)	20.0	28.4	39.5	27.3	29.0
Non-authorised person (%)	4.7	17.6	41.0	63.6	21.7

FCILEx (%)	8.6	15.6	23.7	36.4	17.1
Other authorised person (%)	11.4	14.7	21.1	36.4	16.6
Barrister (%)	5.7	1.8	2.6	0.0	2.6

Table 2.5 shows that there is an inverse relationship between a practices' turnover and the proportion of its managers who are licensed conveyancers; more than 80% of managers in the smallest practices are licensed conveyancers, compared to less than half the managers in the largest.

Table 2.5: Proportion of managers in practices, by authorisation and turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Licensed Conveyancers (%)	80.2	71.2	60.2	48.8	69.4
Solicitors (%)	8.6	9.5	12.7	3.3	9.6
Non-authorised persons (%)	2.4	7.4	16.3	32.3	9.6
FCILEx (%)	2.9	6.6	5.3	6.1	5.6
Other authorised persons (%)	4.3	5.0	4.7	9.5	5.0
Barristers (%)	1.7	0.3	0.9	0.0	0.7

Table 2.6 shows that the average practice has 2.2 managers who are licensed conveyancers, 0.5 non-authorised persons, 0.4 solicitors, 0.2 FCILEx, and 0.2 other authorised persons (excluding barristers).

Table 2.6: Number of managers in individual practices, by authorisation and turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Licensed Conveyancers	0	1	1	2	7	1.6
Solicitors	0	0	0	0	2	0.2
Barristers	0	0	0	0	1	0.1
FCILEx	0	0	0	0	1	0.1
Other authorised persons	0	0	0	0	2	0.1
Non-authorised persons	0	0	0	0	1	0.0
Turnover of £100,001 to £500,000						
Licensed Conveyancers	0	1	1	2	16	1.9
Solicitors	0	0	0	1	3	0.4
Non-authorised persons	0	0	0	0	6	0.4
FCILEx	0	0	0	0	3	0.2
Other authorised persons	0	0	0	0	3	0.2
Barristers	0	0	0	0	1	0.0
Turnover of £500,001 to £3,000,000						
Licensed Conveyancers	0	1	2	4	11	3.1

Non-authorised persons	0	0	0	2	6	0.9
Solicitors	0	0	0	1	6	0.8
FCILEx	0	0	0	0	6	0.4
Other authorised persons	0	0	0	0	3	0.3
Barristers	0	0	0	0	1	0.0
Turnover of more than £3,000,000						
Non-authorised persons	0	0	3	5	11	3.1
Licensed Conveyancers	1	1	2	4	6	2.7
FCILEx	0	0	0	1	2	0.5
Other authorised persons	0	0	0	1	2	0.5
Solicitors	0	0	0	1	2	0.4
Barristers	0	0	0	0	0	0.0
All practices						
Licensed Conveyancers	0	1	2	2	16	2.2
Non-authorised persons	0	0	0	0	11	0.5
Solicitors	0	0	0	1	6	0.4
FCILEx	0	0	0	0	6	0.2
Other authorised persons	0	0	0	0	3	0.2
Barristers	0	0	0	0	1	0.0

Table 2.7 suggests that almost 60% of managers work exclusively in conveyancing. In the smallest practices they are more likely to have a mixed workload, (often including administrative work).

	Turnover of £0 to £100,000 (%)	Turnover of £100,001 to £500,000 (%)	Turnover of £500,001 to £3,000,000 (%)	Turnover of more than £3,000,000 (%)	All practices (%)
Licenced conveyancers					
Conveyancing only	33.9	55.2	57.6	83.3	55.1
Probate only	5.4	0.9	1.7	3.3	1.9
Administrative work only	8.9	12.8	3.4	3.3	8.9
Conveyancing and probate	5.4	4.3	5.9	0.0	4.5
Conveyancing and administrative work	21.4	17.0	24.6	10.0	19.2
Probate and administrative work	5.4	0.9	1.7	0.0	1.7
Conveyancing, probate, and administrative work	19.6	9.0	5.1	0.0	8.7
Barristers					
Conveyancing only	50.0	50.0	100.0		61.5
Probate only	0.0	50.0	0.0		19.2
Administrative work only	50.0	0.0	0.0		19.2
Conveyancing and probate	0.0	0.0	0.0		0.0

Conveyancing and administrative work	0.0	0.0	0.0	0.0	0.0
Probate and administrative work	0.0	0.0	0.0	0.0	0.0
Conveyancing, probate, and administrative work	0.0	0.0	0.0	0.0	0.0
Solicitors					
Conveyancing only	49.8	62.1	66.6	100.0	64.4
Probate only	12.7	4.7	6.7	0.0	6.0
Administrative work only	12.7	0.0	0.0	0.0	1.1
Conveyancing and probate	0.0	11.9	0.0	0.0	6.0
Conveyancing and administrative work	24.9	4.7	20.0	0.0	12.0
Probate and administrative work	0.0	2.3	0.0	0.0	1.1
Conveyancing, probate, and administrative work	0.0	14.3	6.7	0.0	9.4
FCILEx					
Conveyancing only	33.3	77.6	64.8	60.0	68.0
Probate only	33.3	4.5	5.8	0.0	6.6
Administrative work only	0.0	4.5	0.0	0.0	2.0
Conveyancing and probate	0.0	0.0	11.9	0.0	4.1
Conveyancing and administrative work	0.0	4.5	5.8	40.0	8.6
Probate and administrative work	0.0	0.0	5.8	0.0	2.0
Conveyancing, probate, and administrative work	33.3	9.0	5.8	0.0	8.6
Other authorised persons					
Conveyancing only	39.9	66.8	53.8	20.0	55.6
Probate only	0.0	0.0	15.5	0.0	4.1
Administrative work only	0.0	8.2	7.6	80.0	14.8
Conveyancing and probate	0.0	0.0	0.0	0.0	0.0
Conveyancing and administrative work	39.9	16.8	7.6	0.0	14.8
Probate and administrative work	0.0	0.0	0.0	0.0	0.0
Conveyancing, probate, and administrative work	20.3	8.2	15.5	0.0	10.7
Non-authorised persons					
Conveyancing only	0.0	34.9	43.2	61.8	44.8
Probate only	0.0	0.0	0.0	0.0	0.0
Administrative work only	50.0	34.9	29.7	38.2	34.4
Conveyancing and probate	0.0	0.0	0.0	0.0	0.0
Conveyancing and administrative work	0.0	18.5	16.2	0.0	12.1
Probate and administrative work	0.0	9.4	5.4	0.0	5.2
Conveyancing, probate, and administrative work	50.0	2.3	5.4	0.0	3.5
All managers					
Conveyancing only	35.6	62.2	59.4	64.2	57.0
Probate only	2.6	1.2	2.5	1.8	1.8

Administrative work only	7.3	6.7	4.1	24.9	7.3
Conveyancing and probate	2.6	5.0	3.9	0.0	4.1
Conveyancing and administrative work	25.4	14.3	19.9	9.1	17.1
Probate and administrative work	3.3	2.0	2.3	0.0	2.2
Conveyancing, probate, and administrative work	23.3	8.6	7.9	0.0	10.6
All staff					
Conveyancing only	37.1	56.1	58.4	60.7	53.2
Probate only	1.6	1.6	3.5	0.8	1.9
Administrative work only	14.3	15.1	12.9	23.8	15.0
Conveyancing and probate	3.0	3.3	4.3	0.0	3.2
Conveyancing and administrative work	23.1	14.8	13.7	14.8	16.1
Probate and administrative work	2.2	2.0	2.6	0.0	2.0
Conveyancing, probate, and administrative work	18.8	7.1	4.5	0.0	8.5

It is possible that due to the wording of the question some respondents may have construed “Administrative work” as meaning “administration of estates” rather than the “managerial, clerical or office work” that it was intended to denote. The likelihood of this is limited by the fact that there was a separate and in some instances mutually exclusive category of “Probate” (of which administration of estates is but a small part) and taken all together “Probate, wills, and trusts” make up just 7.6% of practices’ workload (see [table 1.7](#)). The large proportion of non-authorised employees who are recorded as having carried out “Administrative work only” (see [table 2.11](#)) indicates that most respondents inferred the intended meaning.

Employees’ Authorisation

Table 2.8 shows that three-fifths of practices have at least one employee who is not an authorised person, and almost two-fifths of practices employ at least one licensed conveyancer. The “Student or trainee” row should be of special interest, as it shows that the proportion of practices offering training places is strongly correlated with turnover; fewer than one in ten of the smallest practices have a student or trainee, compared to more than four-fifths of the largest practices.

Table 2.8: Proportion of practices that have at least one employee of a particular kind, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Non-authorised person (%)	30.2	62.4	79.5	100.0	61.0
Licensed Conveyancer (%)	32.6	31.1	59.0	90.9	39.6
Student or trainee (%)	9.3	22.2	53.8	81.8	28.6
Solicitor (%)	9.3	20.5	30.8	72.7	22.9
FCILEx (%)	7.0	13.7	33.3	72.7	19.0
Other authorised person (%)	4.7	7.7	7.7	36.4	8.6

Barrister (%)	2.3	0.0	0.0	0.5
---------------	-----	-----	-----	-----

Table 2.9 shows that just over half of all employees are not authorised persons (excluding students or trainees). The next largest group of employees is licensed conveyancers (16.3%), although the proportion of licensed conveyancers employed in the smallest practices is comparatively higher than in larger practices (26.5% in the smallest practices, to 4.7% in the largest).

Table 2.9: Proportion of employees in practices, by authorisation and turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Non-authorised person (%)	25.7	53.7	57.0	83.5	50.7
Licensed Conveyancer (%)	26.5	14.1	15.8	4.7	16.3
Student or trainee (%)	5.0	11.2	9.9	5.1	9.4
Solicitor (%)	5.5	8.4	7.2	4.7	7.4
FCILEx (%)	2.2	4.5	7.0	1.5	4.4
Other authorised person (%)	1.3	4.1	3.1	0.6	3.2
Barrister (%)	0.4	0.0	0.0	0.0	0.1

Table 2.10 shows that the average practice (which is probably quite unrepresentative of the majority of actual practices) has 12.1 non-authorised employees (excluding students or trainees), 1.2 licensed conveyancers, 1.2 students or trainees, 0.9 solicitors, 0.4 FCILEx, and 0.2 other authorised persons (excluding barristers).

Table 2.10: Number of employees in individual practices, by authorisation and turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Non-authorised persons	0	0	0	1	7	0.8
Licensed conveyancers	0	0	0	1	7	0.6
Solicitors	0	0	0	0	1	0.1
FCILEx	0	0	0	0	1	0.1
Students or trainees	0	0	0	0	2	0.1
Barristers	0	0	0	0	1	0.0
Other authorised persons	0	0	0	0	1	0.0
Turnover of £100,001 to £500,000						
Non-authorised persons	0	0	1	4	11	2.4
Licensed conveyancers	0	0	0	1	7	0.5
Solicitors	0	0	0	0	7	0.3
Students or trainees	0	0	0	0	4	0.3
FCILEx	0	0	0	0	2	0.2
Other authorised persons	0	0	0	0	3	0.1
Barristers	0	0	0	0	0	0.0
Turnover of £500,001 to £3,000,000						
Non-authorised persons	0	1	5	13	62	10.5

Licensed conveyancers	0	0	1	2	40	2.3
Students or trainees	0	0	1	2	9	1.3
Solicitors	0	0	0	1	8	0.8
FCILEx	0	0	0	1	2	0.5
Other authorised persons	0	0	0	0	11	0.4
Barristers	0	0	0	0	0	0.0
Turnover of more than £3,000,000						
Non-authorised persons	45	67	80	339	407	165.0
Students or trainees	0	1	5	7	95	14.4
Solicitors	0	0	6	12	41	10.9
Licensed conveyancers	0	3	7	11	22	7.5
FCILEx	0	0	3	6	12	3.5
Other authorised persons	0	0	0	1	2	0.5
Barristers	0	0	0	0	0	0.0
All practices						
Non-authorised persons	0	0	1	5	407	12.1
Licensed conveyancers	0	0	0	1	40	1.2
Students or trainees	0	0	0	1	95	1.2
Solicitors	0	0	0	0	41	0.9
FCILEx	0	0	0	0	12	0.4
Other authorised persons	0	0	0	0	11	0.2
Barristers	0	0	0	0	1	0.0

Table 2.11 shows that more than half of all employees work in conveyancing only, and 21.8% carry out administrative work exclusively.

Table 2.11: Proportion of employees engaging in particular kinds of work, by authorisation and turnover band					
	Turnover of £0 to £100,000 (%)	Turnover of £100,001 to £500,000 (%)	Turnover of £500,001 to £3,000,000 (%)	Turnover of more than £3,000,000 (%)	All practices (%)
Licenced conveyancers					
Conveyancing only	33.3	69.1	68.2	94.0	72.9
Probate only	3.7	1.6	1.2	0.0	1.1
Administrative work only	14.8	6.1	22.7	2.4	11.4
Conveyancing and probate	11.2	4.7	3.4	0.0	3.4
Conveyancing and administrative work	29.7	12.2	2.3	3.6	8.0
Probate and administrative work	3.7	1.6	0.0	0.0	0.8
Conveyancing, probate, and administrative work	3.7	4.7	2.3	0.0	2.3
Barristers					
Conveyancing only	0.0				0.0
Probate only	0.0				0.0

Administrative work only	100.0			100.0
Conveyancing and probate	0.0			0.0
Conveyancing and administrative work	0.0			0.0
Probate and administrative work	0.0			0.0
Conveyancing, probate, and administrative work	0.0			0.0
Solicitors				
Conveyancing only	75.3	69.7	72.7	100.0
Probate only	0.0	7.6	21.2	0.0
Administrative work only	24.7	2.6	0.0	0.0
Conveyancing and probate	0.0	5.0	3.1	0.0
Conveyancing and administrative work	0.0	7.6	3.1	0.0
Probate and administrative work	0.0	5.0	0.0	0.0
Conveyancing, probate, and administrative work	0.0	2.6	0.0	0.0
FCILEx				
Conveyancing only	32.9	84.0	94.4	100.0
Probate only	0.0	0.0	0.0	0.0
Administrative work only	67.1	0.0	0.0	0.0
Conveyancing and probate	0.0	0.0	0.0	0.0
Conveyancing and administrative work	0.0	5.5	0.0	0.0
Probate and administrative work	0.0	0.0	0.0	0.0
Conveyancing, probate, and administrative work	0.0	10.4	5.6	0.0
Other authorised persons				
Conveyancing only	0.0	76.0	21.4	50.0
Probate only	0.0	6.2	0.0	0.0
Administrative work only	100.0	17.8	78.6	0.0
Conveyancing and probate	0.0	0.0	0.0	0.0
Conveyancing and administrative work	0.0	0.0	0.0	50.0
Probate and administrative work	0.0	0.0	0.0	0.0
Conveyancing, probate, and administrative work	0.0	0.0	0.0	0.0
Non-authorised persons (excluding students or trainees)				
Conveyancing only	5.8	45.6	43.9	50.6
Probate only	2.8	0.7	7.6	0.7

Administrative work only	34.2	32.2	18.9	30.5	28.8
Conveyancing and probate	8.6	1.8	4.4	0.0	1.0
Conveyancing and administrative work	5.8	14.5	12.7	18.2	16.7
Probate and administrative work	5.8	0.4	11.0	0.0	1.9
Conveyancing, probate, and administrative work	37.1	4.7	1.5	0.0	1.3
Students or trainees					
Conveyancing only	19.8	76.9	62.0	84.2	77.4
Probate only	0.0	0.0	6.0	0.0	1.2
Administrative work only	60.3	12.9	6.0	15.8	14.3
Conveyancing and probate	0.0	0.0	8.0	0.0	1.6
Conveyancing and administrative work	0.0	10.2	16.0	0.0	4.8
Probate and administrative work	0.0	0.0	2.0	0.0	0.4
Conveyancing, probate, and administrative work	19.8	0.0	0.0	0.0	0.4
All employees					
Conveyancing only	33.2	55.8	60.0	60.4	53.8
Probate only	0.6	2.0	3.8	0.8	2.1
Administrative work only	27.1	22.4	16.1	23.5	21.8
Conveyancing and probate	4.9	1.4	4.5	0.0	2.5
Conveyancing and administrative work	19.5	13.3	10.9	15.4	13.8
Probate and administrative work	1.6	1.4	2.9	0.0	1.7
Conveyancing, probate, and administrative work	13.1	3.6	1.7	0.0	4.3
All staff					
Conveyancing only	37.1	56.1	58.4	60.7	53.2
Probate only	1.6	1.6	3.5	0.8	1.9
Administrative work only	14.3	15.1	12.9	23.8	15.0
Conveyancing and probate	3.0	3.3	4.3	0.0	3.2
Conveyancing and administrative work	23.1	14.8	13.7	14.8	16.1
Probate and administrative work	2.2	2.0	2.6	0.0	2.0
Conveyancing, probate, and administrative work	18.8	7.1	4.5	0.0	8.5

Supervision of Non-Authorised Persons

Table 2.12 shows that the larger the firm, the more likely it is to use non-authorised employees to carry out reserved legal activities. On average, just under a quarter of practices do this, but that ranges from 11.6% of the smallest practices, to 81.8% of the largest. However, if we exclude those practices without any non-authorised employees, smaller practices are more reliant on their labour to carry out reserved legal activities than the raw figures suggest, so although just over one in ten of the practices in the lowest turnover band are using non-authorised employees to carry out reserved legal activities, that represents a third of small practices with any non-authorised employees.

Table 2.12: Proportion of practices using non-authorised employees to carry out reserved legal activities, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Proportion of all practices with at least one non-authorised employee (%)	34.9	70.9	87.2	100.0	68.1
Proportion of all practices using non-authorised employees to carry out reserved legal activities (%)	11.6	20.0	34.2	81.8	24.2
Proportion of only those practices with at least one non-authorised employee, which are using them to carry out reserved legal activities (%)	33.3	23.2	39.4	81.8	32.6

Table 2.13 shows that the average ratio of authorised staff (managers and employees) to non-authorised employees in is 1 to 2.1 (similar to the median proportions of managers and employees in the average practice, laid out in [figure 2.1](#)). The proportion of non-authorised employees in the largest practices is considerably greater however. As in the top turnover band there 7.1 unauthorised employees for every authorised member of staff.

Table 2.13: Gearing of staff within practices, by authorisation and turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Total number of non-authorised employees (including students or trainees)	1.0	1.0	2.0	4.0	7.0	2.7
Total number of authorised staff (managers and employees)	0.0	1.0	3.0	6.0	14.0	3.9
Ratio of non-authorised employees (including students or trainees) to authorised staff (managers and employees)	0.1	0.3	0.5	1.0	4.0	1.1
Turnover of £100,001 to £500,000						
Total number of non-authorised employees (including students or trainees)	1.0	2.0	3.0	5.0	15.0	3.8
Total number of authorised staff (managers and employees)	0.0	2.0	3.0	5.0	16.0	3.9
Ratio of non-authorised employees (including students or trainees) to authorised staff (managers and employees)	0.1	0.6	1.0	2.0	7.0	1.5

authorised staff (managers and employees)						
Turnover of £500,001 to £3,000,000						
Total number of non-authorised employees (including students or trainees)	1.0	5.0	7.5	19.0	64.0	13.5
Total number of authorised staff (managers and employees)	2.0	4.0	6.0	9.0	18.0	7.3
Ratio of non-authorised employees (including students or trainees) to authorised staff (managers and employees)	0.1	0.6	1.7	3.0	12.8	2.5
Turnover of more than £3,000,000						
Total number of non-authorised employees (including students or trainees)	50.0	69.0	80.0	340.0	499.0	179.4
Total number of authorised staff (managers and employees)	9.0	13.0	16.0	27.0	75.0	26.5
Ratio of non-authorised employees (including students or trainees) to authorised staff (managers and employees)	2.0	4.9	5.4	8.9	17.8	7.1
All practices						
Total number of non-authorised employees (including students or trainees)	1.0	2.0	4.0	8.0	499.0	19.5
Total number of authorised staff (managers and employees)	0.0	2.0	4.0	8.0	75.0	6.4
Ratio of non-authorised employees (including students or trainees) to authorised staff (managers and employees)	0.1	0.6	1.2	2.5	17.8	2.1

Figure 2.4 illustrates the ratio of individually licensed authorised persons in a practice to the number of non-authorised employees who could, potentially, carry out restricted legal activities, based on mean numbers of staff, and how the gearing varies according to practice-size.



What the findings in this infographic do not take into account is the proportion of non-authorised employees within a practice who are carrying out restricted legal activities, so it is possible that practices which seem highly-gearled have only a minority of non-authorised personnel working on legally sensitive matters that require the supervision of an authorised person.

Equality and Diversity Monitoring

Table 2.14 shows that more than 70% of practices take no formal steps to monitor the equality and diversity of their staff. Only one in twenty carries out regular equality and diversity surveys.

Table 2.14: Proportion of practices taking measures to monitor staff equality and diversity, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Job applicants complete an equality and diversity form (%)	9.1	4.2	15.4	36.4	8.9
There is a regular equality and diversity survey (%)	4.5	4.2	7.7	9.1	5.1
No formal measures are taken, but we try to consider issues of	40.9	80.0	87.2	36.4	71.0

equality and diversity when making decisions about our staff (%)					
No measures are taken (%)	2.3	0.0	0.0	0.0	0.5
None, I am a sole practitioner with no employees (%)	34.1	4.2	0.0	0.0	9.3
Other (%)	15.9	6.7	2.6	27.3	8.9

Gender Equality

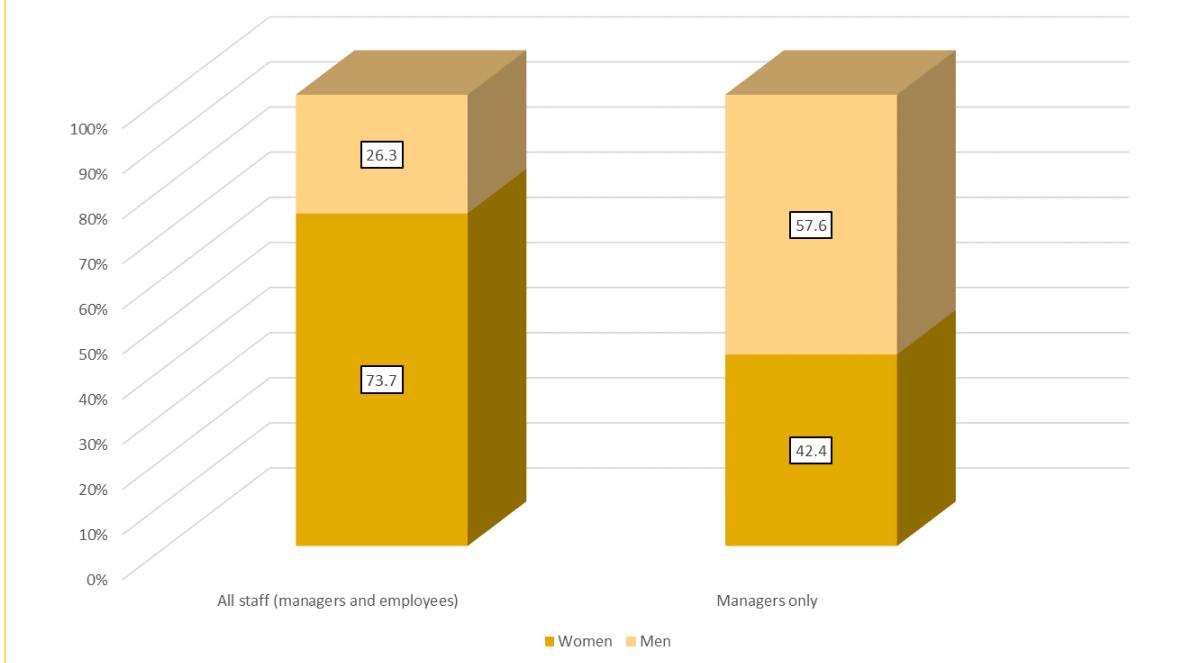
Table 2.15 shows that 73.7% of all staff were women, but this extended to just 42.4% of managers.

Table 2.15: Proportion of staff and managers within practices who were women, by turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Proportion of all staff (including managers) who were women (%)	0.0	38.5	63.0	100.0	100.0	59.4
Proportion of all managers who were women (%)	0.0	0.0	0.0	50.0	100.0	31.6
Turnover of £100,001 to £500,000						
Proportion of all staff (including managers) who were women (%)	0.0	67.0	80.0	90.0	100.0	76.1
Proportion of all managers who were women (%)	0.0	0.0	50.0	60.0	100.0	43.4
Turnover of £500,001 to £3,000,000						
Proportion of all staff (including managers) who were women (%)	10.0	75.0	86.0	95.0	100.0	80.6
Proportion of all managers who were women (%)	0.0	20.0	50.0	80.0	100.0	48.4
Turnover of more than £3,000,000						
Proportion of all staff (including managers) who were women (%)	41.0	65.0	68.0	79.0	90.0	70.1
Proportion of all managers who were women (%)	8.0	33.0	50.0	60.0	90.0	46.0
All practices						
Proportion of all staff (including managers) who were women (%)	0.0	65.0	80.0	92.0	100.0	73.7
Proportion of all managers who were women (%)	0.0	0.0	50.0	66.0	100.0	42.4

This result was a little surprising, as in last year's Regulatory Return respondents told us that a majority of managers (58.6%) were women. It is unclear why this year's findings are divergent, but a quick examination of the CLC register reveals that 55.4% of licensed conveyancer managers are women; a figure more in line with our expectations. Our register does not however account for the more than 30% of managers that are not authorised as licensed conveyancers (see [table 2.5](#)). The basic details of our most recent findings are set out in figure 2.5.

Figure 2.5: Proportions of all staff and managers only, by gender



Succession Planning

Table 2.16 shows that a little over a quarter of practices have a written succession plan. The lack of succession planning is a clear matter of concern, and will be a focus for our monitoring team until the situation is remedied.

Table 2.16: Proportion of practices with a written succession plan, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Practices with a written succession plan (%)	22.7	23.3	33.3	63.6	27.1
Practices without a written succession plan (%)	75.0	74.2	66.7	36.4	71.0
No response (%)	2.3	2.5	0.0	0.0	1.9

3. Investment and Ownership

Investment Decisions

Table 3.1 shows that almost half of all practices find it easy to access capital when their business requires investment. Almost two-fifths say there are a range of sources for such finance. Almost a third believe that short-term finance options, such as overdrafts, are a reliable source of funding, and two-thirds are more concerned with retaining control than growing their businesses. Responses vary substantially according to the practices' turnovers.

Table 3.1: Proportion of practices that agree or disagree with the following statements about investment, by turnover

	Disagree (%)	Agree (%)
"When my business needs investment, it is easy to access the capital required"		
Turnover of £0 to £100,000	16.3	34.9
Turnover of £100,001 to £500,000	17.1	45.3
Turnover of £500,001 to £3,000,000	17.9	46.2
Turnover of more than £3,000,000	0.0	70.0
All practices	16.3	44.5
"When my business needs investment, there are a range of sources of readily available finance"		
Turnover of £0 to £100,000	19.0	35.7
Turnover of £100,001 to £500,000	16.2	37.6
Turnover of £500,001 to £3,000,000	20.5	38.5
Turnover of more than £3,000,000	0.0	70.0
All practices	16.8	38.9
"Short-term sources of finance, such as overdrafts, are reliable sources of investment funding"		
Turnover of £0 to £100,000	26.2	23.8
Turnover of £100,001 to £500,000	24.8	29.9
Turnover of £500,001 to £3,000,000	30.8	43.6
Turnover of more than £3,000,000	30.0	30.0
All practices	26.4	31.3
"Keeping control is more important than growing my business"		
Turnover of £0 to £100,000	2.4	73.2
Turnover of £100,001 to £500,000	6.8	65.0
Turnover of £500,001 to £3,000,000	10.3	66.7
Turnover of more than £3,000,000	0.0	50.0
All practices	6.3	66.2

Table 3.2 shows that 28.6% of all practices made substantial investments in their legal business in 2015, and 7.6% seriously considered doing so, but ultimately decided not to. Almost three-quarters of practices in the highest turnover band made substantial investments.

Table 3.2: Proportion of practices which made a substantial investment in their legal business, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Investment made (%)	27.9	22.2	35.9	72.7	28.6
No investment, but it was given serious consideration (%)	11.6	6.0	5.1	18.2	7.6
No investment, and it was not given serious consideration (%)	60.5	71.8	59.0	9.1	63.8

Figure 3.1 contains all of the data presented in table 3.2, and the thing that stands out most clearly is that although practices in the highest turnover band had the highest levels of investment, they also have the largest proportion of practices that considered making an investment, but chose not to go through with it.

Figure 3.1: Proportion of practices which made a substantial investment in their legal business, by turnover band

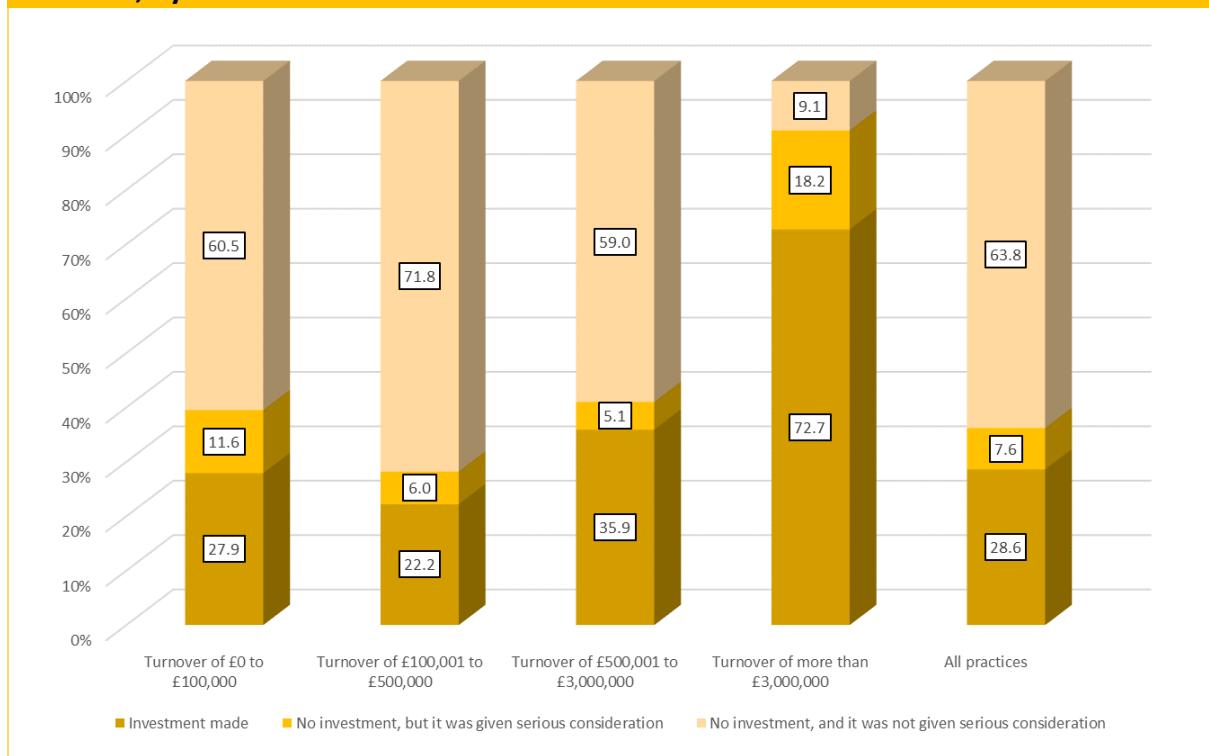


Table 3.3 shows that hiring more staff was the main investment target for most practices, although practices in the lowest turnover band prioritised investment in IT for practice management. The “Other” category in this instance includes refurbishing premises, renting new premises (including spaces to be used as satellite offices), and converting from being an estate agent to being an ABS.

Table 3.3: Proportion of practices targeting particular aspects of their legal business for investment, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Proportion of all practices, including those which did not make substantial investments					
Expansion of the business through hiring more staff (%)	7.0	16.2	33.3	63.6	20.0
Improved management of the business through the purchase of new IT for practice management (%)	9.3	10.3	15.4	54.5	13.3
Improved management of the business through the purchase of consumer-facing IT systems (%)	2.3	6.0	20.5	27.3	9.0
Other (%)	2.3	5.1	5.1	27.3	5.7
Expansion of the business through the purchase of new property (%)	2.3	4.3	7.7	0.0	4.3
Expansion of the business through purchase of an existing business (%)	0.0	0.0	2.6	0.0	0.5
Developing of the business through the purchase of an existing business (%)	0.0	0.0	0.0	0.0	0.0
Proportion of only those practices which made substantial investments					
Expansion of the business through hiring more staff (%)	25.0	73.1	92.9	87.5	70.0
Improved management of the business through the purchase of new IT for practice management (%)	33.3	46.2	42.9	75.0	46.7
Improved management of the business through the purchase of consumer-facing IT systems (%)	8.3	26.9	57.1	37.5	31.7
Other (%)	8.3	23.1	14.3	37.5	20.0
Expansion of the business through the purchase of new property (%)	8.3	19.2	21.4	0.0	15.0
Expansion of the business through purchase of an existing business (%)	0.0	0.0	7.1	0.0	1.7
Developing of the business through the purchase of an existing business (%)	0.0	0.0	0.0	0.0	0.0

Sources of Funding

Table 3.4 shows that by far the most popular means of funding were business profits or cash reserves, with more than three-quarters of investment coming from those source. Interest free loans from managers or directors were the most commonly mentioned alternative sources of funding. Comments reveal a generally pragmatic approach to securing funding. Many of those explaining why they used profits or cash reserves, reasonably ask some variant of the question, “If you have them, why wouldn’t you use them?” While one respondent who used a loan from family members said, “Despite the banks saying they are ‘open for business,’ that’s not our experience. Family were willing to give us capital.”

Table 3.4: Proportion of practices funding investment by particular means, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Proportion of all practices, including those which did not make substantial investments					
Business profits or cash reserves (%)	25.6	14.5	28.2	63.6	21.9
Capital injection from existing owners/partners (%)	4.7	5.1	5.1	0.0	4.8
Loan from a bank (%)	0.0	5.1	5.1	9.1	4.3
Overdraft facility (%)	0.0	0.9	10.3	0.0	2.4
Loan from family or friends (%)	0.0	1.7	2.6	0.0	1.4
Capital injection from new owners/partners who were authorised persons, but were struck off (%)	2.3	0.0	2.6	0.0	1.0
Other (%)	0.0	0.9	0.0	9.1	1.0
Proportion of only those practices which made substantial investments					
Business profits or cash reserves (%)	91.7	65.4	78.6	87.5	76.7
Capital injection from existing owners/partners (%)	16.7	23.1	14.3	0.0	16.7
Loan from a bank (%)	0.0	23.1	14.3	12.5	15.0
Overdraft facility (%)	0.0	3.8	28.6	0.0	8.3
Loan from family or friends (%)	0.0	7.7	7.1	0.0	5.0
Capital injection from new owners/partners who were authorised persons, but were struck off (%)	8.3	0.0	7.1	0.0	3.3
Other (%)	0.0	3.8	0.0	12.5	3.3

Investment in Alternative Business Structures

The CLC is an entity regulator, and it regulates two broad kinds of practice; recognised bodies and alternative business structures (ABSs). An ABS is a structure which allows non-lawyers to have a financial stake in a law firm, which means that pre-existing firms can reform to provide non-legal staff the prospect of ownership and new businesses can be established on the basis of shared ownership, between lawyers and managers without legal training. ABSs can also seek outside investment.

Because ABSs were introduced, at least in part, to encourage investment in legal businesses, it makes sense to consider these investment questions not only through the lens of turnover band, turn through “entity type” as well, contrasting ABSs with the traditional recognised bodies.

Table 3.5 shows the proportion of practices that agreed or disagreed with each of four statements relating to investment in their legal business. It shows that almost half of all practices find it easy to access capital when their business requires investment. Almost two-fifths say there are a range of sources for such finance. Almost a third believe that short-term finance options, such as overdrafts, are a reliable source of funding, and two-thirds are more concerned with retaining control than growing their businesses. Responses do not

vary a great deal between entity-types, but ABSs seem on the whole to be less optimistic about their ability to raise funds and less concerned about maintaining control of their businesses than respondents from “Recognised Bodies”.

Table 3.5: Proportion of practices that agree or disagree with the following statements about investment, by entity type

	Disagree (%)	Agree (%)
"When my business needs investment, it is easy to access the capital required"		
Licensed Body	14.9	46.4
Alternative Business Structure	22.2	37.8
All practices	16.4	44.6
"When my business needs investment, there are a range of sources of readily available finance"		
Licensed Body	16.8	38.9
Alternative Business Structure	22.2	35.6
All practices	17.9	38.2
"Short-term sources of finance, such as overdrafts, are reliable sources of investment funding"		
Licensed Body	27.5	32.3
Alternative Business Structure	28.9	22.2
All practices	27.8	30.2
"Keeping control is more important than growing my business"		
Licensed Body	5.4	69.9
Alternative Business Structure	8.9	53.3
All practices	6.2	66.4

Table 3.6 shows the proportions of practices that actually did make a substantial investment in 2015, and it reveals considerable differences between traditional practices and ABSs, with the latter more than twice as likely to have made an investment. More than half of ABSs made substantial investments in 2015, compared to less than a quarter of recognised bodies. It also seems that recognised bodies were almost twice as likely as ABSs to seriously consider making an investment and then decide not to commit to the spending. Bearing in mind the caveat that correlation does not equal causation, it nevertheless seems that there may be something about the ABS which engenders a greater sense of entrepreneurialism.

Table 3.6: Proportion of practices which made a substantial investment in their legal business, by entity type

	Recognised Body (%)	Alternative Business Structure (%)	All practices (%)
Investment made	23.2	52.2	29.4
No investment, but it was given serious consideration	8.3	4.3	7.5
No investment, and it was not given serious consideration	68.5	43.5	63.1

Table 3.7 details the areas in which practices made substantial investment in 2015. It is in two parts; the top half of the table looks at the proportion of practices within an entity-type

that made investments in particular areas, regardless of whether or not the respondents' practices actually made an investment, while the bottom half presents the same data, but includes only those practices that actually made a substantial investment in 2015. If respondents invested in more than one aspect of their legal business, they were not limited to a single response. The table shows that the main targets of investment were fairly similar for both recognised bodies and ABSs, although the latter were the more likely to make investments in all but the two least popular areas. It also reveals that the main area of investment was in hiring more staff, lending some credence to the old platitude that people are a company's most important asset. The next most popular targets of investment were both IT-related; with systems for improved practice management edging out consumer-facing systems. Among practices that made investments, ABSs were a third more likely than traditional practices to invest in management systems, and among all practices they were more than three times as likely as recognised bodies to make such an investment. This is in line with findings from [last year's regulatory return](#), which indicated that ABSs were making greater use of innovative information and communications technologies than traditional practices.

Table 3.7: Proportion of practices targeting particular aspects of their legal business for investment, by entity type

	Licensed Body	Alternative Business Structure	All practices
Proportion of all practices, including those which did not make substantial investments			
Expansion of the business through hiring more staff (%)	13.7	41.3	19.6
Improved management of the business through the purchase of new IT for practice management (%)	8.9	30.4	13.6
Improved management of the business through the purchase of consumer-facing IT systems (%)	7.1	17.4	9.3
Other (%)	3.6	15.2	6.1
Expansion of the business through the purchase of new property (%)	4.8	2.2	4.2
Expansion of the business through purchase of an existing business (%)	0.6	0.0	0.5
Proportion of only those practices which made substantial investments			
Expansion of the business through hiring more staff (%)	59.0	79.2	66.7
Improved management of the business through the purchase of new IT for practice management (%)	38.5	58.3	46.0
Improved management of the business through the purchase of consumer-facing IT systems (%)	30.8	33.3	31.7
Other (%)	15.4	29.2	20.6
Expansion of the business through the purchase of new property (%)	20.5	4.2	14.3
Expansion of the business through purchase of an existing business (%)	2.6	0.0	1.6

Table 3.8 adopts a structure similar to what we saw in table 3.7, breaking analysis once again into two parts; the proportions of all practices, and the proportions of those practices that made substantial investments. By a huge margin the main source of funds for both recognised bodies and ABSs was business profits or cash reserves, and among those practices that actually made investments, more than 70% used profits or reserves. The second most popular funding option for each entity-type diverges interestingly however, with ABSs receiving capital injections from existing owners, while traditional practices were more likely to resort to the banks.

Table 3.8: Proportion of practices funding investment by particular means, by entity type

	Licensed Body	Alternative Business Structure	All practices
Proportion of all practices, including those which did not make substantial investments			
Business profits or cash reserves	16.7	39.1	21.5
Loan from a bank	4.8	4.3	4.7
Capital injection from existing owners/partners	4.2	6.5	4.7
Overdraft facility	3.6	0.0	2.8
Loan from family or friends	1.8	2.2	1.9
Capital injection from new owners/partners who were formerly authorised persons	0.6	2.2	0.9
Other	0.0	4.3	0.9
Capital injection from new owners/partners who are authorised persons	0.6	0.0	0.5
Proportion of only those practices which made substantial investments			
Business profits or cash reserves	71.8	75.0	73.0
Loan from a bank	20.5	8.3	15.9
Capital injection from existing owners/partners	17.9	12.5	15.9
Overdraft facility	15.4	0.0	9.5
Loan from family or friends	7.7	4.2	6.3
Capital injection from new owners/partners who were formerly authorised persons	2.6	4.2	3.2
Other	0.0	8.3	3.2
Capital injection from new owners/partners who are authorised persons	2.6	0.0	1.6

Attitudes Toward Investment

Finally, we wondered whether an attitudinal difference might affect investment decisions, if, for instance, a belief that funding would be hard to access would discourage investment. But table 3.9 suggests that in most instances it does not. It shows that whether practices made substantial investments in 2015, gave investment serious consideration but ultimately decided against it, or did not even give it a thought, their attitudes towards the availability of funds were really quite similar. The only appreciable differences seem to be in attitudes to short-term finances, where those that made a conscious decision not to go through with investment were only half as confident of their reliability as those who did, and in the respondents' attitudes to maintaining control of their business, where a quarter of thoughtful non-investors agreed that keeping control was more important than growth, compared to just two-thirds of practices that actually made an investment.

Table 3.9: Proportion of practices that agree or disagree with the following statements about investment, by whether or not they made a substantial investment in their legal business

	Disagree (%)	Agree (%)
"When my business needs investment, it is easy to access the capital required"		
Investment made	17.7	45.2
No investment, but it was given serious consideration	12.5	43.8
No investment, and it was not given serious consideration	16.2	44.9
All practice	16.4	44.9
"When my business needs investment, there are a range of sources of readily available finance"		
Investment made	17.7	41.9
No investment, but it was given serious consideration	12.5	43.8
No investment, and it was not given serious consideration	18.5	35.6
All practice	17.8	38.0
"Short-term sources of finance, such as overdrafts, are reliable sources of investment funding"		
Investment made	33.9	35.5
No investment, but it was given serious consideration	37.5	18.8
No investment, and it was not given serious consideration	23.7	29.6
All practice	27.7	30.5
"Keeping control is more important than growing my business"		
Investment made	1.6	66.1
No investment, but it was given serious consideration	6.3	75.0
No investment, and it was not given serious consideration	8.2	65.7
All practice	6.1	66.5

4. Dealing with Clients

Communications

Table 4.1 shows that 84.6% of practices have a website, and the likelihood that they will have a website increases in-line with turnover.

Table 4.1: Proportion of practices with a website, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Practices with websites (%)	68.2	85.8	94.9	100.0	84.6

Table 4.2 shows that all practices offer consumers access by telephone, 98.1% offer e-mail access, and 97.6% provide the option of face-to-face interaction. The proportion of practices offering access through some kind of online interactive system strongly correlates to turnover. “Other” options include networking with brokers, estate agents, accountants, and independent financial advisors, or the use of social media platforms such as Twitter and Facebook.

Table 4.2: Proportion of practices offering consumers access by particular means, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Telephone (%)	100.0	100.0	100.0	100.0	100.0
E-mail (%)	95.3	99.1	97.4	100.0	98.1
Face-to-face (%)	90.7	100.0	97.4	100.0	97.6
Mail (%)	74.4	93.2	100.0	100.0	91.0
Online interactive system (%)	11.6	24.8	38.5	63.6	26.7
Other (%)	11.6	7.7	7.7	27.3	9.5
Mobile phone apps (%)	9.3	4.3	0.0	9.1	4.8

Table 4.3 shows that telephone is the preferred method of initial contact between consumers and practices, being used by almost twice as many consumers as the next most popular option, e-mail.

Table 4.3: Proportion of consumers using particular methods to make initial contact with practices, by turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Telephone (%)	0.0	25.0	45.0	70.0	95.0	46.2
E-mail (%)	5.0	10.0	20.0	47.5	90.0	28.2
Face-to-face (%)	0.0	5.0	10.0	25.0	90.0	20.0
Mail (%)	0.0	0.0	5.0	10.0	75.0	10.9
Other (%)	0.0	0.0	0.0	1.0	50.0	5.5

Online interactive system (%)	0.0	0.0	0.0	0.0	30.0	3.1
Mobile phone apps (%)	0.0	0.0	0.0	0.0	0.0	0.0
Turnover of £100,001 to £500,000						
Telephone (%)	2.0	30.0	50.0	70.0	99.0	50.1
E-mail (%)	1.0	10.0	20.0	35.0	90.0	25.3
Face-to-face (%)	0.0	5.0	10.0	21.0	100.0	19.1
Online interactive system (%)	0.0	0.0	0.0	5.0	80.0	5.7
Mail (%)	0.0	0.0	1.0	5.0	30.0	5.0
Other (%)	0.0	0.0	0.0	0.0	10.0	1.0
Mobile phone apps (%)	0.0	0.0	0.0	0.0	0.0	0.0
Turnover of £500,001 to £3,000,000						
Telephone (%)	10.0	35.0	50.0	70.0	97.0	51.8
E-mail (%)	1.0	10.0	20.0	40.0	70.0	26.7
Face-to-face (%)	0.0	5.0	10.0	10.0	70.0	10.8
Other (%)	0.0	0.0	0.0	0.0	100.0	10.0
Mail (%)	0.0	0.0	1.5	10.0	40.0	6.2
Online interactive system (%)	0.0	0.0	0.0	3.0	20.0	3.5
Mobile phone apps (%)	0.0	0.0	0.0	0.0	0.0	0.0
Turnover of more than £3,000,000						
Telephone (%)	5.0	15.0	50.0	95.0	100.0	50.7
Online interactive system (%)	0.0	0.0	60.0	80.0	94.0	46.8
Other (%)	0.0	0.0	0.0	0.0	83.0	16.6
E-mail (%)	0.0	5.0	5.0	20.0	25.0	10.6
Mail (%)	0.0	0.0	0.0	5.0	24.0	4.3
Face-to-face (%)	0.0	0.0	0.0	1.5	5.0	1.0
Mobile phone apps (%)	0.0	0.0	0.0	0.0	0.0	0.0
All practices						
Telephone (%)	0.0	30.0	50.0	70.0	100.0	49.7
E-mail (%)	0.0	10.0	20.0	36.5	90.0	25.5
Face-to-face (%)	0.0	5.0	10.0	20.0	100.0	16.9
Online interactive system (%)	0.0	0.0	0.0	5.0	94.0	6.8
Mail (%)	0.0	0.0	1.0	10.0	75.0	6.2
Other (%)	0.0	0.0	0.0	0.0	100.0	4.7
Mobile phone apps (%)	0.0	0.0	0.0	0.0	0.0	0.0

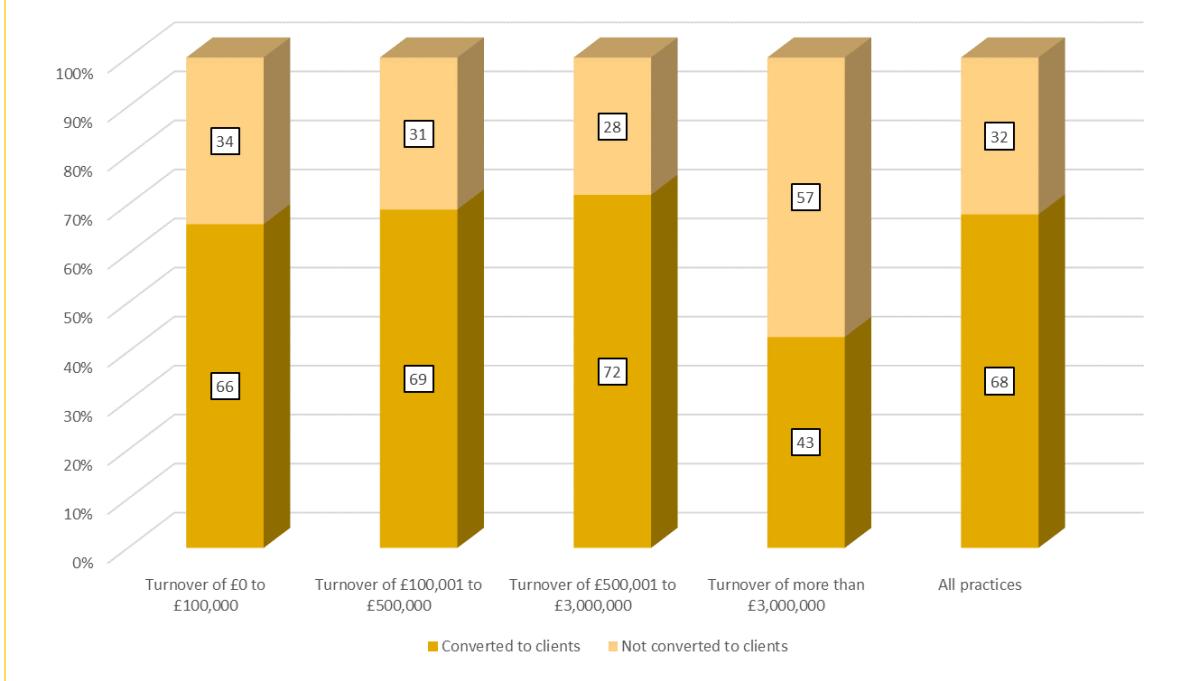
Conversion Rates

Table 4.4 shows that the median number of approaches practices received was 400, of which 267 went on to become customers. The average conversion rate (turning contacts to customers) was a surprisingly high 0.68 (68%).

Table 4.4: Approaches and conversions to customers, by turnover band						
	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Number of individuals or organisations that approached the practice seeking advice	10	35	95	216	5,000	289
Number of individuals or organisations that went on to become clients	0	18	64	144	3,000	188
Conversion rate	0.00	0.45	0.75	0.90	1.00	0.66
Turnover of £100,001 to £500,000						
Number of individuals or organisations that approached the practice seeking advice	4	180	395	600	2,000	421
Number of individuals or organisations that went on to become clients	0	90	263	450	1,292	290
Conversion rate	0.00	0.60	0.75	0.85	1.00	0.69
Turnover of £500,001 to £3,000,000						
Number of individuals or organisations that approached the practice seeking advice	100	640	1,200	2,000	8,933	1,927
Number of individuals or organisations that went on to become clients	95	500	824	1,500	4,500	1,204
Conversion rate	0.06	0.60	0.75	0.80	0.95	0.72
Turnover of more than £3,000,000						
Number of individuals or organisations that approached the practice seeking advice	50	1,200	7,368	9,321	99,203	20,752
Number of individuals or organisations that went on to become clients	0	0	2,811	5,220	5,960	2,800
Conversion rate	0.00	0.00	0.53	0.65	0.85	0.43
All practices						
Number of individuals or organisations that approached the practice seeking advice	4	120	400	750	99,203	1,328
Number of individuals or organisations that went on to become clients	0	64	267	540	5,960	526
Conversion rate	0.00	0.60	0.75	0.85	1.00	0.68

Figure 4.1 shows the proportions of initial approaches that CLC-regulated practices managed to convert to customers. It shows that the largest firms converted the lowest proportion of approaches, but given the volumes of work they handle, converting individual approaches into clients is perhaps less important. Also, given that many larger practices receive large quantities of their work through institutional partners, this question may be less applicable to their businesses in general.

Figure 4.1: Proportions of initial approaches converted to clients, by turnover band



Client Satisfaction Surveys

Table 4.5 shows that almost two-fifths of practices carried out client satisfaction surveys, but this rises to 100% of the largest practices. This perhaps reflects the inescapable conclusion that beyond a certain size it is impossible to gain a sense of clients' attitudes without some formalised system of monitoring.

Table 4.5: Proportion of practices conducting client satisfaction surveys, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Practices with client satisfaction surveys (%)	41.9	32.8	42.1	100.0	39.9

Table 4.6 shows that of those practices that carried out client satisfaction surveys the most popular method was by postal questionnaire (68.7%). "Other means" includes a range of responses from making enquiries by e-mail or text message, to less formal methodologies, like gathering testimonials for the practice's website or receiving "thank you cards galore!"

Table 4.6: Proportion of those practices conducting client satisfaction surveys using particular methods, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Questionnaires by mail (%)	50.0	81.1	58.8	72.7	68.7
Informal discussions (%)	27.8	35.1	23.5	9.1	27.7
Online questionnaires (%)	5.6	8.1	29.4	72.7	20.5

Telephone interviews (%)	16.7	5.4	29.4	54.5	19.3
Other means (%)	33.3		11.8	18.2	12.0
Face-to-face interviews (%)	11.1	13.5	5.9	9.1	10.8

Table 4.7 reveals that the top five topics for client satisfaction surveys were:

- the quality of the services;
- whether or not clients would recommend the business to others;
- the clients' overall level of satisfaction;
- the courtesy of the practices' staff; and
- how easy it was to use the practices' services.

And of those practices carrying out client satisfaction surveys, more than three-fifths asked about these.

Table 4.7: Proportion of those practices conducting client satisfaction surveys addressing particular aspects of their business, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Quality of the services (%)	94.4	97.3	100.0	81.8	95.2
Would recommend your business (%)	61.1	78.4	76.5	90.9	75.9
Overall satisfaction (%)	55.6	78.4	82.4	90.9	75.9
Courtesy of staff (%)	77.8	64.9	88.2	72.7	73.5
Ease of services (%)	72.2	51.4	82.4	54.5	62.7
Friendliness of staff (%)	61.1	54.1	64.7	63.6	59.0
Understandability of services (%)	55.6	51.4	76.5	54.5	57.8
Speed of delivery (%)	66.7	51.4	58.8	45.5	55.4
Representative's knowledge (%)	55.6	37.8	58.8	63.6	49.4
Reliability of returning calls (%)	55.6	54.1	35.3	45.5	49.4
Responsiveness to enquiries (%)	55.6	45.9	52.9	45.5	49.4
Delivery on time (%)	55.6	43.2	52.9	27.3	45.8
How they learned about your organisation (%)	55.6	48.6	41.2	27.3	45.8
Value for money (%)	44.4	43.2	64.7	27.3	45.8
Representative's availability (%)	38.9	35.1	52.9	63.6	43.4
Ease of doing business (%)	44.4	37.8	47.1	45.5	42.2
Price (%)	55.6	35.1	41.2	18.2	38.6
Client care letters (%)	27.8	37.8	17.6	45.5	32.5
Reputation of your organisation (%)	50.0	24.3	29.4	27.3	31.3
Total cost of services and related fees (%)	38.9	27.0	35.3	27.3	31.3
Complaint resolution (%)	33.3	29.7	17.6	27.3	27.7
Technical service (%)	11.1	16.2	29.4	18.2	18.1
After sales care (%)	27.8	16.2	11.8	9.1	16.9
Invoice clarity (%)	27.8	10.8	5.9	9.1	13.3
Range of services (%)	11.1	10.8	11.8	9.1	10.8
Invoices on time (%)	16.7	10.8	5.9	9.1	10.8

Vulnerable Clients

Table 4.8 shows that almost four-fifths of practices were confident that their clients understood information relevant to any decisions they might have to make. Just over half thought they retained relevant information. Although a quarter of their clients are large businesses or government (see [table 1.9](#)), the only area in which the largest practices had appreciably greater confidence in their clients' abilities was in their capacity to communicate their decisions clearly.

Table 4.8: Confidence of practices in the abilities of typical clients, by turnover band

	Low confidence	Moderate confidence	High confidence
Turnover of £0 to £100,000			
Understands the information relevant to any decisions (%)	2.4	19.0	78.7
Retains that information (%)	0.0	38.1	61.9
Uses that information effectively when making decisions (%)	2.4	31.0	66.7
Can communicate decisions clearly (%)	2.4	23.8	73.8
Turnover of £100,001 to £500,000			
Understands the information relevant to any decisions (%)	0.9	17.1	82.1
Retains that information (%)	1.8	48.7	49.5
Uses that information effectively when making decisions (%)	0.9	36.8	62.3
Can communicate decisions clearly (%)	0.9	28.2	70.9
Turnover of £500,001 to £3,000,000			
Understands the information relevant to any decisions (%)	0.0	23.1	76.9
Retains that information (%)	0.0	51.4	48.6
Uses that information effectively when making decisions (%)	0.0	38.5	61.5
Can communicate decisions clearly (%)	0.0	43.6	56.4
Turnover of more than £3,000,000			
Understands the information relevant to any decisions (%)	0.0	27.3	72.8
Retains that information (%)	0.0	40.0	60.0
Uses that information effectively when making decisions (%)	0.0	40.0	60.0
Can communicate decisions clearly (%)	0.0	20.0	80.0
All practices			
Understands the information relevant to any decisions (%)	1.0	19.1	79.9
Retains that information (%)	1.0	46.6	52.4
Uses that information effectively when making decisions (%)	1.0	36.1	63.0
Can communicate decisions clearly (%)	1.0	29.9	69.3

Table 4.9 shows that the type of potential client vulnerability of which practices are most aware is advanced age, with 88.1% reporting having at least one very elderly client. More than half of all practices also had clients suffering from ill health, or with limited ability to communicate in English. The list of possible vulnerabilities was compiled from several sources including government agencies and charities, and casts the net widely, to avoid being overly prescriptive and unduly limiting future discussions about the definition of "vulnerability". Several respondents commented on the difficulties of communicating with

deaf clients via telephone, typically using clients' family members as intermediaries. The charity Mind estimates that a quarter of British people experience some form of mental health problem in any given year; even if much of this is short-lived and not especially severe the 12.4% of practices that are aware of carrying out work for clients with mental health problems seems improbably low.

Table 4.9: Proportion of practices aware of carrying out work for clients with characteristics that might contribute to their vulnerability, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Advanced age (%)	78.4	89.9	92.1	90.0	88.1
Ill-health (%)	45.9	51.4	63.2	60.0	53.1
English as a second language/limited ability in English (%)	29.7	50.5	68.4	80.0	51.5
Physical disabilities (%)	29.7	42.2	60.5	70.0	44.8
In residential accommodation, sheltered housing, or receiving domiciliary care (%)	27.0	21.1	28.9	50.0	25.3
Heavy reliance on others (family or friends) for necessary care, support or accommodation (%)	16.2	20.2	28.9	50.0	22.7
Loss of mental capacity to make relevant decisions (%)	18.9	15.6	26.3	50.0	20.1
Limited ability to read or write (%)	13.5	12.8	36.8	30.0	18.6
Requires assistance in the conduct of own affairs (%)	18.9	16.5	18.4	30.0	18.0
Dementia (%)	24.3	11.0	13.2	50.0	16.0
Sensory impairment (%)	16.2	10.1	15.8	20.0	12.9
Difficulty in accessing and/or understanding complex information because of psychological or emotional factors (such as stress, divorce or bereavement) (%)	10.8	10.1	21.1	20.0	12.9
Mental health problems (%)	10.8	9.2	13.2	50.0	12.4
Other cognitive impairment (%)	10.8	9.2	13.2	30.0	11.3
Learning disabilities (%)	13.5	6.4	13.2	30.0	10.3
No or limited speech (%)	13.5	10.1	2.6	20.0	9.8
Other communication difficulties (%)	2.7	6.4	13.2	20.0	7.7
Detained in lawful custody (%)	2.7	3.7	13.2	50.0	7.7
Acquired brain injury caused for example by a stroke or head injury (%)	5.4	4.6	7.9	20.0	6.2
Experience of domestic violence or sexual abuse (%)	2.7	5.5	7.9	20.0	6.2
Long-term alcohol or drug abuse (%)	2.7	3.7	15.8	10.0	6.2
Children or young people (%)	2.7	4.6	5.3	10.0	4.6
Other (%)	2.7	5.5	0.0	10.0	4.1
Exposure to financial abuse (%)	2.7	0.0	5.3	10.0	2.1
Under a community sentence (%)	0.0	1.8	0.0	10.0	1.5
Severe facial or other disfigurement (%)	2.7	0.0	2.6	0.0	1.0

Table 4.10 reveals that only a small proportion of practices did not identify any clients with potential vulnerabilities. The group with the highest proportion of practices that were not aware of providing services to any potentially vulnerable clients was the lowest turnover band, at 15.9%. This may reflect the generally smaller pool of clients with which these practices usually operate, but counting against such a simple explanation is the generally closer relationship between smaller practices and their clients (providing more opportunities to identify any possible problems), and the demographics of their clientele.

Table 4.10: Proportion of practices unaware of carrying out work for clients with characteristics that might contribute to their vulnerability, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Proportion of practices (%)	15.9	9.2	2.6	9.1	9.3

Table 4.11 shows that just 10% of practices are taking effective measures to identify vulnerable clients and ensure that they receive services that meet their particular needs, by asking all clients if they have any special needs that may require changes in the ways that practices work with them. This rises to a little more than a quarter of practices in the highest turnover band. By far the most widely employed tactic is not asking, but taking special care in cases where it seems that a client has vulnerabilities, which was used by 46.7% of all practices. An approach of this sort may avoid potentially awkward conversations, but it does not address the needs of clients with less easily observable difficulties, and could contribute to inefficiencies and errors.

Table 4.11: Proportion of practices taking particular steps to identify vulnerable clients, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Don't ask, but take special care in cases where you suspect or can clearly see that a client has vulnerabilities (%)	41.9	47.9	46.2	54.5	46.7
Only ask those clients who you suspect may have vulnerabilities (%)	39.5	29.9	33.3	0.0	31.0
Ask all clients if they have any vulnerabilities that may require you to modify your approach to working with them (%)	11.6	7.7	10.3	27.3	10.0
Only ask those clients who clearly have vulnerabilities (%)	0.0	6.8	2.6	9.1	4.8
Other (%)	4.7	3.4	5.1	9.1	4.3
Don't ask, but include information in client care letters about how to request special assistance (%)	0.0	2.6	2.6	0.0	1.9
No special steps taken to identify vulnerable clients (%)	2.3	1.7	0.0	0.0	1.4

One practice set out in detail the steps they take to ensure that clients are treated with due care:

"We now ask all clients at the outset if they have any particular needs e.g. out of hours appointments, disabled access, large print, etc. We also continually assess a client's needs e.g. if they appear to struggle to hear us on the phone. If we become aware of a difficulty or if clients clearly have vulnerabilities we will ask if they need any modifications."

Table 4.12 shows just under half of all practices claim to have policies in place to meet the needs of vulnerable clients.

Table 4.12: Proportion of practices with policies in place to meet the needs of vulnerable clients, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Practices with a plan (%)	46.5	44.4	48.7	90.9	48.1

Table 4.13 shows that practices estimate 5.3% of their clients would meet a broad definition of "vulnerable". The range of responses – with different practices estimating their proportion of vulnerable clients to be anywhere between 0 and 100% – strongly implies that respondents not only have different groups of clients, but that they also differ in terms of attentiveness to their clients' needs, and have vastly different understandings of the scope of the term "vulnerable".

Table 4.13: Proportion of practices' clients that would meet a broad definition of "vulnerable", by turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000 (%)	0.0	1.0	5.0	10.0	20.0	5.3
Turnover of £100,001 to £500,000 (%)	0.0	1.0	2.0	5.0	100.0	4.4
Turnover of £500,001 to £3,000,000 (%)	0.0	1.0	2.0	5.0	100.0	7.7
Turnover of more than £3,000,000 (%)	0.5	1.0	1.5	10.0	20.0	5.7
All practices (%)	0.0	1.0	2.0	5.0	100.0	5.3

Complaints Procedure

Table 4.14 shows that 98.1% of practices believe they have a "Good" or "Fairly good" understanding of the CLC's guidance on complaints handing. The proportion of those reporting a "Good" understanding tends to increase with turnover, with practices in the top turnover band roughly twice as confident of their good understanding as those in the bottom two bands.

Table 4.14: Practices' understanding of the CLC's guidance on complaints handling, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Good (%)	48.8	48.7	71.8	90.9	55.3
Fairly good (%)	46.5	49.6	28.2	9.1	42.8

Fairly poor (%)	4.7	0.9	0.0	0.0	1.4
Poor (%)	0.0	0.9	0.0	0.0	0.5

Table 4.15 shows that more than three-quarters of practices regard their complaints procedures as:

- easy to understand;
- providing complainants with clear instructions;
- providing contact details for the Legal Ombudsman; and
- giving clear timescales for each stage of the complaints process.

Table 4.15: Proportion of practices describing their in-house complaints procedure in particular terms, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Easy to understand (%)	90.7	91.4	97.4	90.9	92.3
Gives clear instructions on what the complainants should do (%)	81.4	84.5	94.7	100.0	86.5
Gives contact details of the Legal Ombudsman service (%)	76.7	83.6	92.1	100.0	84.6
Gives clear timescales for each stage of the complaints process (%)	67.4	75.0	86.8	100.0	76.9
Give clear timescales for making a complaint to the Legal Ombudsman (%)	72.1	69.8	78.9	100.0	73.6
Allows formal complaints to be made verbally or in writing (%)	72.1	66.4	78.9	81.8	70.7
States that the legal services provider will respond within 8 weeks of the complaint being made (%)	72.1	61.2	73.7	72.7	66.3
Other (%)	4.7	2.6	0.0	18.2	3.4

Table 4.16 shows the proportion of practices informing clients about certain things at the point of instruction. More than 90% of practices informed clients about:

- the likely overall cost of the matter;
- the name and position of the person dealing with the matter; and
- their in-house complaints procedure.

Table 4.16: Proportion of practices notifying clients about certain things at instruction, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
The likely overall cost of the matter (%)	100.0	100.0	97.4	100.0	99.5
The name and position of the person dealing with the matter (%)	93.0	97.4	92.3	100.0	95.7
The in-house complaints procedure (%)	88.4	89.7	97.4	100.0	91.4
The CLC (%)	93.0	88.8	84.6	100.0	89.5
The name and position of the person responsible for overall supervision of the matter (%)	81.4	88.8	92.3	90.9	88.0

The Legal Ombudsman (%)	81.4	87.1	92.3	100.0	87.6
The level of service to expect (%)	60.5	65.5	61.5	63.6	63.6
How long the matter will take (%)	65.1	58.6	56.4	45.5	58.9

Table 4.17 shows that although almost all practices inform clients about the right to complain to the Legal Ombudsman at instruction (as required), only around a fifth of practices or fewer offer reminders at other times, with the largest practices performing best in this regard. On average, just 21.1% of practices inform clients of the right to complain to the Legal Ombudsman when they make a complaint, and fewer than one-in-ten practices issue a reminder when they reject a first tier complaint.

Table 4.17: Point at which practices inform clients of their right to complain to the Legal Ombudsman, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
At instruction (%)	100.0	96.6	100.0	100.0	98.1
When a client makes a complaint (%)	16.3	13.8	33.3	72.7	21.1
When a client is informed about the complaints procedure (%)	11.6	10.3	25.6	54.5	15.8
When a client's complaint is rejected (%)	14.0	2.6	15.4	45.5	9.6
Other (%)	2.3	3.4		9.1	2.9
When a client is sent the bill (%)	4.7	2.6			2.4
Part of the way though the case (%)	2.3	0.9			1.0

Table 4.18 shows that the average practice informs clients of their right to complain to the Legal Ombudsman 1.5 times, rising to 2.8 times for practices in the highest turnover band.

Table 4.18: Number of times that practices inform clients of their right to complain to the Legal Ombudsman, by turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000	1	1	1	1	4	1.5
Turnover of £100,001 to £500,000	1	1	1	1	6	1.3
Turnover of £500,001 to £3,000,000	1	1	1	3	4	1.7
Turnover of more than £3,000,000	1	2	3	4	4	2.8
All practices	1	1	1	2	6	1.5

Complaints Received

Table 4.19 shows that 30.8% of practices received a formal complaint from a client in 2015. Smaller practices were less likely to provide an answer to this question.

Table 4.19: Proportion of practices that received a formal complaint from a client, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Yes (%)	4.5	28.3	48.7	100.0	30.8
No (%)	90.9	68.3	51.3	0.0	66.4
No response (%)	4.5	3.3	0.0	0.0	2.8

Table 4.20 shows that there is a vast difference between the majority of practices, and those in the top turnover band. The median number of complaints received by practices was just 2, but the mean is dragged up to 24.2, because practices in the highest turnover band received a median 71 complaints. The smaller samples in response to follow-up questions within the lowest band have resulted in a mean “Total number of complaints” which is lower than the numbers of complaints resolved in-house or referred to the Legal Ombudsman.

Table 4.20: Mean numbers of customer complaints and their resolutions, by turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Total number of complaints	0	0	0	1	2	0.5
Complaints resolved in-house	0	0	0	2	2	0.7
Complaints referred to LeO	0	0	0	2	2	0.7
Turnover of £100,001 to £500,000						
Total number of complaints	0	1	1	2	25	2.6
Complaints resolved in-house	0	0	1	2	25	1.9
Complaints referred to LeO	0	0	1	1	2	0.7
Turnover of £500,001 to £3,000,000						
Total number of complaints	1	2	4.5	8	33	7.1
Complaints resolved in-house	0	1	3	6	31	5.8
Complaints referred to LeO	0	0	1	2	4	1.4
Turnover of more than £3,000,000						
Total number of complaints	16	21	71	103	554	125.3
Complaints resolved in-house	12	19	70	98	510	116
Complaints referred to LeO	1	2	6	9	44	9.4
All practices						
Total number of complaints	0	1	2	11	554	24.2
Complaints resolved in-house	0	0	2	11	510	22
Complaints referred to LeO	0	0	1	2	44	2.3

Figure 4.2 illustrates the mean numbers that were set out in table 4.20, making it easier to appreciate the scale of the difference in numbers of complaints between the practices in the highest turnover band, and all other respondents.

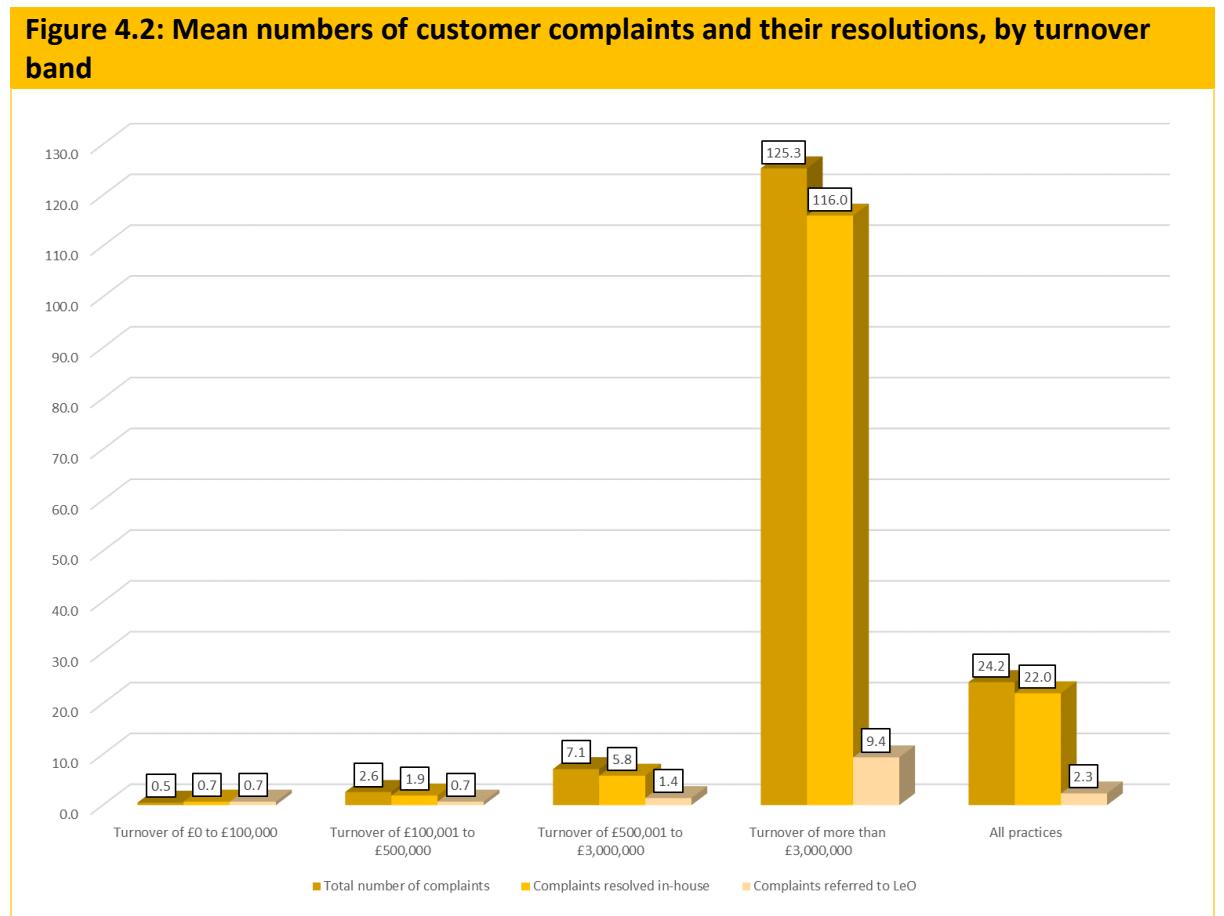


Table 4.21 attempts to facilitate easier comparison between the mean numbers of complaints received by practices in each turnover band, by presenting them as a percentage of the mean number of completions or grants of probate carried out by the practices within each band. We have already determined that the results for the lowest turnover band may be unreliable, but if we compare the results from the highest band with the results for practices in the two bands below that, it appears that volume is masking the modest success of the largest firms; while in raw numbers they receive far more complaints than anyone else, as a proportion of the transactions they carried out they are slightly better, both in terms of numbers of complaints and complaints resolved in-house. Moreover, proportionally, they pass on less than half as many complaints to the Legal Ombudsman.

Table 4.21: Mean complaints as percentage of mean number of completions or grants of probate within turnover band, by turnover band

	Total number of complaints	Complaints resolved in-house	Complaints referred to LeO
Turnover of £0 to £100,000 (%)			
Turnover of £100,001 to £500,000 (%)	0.66	0.48	0.18
Turnover of £500,001 to £3,000,000 (%)	0.55	0.45	0.11
Turnover of more than £3,000,000 (%)	0.52	0.48	0.04

All practices (%)	1.39	1.26	0.13
-------------------	------	------	------

Table 4.22 shows the proportions of first tier complaints that were ultimately referred to the Legal Ombudsman. It shows a steady diminution in the proportion of referrals as turnover band increases. It seems likely that larger practices have greater capacity in complaint-handling, perhaps being able to assign staff with particular expertise in the area, or making the most of their management systems (in which they were three to five times more likely than practices in other turnover bands to have made an investment, see [table 3.3](#)).

Table 4.22: Proportion of first tier complaints referred to the Legal Ombudsman, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Proportion of first tier complaints (%)	26.9	19.7	7.5	9.5	

Complaints Handling

All subsequent questions in this section were only answered by respondents from practices that received at least one complaint in 2015. Any questions relating to a particular complaint were answered with reference to the last complaint made to each practice in that calendar year, (100% of which came from private individuals). This is interesting if you remember that although they are the single largest group of consumers, they still only comprise 70.1% of the clients for practices in the highest turnover band (see [table 1.9](#)).

Table 4.23 shows first tier complaints spiking in April and August. There are not enough complaints to establish whether or not the uneven distribution is of any statistical significance, beyond the known seasonal spikes in conveyancing transactions in spring and summer.

Table 4.23: Proportion of customer complaints practices received each month, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
January (%)	0.0	4.8	6.0	10.5	6.1
February (%)	0.0	7.1	3.6	8.8	6.2
March (%)	0.0	4.7	13.4	8.8	8.0
April (%)	0.0	16.1	6.9	7.5	11.5
May (%)	0.0	4.3	2.0	8.2	4.2
June (%)	0.0	8.1	7.4	7.5	7.6
July (%)	50.0	2.1	6.4	11.9	5.9
August (%)	0.0	14.7	23.3	6.0	15.6
September (%)	0.0	9.1	12.0	8.3	9.7
October (%)	50.0	9.3	4.3	7.7	8.1
November (%)	0.0	12.6	4.6	8.5	9.2

December (%)	0.0	6.9	10.1	6.2	7.7
---------------------	-----	-----	------	-----	-----

Table 4.24 shows that the top five categories of complaint were:

- delay;
- dissatisfaction with the outcome or the advice given;
- failure to advise;
- failure to communicate accurately; and
- failure to progress.

Table 4.24: Proportion of practices receiving customer complaints on particular topics, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Delay (%)	0.0	18.2	57.9	81.8	40.6
Dissatisfaction with the outcome or the advice given (%)	100.0	18.2	15.8	72.7	28.1
Failure to advise (%)	0.0	21.2	21.1	45.5	25.0
Failure to communicate accurately (%)	0.0	15.2	15.8	72.7	25.0
Failure to progress (%)	0.0	12.1	26.3	63.6	25.0
Other (%)	0.0	27.3	26.3	18.2	25.0
Administration (%)	0.0	15.2	21.1	27.3	18.8
Complainant felt costs too high (%)	0.0	6.1	5.3	54.5	14.1
Discourtesy (%)	0.0	6.1	5.3	27.3	9.4
Cost excessive (%)	0.0	6.1	5.3	18.2	7.8

Table 4.25 shows that a slim plurality of practices were unwilling or unable to assign responsibility for a complaint to the work of a particular person, although more than a quarter related to the work of specific licensed conveyancer managers. The proportion of complaints attributable to non-authorised employees increases with turnover, to more than half of complaints that were levelled against practices in the top band.

Table 4.25: Did the last complaint the practice received in 2015 relate to the work of a specific person?

	Turnover of £0 to £100,000 (%)	Turnover of £100,001 to £500,000 (%)	Turnover of £500,001 to £3,000,000 (%)	Turnover of more than £3,000,000 (%)	All practices (%)
No, it was not something attributable to a specific person	100.0	24.5	26.2	27.3	26.4
Yes, a manager authorised as a Licensed Conveyancer	0.0	36.5	21.1	0.0	25.1
Yes, an employee who is not an authorised person	0.0	12.0	21.1	54.5	21.7
Yes, a manager authorised as a Solicitor	0.0	9.1	5.3	0.0	6.4

Yes, a manager authorised as a FCILEx	0.0	2.9	10.5	0.0	4.7
Yes, an employee authorised as a Licensed Conveyancer	0.0	6.2	0.0	9.1	4.7
Yes, an employee authorised as a Solicitor	0.0	2.9	5.3	9.1	4.7
Yes, a manager who is not an authorised person	0.0	0.0	10.5	0.0	3.0
Yes, a manager who is an other authorised person	0.0	2.9	0.0	0.0	1.7
Yes, an employee authorised as a FCILEx	0.0	2.9	0.0	0.0	1.7

Table 4.26 shows that following a complaint more than three-quarters of practices:

- acknowledged the complaint;
- sent a letter to the complainant; and
- provided the complainant with a copy of the practice's complaints procedure.

Table 4.26: After the complaint was made, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
The complaint was acknowledged (%)	100.0	78.1	100.0	100.0	88.9
A letter was sent to the complainant (%)	100.0	78.1	68.4	90.9	77.8
The practice's complaints procedure was provided to the complainant (%)	100.0	78.1	73.7	72.7	76.2
The complainant was told about the Legal Ombudsman (%)	100.0	62.5	73.7	72.7	68.3
The complainant was told about the Council for Licensed Conveyancers (%)	100.0	59.4	52.6	9.1	49.2
The complainant was asked to provide further information (%)	100.0	50.0	31.6	36.4	42.9
The complainant was telephoned to discuss the complaint (%)	0.0	40.6	21.1	27.3	31.7
A meeting was arranged to discuss the complaint within our organisation (%)	0.0	15.6	10.5	9.1	12.7
A meeting was arranged to discuss the complaint with the complainant (%)	0.0	12.5	5.3	0.0	7.9
Other (%)	0.0	6.3	5.3	9.1	6.3

The information provided here, that following a complaint 68.3% of practices inform their clients about the Legal Ombudsman, seemingly conflicts with the findings set out in [table 4.17](#), where just 21.1% said they would do the same. But remember that this question was only answered by respondents in practices that actually received at least one formal complaint in 2015. So it suggests that those who are actually dealing with complaints are adopting a more conscientious approach.

Table 4.27 shows that a great majority of practices followed the expected course of action and did not charge for any work involved in responding to a complaint. It is possible that the

practices that reported charging for such work were simply inattentive in completing the survey, but the responses will be investigated by our monitoring department.

Table 4.27: Proportion of practices that charged for work involved in responding to a complaint, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Did not charge for responding to complaint (%)	100.0	93.8	100.0	100.0	97.0
Charged for responding to complaint (%)	0.0	6.2	0.0	0.0	3.0

Table 4.28 shows that the outcome of more than a quarter of the complaints was:

- the practice providing a full explanation for its decision;
- the practice apologising to the complainant;
- the complaint being resolved to the complainants' satisfaction;
- the practice investigating the complaint and finding that it was unfounded; or
- the complainant being referred to the Legal Ombudsman.

Table 4.28: Proportion of practices with particular outcomes to a complaint, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
The practice provided full explanation for its decision (%)	0.0	45.5	47.4	63.6	48.4
The practice apologised to the complainant (%)	0.0	36.4	36.8	63.6	40.6
The complaint was resolved to complainant's satisfaction (%)	100.0	39.4	26.3	63.6	40.6
The practice investigated the complaint and established that it was unfounded (%)	0.0	42.4	36.8	27.3	37.5
The complainant was referred to the Legal Ombudsman (%)	0.0	33.3	26.3	9.1	26.6
The complainant's legal fees were reduced or refunded (%)	0.0	18.2	26.3	36.4	23.4
The complainant did not pursue the complaint (%)	0.0	18.2	15.8	27.3	18.8
Other (%)	0.0	15.2	10.5	18.2	14.1
The complainant was awarded compensation (%)	0.0	6.1	5.3	27.3	9.4
The complainant moved their case to another lawyer (%)	0.0	9.1	5.3	0.0	6.3
The practice rejected the complaint without any investigation (%)	0.0	3.0	0.0	0.0	1.6
The complaint was referred to a regulatory body (%)	0.0	3.0	0.0	0.0	1.6
The practice did not respond to the complaint (%)	0.0	0.0	0.0	0.0	0.0

Table 4.29 shows that more than 90% of complaints arose in the field of residential conveyancing. That it should feature so prominently is not really a surprise as it comprises 85.1% of all the legal work carried out by CLC-regulated practices (see [table 1.7](#)). Residential conveyancing is also one of the areas resulting in the greatest proportion of complaints to the Legal Ombudsman.

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Residential conveyancing (%)	100.0	97.1	78.9	100.0	92.3
Wills, probate, or trusts (%)	0.0	2.9	15.8	0.0	6.2
Commercial conveyancing (%)	0.0	0.0	5.3	0.0	1.5

5. Pricing

Table 5.1 shows that 90% of services are offered on a fixed price basis.

Table 5.1: Proportion of practices offering services on a particular basis, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Fixed prices (%)	88.0	90.4	88.5	99.9	90.0
Hourly rate (%)	11.2	4.9	3.1	0.1	5.4
Other (%)	0.9	4.7	8.4	0.0	4.6

Hourly Rates

Although most services were offered for a fixed price, we asked respondents to estimate the hourly rates for staff at three levels; senior fee earners, junior fee earners, and support staff.

Table 5.2 shows that the average hourly rate for senior fee earners is £173, for junior fee earners it is £139, and for support staff it is £54. It is perhaps not especially relevant, but it is nonetheless interesting to observe that the maximum hourly rates for senior fee earners is strongly negatively correlated to their practices' turnover band.

Table 5.2: Average hourly rate for staff, by job level and turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Senior fee earner (£)	12	100	150	200	595	160
Junior fee earner (£)	11	100	150	190	200	132
Support staff (£)	7	8	60	85	100	51
Turnover of £100,001 to £500,000						
Senior fee earner (£)	15	150	179	200	400	170
Junior fee earner (£)	10	100	150	150	218	125
Support staff (£)	8	11	26	55	150	42
Turnover of £500,001 to £3,000,000						
Senior fee earner (£)	150	180	200	238	350	211
Junior fee earner (£)	125	150	160	200	200	168
Support staff (£)	75	75	75	150	150	105
Turnover of more than £3,000,000						
Senior fee earner (£)	150	150	173	195	195	173
Junior fee earner (£)	150	150	150	150	150	150
Support staff (£)	7	11	50	78	150	54
All practices						
Senior fee earner (£)	12	150	177	200	595	173
Junior fee earner (£)	10	123	150	170	218	139
Support staff (£)	7	11	50	78	150	54

Rates for Services

Table 5.3 shows that the pricing of services relating to freehold residential properties is broadly consistent across the sector, regardless of the practices' turnovers.

Table 5.3: Approximate price for services relating to a freehold residential property worth £250,000, by turnover band

	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Purchase (£)	350	495	613	750	1,200	636
Buy-to-let purchase (£)	350	500	613	760	1,200	652
Sale (£)	350	475	563	713	999	600
Remortgage (£)	190	350	400	500	999	417
Transfer of equity (£)	195	300	350	450	650	383
Equity release (lifetime mortgage) (£)	150	425	500	598	1,250	548
Equity release (home reversion) (£)	150	400	500	600	800	521
Turnover of £100,001 to £500,000						
Purchase (£)	200	525	595	650	1,100	595
Buy-to-let purchase (£)	200	525	595	650	950	600
Sale (£)	200	499	550	640	900	562
Remortgage (£)	195	300	350	450	750	373
Transfer of equity (£)	100	275	350	400	3,500	380
Equity release (lifetime mortgage) (£)	69	350	450	500	1,200	464
Equity release (home reversion) (£)	150	350	485	588	1,200	477
Turnover of £500,001 to £3,000,000						
Purchase (£)	400	500	585	700	995	602
Buy-to-let purchase (£)	400	500	585	700	995	620
Sale (£)	400	495	550	695	995	589
Remortgage (£)	250	300	395	450	750	389
Transfer of equity (£)	175	313	397	450	600	385
Equity release (lifetime mortgage) (£)	250	350	450	625	1,250	534
Equity release (home reversion) (£)	250	350	450	625	1,250	543
Turnover of more than £3,000,000						
Purchase (£)	400	550	567	650	1,358	649
Buy-to-let purchase (£)	400	500	562	650	1,358	648
Sale (£)	380	550	623	650	1,178	628
Remortgage (£)	110	263	350	552	650	386
Transfer of equity (£)	225	287	373	521	650	405
Equity release (lifetime mortgage) (£)	130	240	453	712	867	476
Equity release (home reversion) (£)	350	350	556	867	867	591
All practices						
Purchase (£)	200	500	595	660	1,358	607
Buy-to-let purchase (£)	200	525	595	695	1,358	616
Sale (£)	200	495	550	650	1,178	578

Remortgage (£)	110	300	350	450	999	384
Transfer of equity (£)	100	275	350	450	3,500	383
Equity release (lifetime mortgage) (£)	69	350	475	595	1,250	491
Equity release (home reversion) (£)	150	350	498	600	1,250	501

Table 5.4 shows that the pricing of services relating to leasehold residential properties is also broadly consistent across the sector, and that once again this is regardless of turnover.

Table 5.4: Approximate price for services relating to a leasehold residential property worth £250,000, by turnover band						
	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Purchase (£)	400	595	750	800	1,400	723
Buy-to-let purchase (£)	400	600	750	875	1,400	749
Sale (£)	400	563	698	798	1,075	683
Remortgage (£)	225	400	475	525	1,000	479
Transfer of equity (£)	200	350	450	535	850	453
Equity release (lifetime mortgage) (£)	25	450	575	695	800	537
Equity release (home reversion) (£)	250	450	588	700	850	569
"Friendly" lease extension (£)	250	425	475	650	850	521
"Unfriendly" lease extension (£)	350	575	688	750	1,500	726
Turnover of £100,001 to £500,000						
Purchase (£)	310	595	675	750	1,250	693
Buy-to-let purchase (£)	310	595	695	785	1,500	699
Sale (£)	350	550	650	725	1,000	646
Remortgage (£)	195	325	398	495	800	414
Transfer of equity (£)	150	295	358	475	920	399
Equity release (lifetime mortgage) (£)	195	400	500	625	1,350	527
Equity release (home reversion) (£)	195	400	500	649	1,350	529
"Friendly" lease extension (£)	55	390	500	600	1,200	509
"Unfriendly" lease extension (£)	300	500	750	995	1,500	744
Turnover of £500,001 to £3,000,000						
Purchase (£)	425	595	697	775	1,295	724
Buy-to-let purchase (£)	425	585	697	800	1,295	739
Sale (£)	425	585	650	770	1,150	685
Remortgage (£)	250	314	400	512	875	427
Transfer of equity (£)	175	325	400	500	725	413
Equity release (lifetime mortgage) (£)	250	350	475	695	1,250	584
Equity release (home reversion) (£)	250	350	500	695	1,250	595
"Friendly" lease extension (£)	300	400	500	650	1,250	544
"Unfriendly" lease extension (£)	350	500	600	950	1,500	731
Turnover of more than £3,000,000						
Purchase (£)	500	650	740	785	1,178	751
Buy-to-let purchase (£)	500	625	718	768	1,178	737

Sale (£)	500	650	750	785	1,598	789
Remortgage (£)	200	332	485	546	561	436
Transfer of equity (£)	225	325	423	509	700	430
Equity release (lifetime mortgage) (£)	130	340	623	768	840	554
Equity release (home reversion) (£)	550	550	695	840	840	695
"Friendly" lease extension (£)	250	400	473	600	1,015	535
"Unfriendly" lease extension (£)	250	600	745	750	1,015	672
All practices						
Purchase (£)	310	595	695	795	1,400	707
Buy-to-let purchase (£)	310	595	700	800	1,500	718
Sale (£)	350	550	650	750	1,598	668
Remortgage (£)	195	325	400	500	1,000	427
Transfer of equity (£)	150	300	400	500	920	412
Equity release (lifetime mortgage) (£)	25	400	500	650	1,350	542
Equity release (home reversion) (£)	195	400	500	650	1,350	555
"Friendly" lease extension (£)	55	400	500	600	1,250	520
"Unfriendly" lease extension (£)	250	500	700	950	1,500	734

Table 5.5, unsurprisingly at this stage, shows that the pricing of probate services bears no particular relation to a practice's turnover.

Table 5.5: Approximate price for services relating to an estate worth £250,000, by turnover band						
	Minimum	Lower quartile	Median	Upper quartile	Maximum	Mean
Turnover of £0 to £100,000						
Probate (full administration) (£)	50	1,125	2,250	3,000	3,500	2,063
Probate (grant only) (£)	50	473	550	750	950	575
Will writing (£)	50	100	125	175	550	173
Turnover of £100,001 to £500,000						
Probate (full administration) (£)	650	2,000	2,500	3,000	5,500	2,442
Probate (grant only) (£)	300	450	543	1,000	2,500	800
Will writing (£)	30	100	126	175	300	141
Turnover of £500,001 to £3,000,000						
Probate (full administration) (£)	750	1,500	2,500	3,000	5,000	2,516
Probate (grant only) (£)	450	500	500	1,000	2,000	828
Will writing (£)	95	125	150	160	250	146
Turnover of more than £3,000,000						
Probate (full administration) (£)						
Probate (grant only) (£)	635	635	635	635	635	635
Will writing (£)	125	125	125	125	125	125
All practices						
Probate (full administration) (£)	50	1,375	2,500	3,000	5,500	2,374
Probate (grant only) (£)	50	485	543	750	2,500	752
Will writing (£)	30	100	135	175	550	149

Determining Prices

Table 5.6 shows that the relative importance – from most to least – of market price, time, complexity, value, client relationship, and quantity in determining the price of services is as follows:

- complexity;
- value;
- time;
- market price;
- client relationship; and
- quantity.

Table 5.6: Importance of different factors in determining the price of legal services, by turnover band

	Unimportant (%)	Neither important nor unimportant (%)	Important (%)
Turnover of £0 to £100,000			
Market price: How much others are charging	20.9	16.3	62.8
Time: How long it will take	4.8	7.1	88.1
Complexity: The mental effort and expertise it will require	4.7	9.3	86.0
Value: The size of the property or estate in question	14.0	7.0	79.1
Client relationship: Preferential rates for regular customers	16.3	18.6	65.1
Quantity: Preferential rates for work in bulk	34.9	18.6	46.5
Turnover of £100,001 to £500,000			
Market price: How much others are charging	10.4	11.3	78.3
Time: How long it will take	7.0	10.4	82.6
Complexity: The mental effort and expertise it will require	2.6	6.1	91.3
Value: The size of the property or estate in question	2.7	6.3	91.0
Client relationship: Preferential rates for regular customers	8.7	18.3	73.0
Quantity: Preferential rates for work in bulk	14.8	25.2	60.0
Turnover of £500,001 to £3,000,000			
Market price: How much others are charging	15.8	7.9	76.3
Time: How long it will take	7.9	18.4	73.7
Complexity: The mental effort and expertise it will require	2.6	5.3	92.1
Value: The size of the property or estate in question	5.3	7.9	86.8
Client relationship: Preferential rates for regular customers	10.5	15.8	73.7
Quantity: Preferential rates for work in bulk	21.1	15.8	63.2
Turnover of more than £3,000,000			
Market price: How much others are charging	0.0	0.0	100.0
Time: How long it will take	9.1	9.1	81.8
Complexity: The mental effort and expertise it will require	0.0	18.2	81.8
Value: The size of the property or estate in question	0.0	36.4	63.6
Client relationship: Preferential rates for regular customers	0.0	36.4	63.6

Quantity: Preferential rates for work in bulk	0.0	36.4	63.6
All practices			
Market price: How much others are charging	13.0	11.1	75.8
Time: How long it will take	6.8	11.2	82.0
Complexity: The mental effort and expertise it will require	2.9	7.2	89.9
Value: The size of the property or estate in question	5.4	8.4	86.2
Client relationship: Preferential rates for regular customers	10.1	18.8	71.0
Quantity: Preferential rates for work in bulk	19.3	22.7	58.0

6. Transactional Information and Regulatory Compliance

Acting for Both Sides

Table 6.1 shows that just over three-fifths of practices had acted for both sides in a transaction, and that this had a strong positive correlation with turnover; just over a fifth of the smallest practices acted for both sides, compared to all of the practices in the topmost turnover band.

Table 6.1: Proportion of practices that acted for both sides in a transaction, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Acted for both sides (%)	20.9	63.2	84.2	100.0	60.2

Sources of Instructions

Table 6.2 shows that the main source of instructions is former clients returning to use a practice's services again, (although for the largest practices it is decisively referral arrangements).

Table 6.2: Proportion of practices receiving instructions from particular sources, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Former clients returning to use your services again (%)	44.8	38.9	41.5	2.2	38.4
New clients approaching your business directly (%)	32.8	31.8	25.4	8.0	29.5
Referral arrangements (%)	18.0	24.1	31.8	62.5	26.4
Other (%)	4.4	4.7	0.0	0.0	3.4
Contractual arrangements with another organisation (%)	0.0	0.5	1.3	27.3	2.3

Compliance

Table 6.3 shows that almost three-fifths of practices attempt to ensure compliance with the Code of Conduct by having senior managers or owners identifying and reviewing the risk of any outcome not being achieved. Little more than a third of all practices take any other steps.

Table 6.3: Proportion of practices taking particular steps to ensure compliance with the Code of Conduct's outcomes, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Senior managers/owners identify and review risks of any outcome not being achieved (%)	54.5	58.3	64.1	63.6	58.9

Planned checks/audits undertaken on operational practices (%)	20.5	30.0	51.3	72.7	34.1
Performance against each outcome is regularly assessed (%)	36.4	31.7	33.3	27.3	32.7
Management information systems provide relevant compliance data (%)	25.0	19.2	41.0	54.5	26.2
Other (%)	9.1	3.3	0.0	9.1	4.2
N/A, No steps were taken to ensure compliance with the Code of Conduct's outcomes (%)	4.5	2.5	5.1	0.0	3.3

Table 6.4 shows that a greater effort is made to ensure compliance with the Accounts Code; with the accounting staff, managers or owners of almost 70% of all practices carrying out routine planned checks, almost 60% of practices have regular management information reports, and almost two-thirds of practices have internal audit programmes.

Table 6.4: Proportion of practices taking particular steps to ensure compliance with the Accounts Code, by turnover band

	Turnover of £0 to £100,000	Turnover of £100,001 to £500,000	Turnover of £500,001 to £3,000,000	Turnover of more than £3,000,000	All practices
Routine planned checks by accounting staff/managers/owners (%)	45.5	70.8	76.9	100.0	68.2
Regular management information reports (%)	45.5	58.3	66.7	100.0	59.3
Internal audit programme (%)	25.0	33.3	53.8	72.7	37.4
Exception reporting to managers (%)	13.6	17.5	28.2	63.6	21.0
Other (%)	13.6	4.2	7.7	18.2	7.5
N/A, No steps were taken to ensure that accounting practices complied with the CLC's Accounts Code provisions (%)	4.5	2.5	5.1	0.0	3.3

Anti-Money Laundering and Combating Terrorist Financing

At the suggestion of our Regulatory Supervision Managers, this year's ARR included a series of questions intended to provide an overview of the degree to which practices are in compliance with the CLC Code.

Table 6.5 shows that the great majority of CLC regulated practices were confident that their anti-money laundering policies were compliant with the CLC Code (AML & CTF Para 9). None of the largest practices were in any doubt, and fewer than one in ten practices expressed any significant uncertainty.

Table 6.5: Practice had an AML policy that they were confident complied with the CLC Code of Conduct, by turnover band

	Yes (%)	No (%)
Turnover of £0 to £100,000	95.3	4.7
Turnover of £100,001 to £500,000	90.4	9.6
Turnover of £500,001 to £3,000,000	94.9	5.1

Turnover of more than £3,000,000	100.0	0.0
All practices	92.8	7.2

Table 6.6 shows that most practices made a good effort to ensure that all relevant staff received the level of anti-money laundering training expected by the CLC (AML & CTF Para 9). Once again, those practices in the highest turnover band are most confident that they are in compliance, with that confidence dwindling as practices become smaller. As this survey looks only at one calendar year, this finding does not give extreme cause for concern.

Table 6.6: Practice ensured that all relevant staff received AML training, by turnover band

	Yes (%)	No (%)
Turnover of £0 to £100,000	83.7	16.3
Turnover of £100,001 to £500,000	86.1	13.9
Turnover of £500,001 to £3,000,000	92.3	7.7
Turnover of more than £3,000,000	100.0	0.0
All practices	87.5	12.5

In table 6.7 we can see how often practices reviewed the management arrangements, systems and controls that they had in place to ensure compliance with the anti-money laundering rules (AML & CTF Para 8). Overall, almost a fifth of practices were failing to meet minimum requirements, saying that at no point during 2015 did they review their systems, and among the largest practices that rose to more than a third.

Table 6.7: Number of times that practices reviewed their AML management arrangements, systems and controls, by turnover band

	Never (%)	Once (%)	Twice or more (%)
Turnover of £0 to £100,000	14.0	67.4	18.6
Turnover of £100,001 to £500,000	22.6	50.4	27.0
Turnover of £500,001 to £3,000,000	10.3	43.6	46.2
Turnover of more than £3,000,000	36.4	9.1	54.5
All practices	19.2	50.5	30.3

Table 6.8 shows that the proportion of practices with a money laundering reporting officer increases with size. Larger practices may have specialist persons dealing with AML in their teams.

Table 6.8: Proportion of practices with a Money Laundering Reporting Officer with an appropriate level of independence and access, by turnover band

	Has a reporting officer (%)	Does not have a reporting officer (%)	No response (%)
Turnover of £0 to £100,000	86.4	11.4	2.3
Turnover of £100,001 to £500,000	95.0	1.7	3.3
Turnover of £500,001 to £3,000,000	97.4	2.6	0.0
Turnover of more than £3,000,000	100.0	0.0	0.0

All practices	93.9	3.7	2.3
---------------	------	-----	-----

Table 6.9 shows the degree to which practices agree with a series of statements about their business arrangements. It reveals that in almost every instance, the level of agreement lessens as practices become smaller. Practices were most confident about their capacity to carry out appropriate client identity checks (AML & CTF Para 10), while the statement that received the least enthusiastic levels of support related to the appropriateness of internal reporting procedures (AML & CTF Para 9). It is nevertheless reassuring that more than 96% of practices agree to some extent with all of the statements.

Table 6.9: The extent of practices' agreement with statements about their business arrangements, by turnover band

	Agree strongly (%)	Agree somewhat (%)	Neither agree nor disagree (%)
"Appropriate internal reporting procedures were in place"			
Turnover of £0 to £100,000	40.5	50.0	9.5
Turnover of £100,001 to £500,000	49.6	47.0	3.5
Turnover of £500,001 to £3,000,000	64.1	35.9	0.0
Turnover of more than £3,000,000	100.0	0.0	0.0
All practices	53.1	43.0	3.9
"Appropriate measures were in place to ensure that AML was taken into account in day-to-day operations"			
Turnover of £0 to £100,000	46.5	51.2	2.3
Turnover of £100,001 to £500,000	56.5	40.0	3.5
Turnover of £500,001 to £3,000,000	69.2	30.8	0.0
Turnover of more than £3,000,000	100.0	0.0	0.0
All practices	59.1	38.5	2.4
"Appropriate Customer Due Diligence arrangements were in place"			
Turnover of £0 to £100,000	53.5	44.2	2.3
Turnover of £100,001 to £500,000	57.4	39.1	3.5
Turnover of £500,001 to £3,000,000	69.2	30.8	0.0
Turnover of more than £3,000,000	100.0	0.0	0.0
All practices	61.1	36.5	2.4
"Appropriate client identity checks were undertaken"			
Turnover of £0 to £100,000	59.5	38.1	2.4
Turnover of £100,001 to £500,000	73.0	25.2	1.7
Turnover of £500,001 to £3,000,000	82.1	17.9	0.0
Turnover of more than £3,000,000	100.0	0.0	0.0
All practices	73.4	25.1	1.4
"Confirmation of instructions were received direct from clients"			
Turnover of £0 to £100,000	55.8	41.9	2.3
Turnover of £100,001 to £500,000	71.7	26.5	1.8
Turnover of £500,001 to £3,000,000	71.8	28.2	0.0
Turnover of more than £3,000,000	100.0	0.0	0.0
All practices	69.9	28.6	1.5

"Appropriate steps were taken to identify the level of risk posed by the types of business and clients accepted"

Turnover of £0 to £100,000	48.8	46.5	4.7
Turnover of £100,001 to £500,000	63.2	34.2	2.6
Turnover of £500,001 to £3,000,000	66.7	33.3	0.0
Turnover of more than £3,000,000	100.0	0.0	0.0
All practices	62.8	34.8	2.4

Table 6.10 sets out practices' responses to two questions about high risk clients. Almost half of all practices carried out at least some work for clients who were not physically present for the purposes of identification, but this average conceals substantial differences between practices of different sizes. Meanwhile a vanishingly small proportion of practices, just 1.4%, carried out work for politically exposed persons, a category which includes individuals who were at the time, or at any time in the preceding year, entrusted with a prominent public function by a state other than the United Kingdom, a community institution, or an international body, as well as any person who fell into any of the categories listed in paragraph [4\(1\)\(a\) of Schedule 2 of The Money Laundering Regulations 2007](#). Practices in the top turnover band were the exception here, with almost a fifth of them doing some work for politically exposed persons.

Table 6.10: Proportion of practices working with high risk clients, by turnover band

	Yes (%)	No (%)	No response (%)
Practice had clients who were not physically present for identification purposes			
Turnover of £0 to £100,000	27.3	70.5	2.3
Turnover of £100,001 to £500,000	46.7	49.2	4.2
Turnover of £500,001 to £3,000,000	64.1	35.9	0.0
Turnover of more than £3,000,000	90.9	0.0	9.1
All practices	48.1	48.6	3.3
Practice had clients who were politically exposed persons			
Turnover of £0 to £100,000	2.3	95.5	2.3
Turnover of £100,001 to £500,000	0.0	89.2	10.8
Turnover of £500,001 to £3,000,000	0.0	97.4	2.6
Turnover of more than £3,000,000	18.2	81.8	0.0
All practices	1.4	91.6	7.0

7. Comments

At the end of the survey we invited participants to provide responses to open-ended questions about their hopes and fears for their businesses.

Risks

The five greatest risks confronting CLC-regulated practices (as measured by the proportion of practices that mentioned them in their open ended responses) are:

- Fraud (18.2%);
- Access to mortgage lender panels (17.7%);
- Cybersecurity (14.0%);
- Brexit (7.9%); and
- Money laundering (7.5%).

“Factory conveyancing” and the “ridiculously low fees charged by bulk-conveyancing organisations” creating “pressure on fees” are also a matter of significant concern.

Several mentioned the danger of losing key staff, and a lack of appropriately qualified and experienced staff also appears to be exercising several respondents, and it appears that some would like to expand their businesses but are prevented from doing so because staff simply are not available.

While the difficulties of expansion preoccupied some, others worried about the state of “the economy”, “downturn”, or “recession”. These concerns were often tied in with Britain's decision to leave the European Union (with just 1.4% of respondents regarding it as an opportunity).

One raised the limited regulatory scope of the CLC acting as a limit on their business, “particularly if post Brexit we enter a recession and lenders focus their contractual requirements on firms being able to supply a full service conveyancing, repossession and litigation service”.

Opportunities

There is not the same level of agreement about the opportunities open to practices, so it would not be worthwhile to attempt to compile a list of the top five greatest opportunities, or even a top three.

With 14.5% of practices making references to expanding or growing their businesses, this was perhaps the most common response. However, the words “expansion” and “growth” cover a range of possibilities. These include taking on more staff, offering training or apprenticeships, merging with other firms, expanding into new areas of work (such as wills and probate and social housing) or new areas geographically, or even making use of technology to free the practice from geographic constraints and work nationally.

A “personal service” was seen as a distinct advantage by 5.1% of respondents, who believe that this is the key to generating good word of mouth and repeat business.

A few anticipate an “increase in demand for housing”, and hope to benefit from that.

Appendix 1: Survey Details

The following tables set out some basic details about respondents to the ARR to help readers better understand the scale and scope of the dataset which was used in the preceding analysis.

	Number	%
by turnover		
Turnover of £0 to £100,000	44	20.6
Turnover of £100,001 to £500,000	120	56.1
Turnover of £500,001 to £3,000,000	39	18.2
Turnover of more than £3,000,000	11	5.1
Total	214	100.0

by location of offices*

Inner London	7	2.9
Outer London	19	7.9
East of England	17	7.0
South-East England	55	22.7
South-West England	22	9.1
The West Midlands	25	10.3
The East Midlands	20	8.3
North-West England	34	14.0
North-East England	9	3.7
Yorkshire and the Humber	17	7.0
North Wales	4	1.7
South Wales	13	5.4
Total	242	100.0

*The total sums to more than the number of practices in the survey, because some operated in more than one region.

by regions in which work originated*

Inner London	18	5.7
Outer London	37	11.7
East of England	24	7.6
South-East England	69	21.8
South-West England	35	11.1
The West Midlands	28	8.9
The East Midlands	26	8.2
North-West England	33	10.4
North-East England	20	6.3
Yorkshire and the Humber	20	6.3
North Wales	10	3.2
South Wales	14	4.4
Total	316	100.0

*The total sums to more than the number of practices in the survey, because some operated in more than one region.

by number of regions from which work originated

1 region	155	81.2
2 to 3 regions	19	9.9
4 to 9 regions	11	5.8
10 to 12 regions	6	3.1
Total	191	100.0

by number of completions or grants of probate

Up to 130	45	25.3
131 to 335	44	24.7
336 to 700	48	27.0
701 to 5,000	32	18.0
5,001 or more	9	5.1
Total	178	100.0

by number of staff

1 member of staff	16	8.1
2 to 5 members of staff	68	34.3
6 to 12 members of staff	67	33.8
13 to 99 members of staff	42	21.2
100 or more members of staff	5	2.5
Total	198	100.0

by authorised staff and non-authorised employees

Authorised staff	1,198	30.0
Non-authorised employees	2,793	70.0
Total	3,991	100.0

by managers and employees

Managers	732	17.8
Employees	3,380	82.2
Total	4,112	100.0

by managers' authorisation

Number of Licensed Conveyancer managers in practice	420	57.4
Number of Barrister managers in practice	5	0.7
Number of Solicitor managers in practice	89	12.2
Number of FCILEx managers in practice	48	6.6
Number of other authorised person managers in practice	49	6.7
Number of non-authorised person managers in practice	121	16.5
Total	732	100.0

by employees' authorisation

Number of Licensed Conveyancer employees in practice	267	7.9
Number of Barrister employees in practice	1	0.0
Number of Solicitor employees in practice	202	6.0
Number of FCILEx employees in practice	78	2.3
Number of other authorised person employees in practice	39	1.2
Number of non-authorised person employees in practice, excluding students or trainees	2,539	75.1
Number of student or trainee employees in practice	254	7.5
Total	3,380	100.0

by type of work*

Residential conveyancing	215	98.6
Commercial conveyancing	131	60.1
Wills, probate, or trusts	73	33.5
Non-reserved legal activities regulated by the CLC	18	8.3

*This shows the proportion of practices that indicated they did at least some of a particular type of work.
The total number of practices responding to these questions was 218.

by balance of work

Residential conveyancing comprises at least 80% of workload	184	84.4
Residential conveyancing comprises less than 80% of workload	34	15.6
Total	218	100.0

Appendix 2: The CLC Annual Regulatory Return 2015-16 Questionnaire



CLC Annual Regulatory Return 2015/16 Questionnaire

Introduction

WELCOME TO THE CLC'S ANNUAL REGULATORY RETURN 2015/16

The purpose of the Annual Regulatory Return is to gather vital information about CLC-licensed organisations, which will be used to target better the CLC's regulatory activities.

- This survey must be completed by a senior manager/partner/owner within the licensed organisation.
- Only one response is required per licensed organisation.
- Completion of this survey is a regulatory requirement for all entities licensed by the CLC.
- This survey asks you to report on how your organisation operated in the **2015** calendar year.

Before you begin: Please consult the notification e-mail, which included a .pdf copy of the questionnaire. You will be able to look over this and gather any relevant records so that you can answer the questions quickly and easily. Once you have the necessary information, please complete the online version of the questionnaire.

The length of the Annual Regulatory Return will vary between organisations, but if you are properly prepared, it should only around an hour to complete.

If you have any questions, if you need to be sent another copy of the .pdf version of the questionnaire, or you are having difficulties completing the online version of the questionnaire, please contact Simon Thomson at the CLC on telephone number 0207 250 8465 or by email: simont@clc-uk.org

The closing date for the Annual Regulatory Return is **Monday 22nd August 2016** at 10:00am, by which time all CLC-licensed organisations must have submitted a completed response.

The CLC reminds you of your regulatory responsibility to complete and submit the Return on time.

THANK YOU FOR YOUR TIME AND COOPERATION

A: Licensed Organisation

1. What is the name of your organisation, as it appears on your current CLC licence?

2. What is your organisation's licence number, as it appears on your current CLC licence?

3. Is your organisation registered as a "data controller" with the Information Commissioner's Office?

- No
- Yes (please enter your ICO registration number in the comment box)

4. At the end of 2015, how many people in total - managers and employees - worked for your organisation?

(Your best estimate will suffice)

B: Licensee Identifying Information

5. What is your name?

Forename

Surname

6. If you have a current CLC licence, what is your licence number?

(If you are not individually licensed by the CLC, please leave the text box blank).

7. Which of the following best describes you?

NB. For the purpose of answering the following questions, a “manager” is an Authorised Person who has an ownership stake in the practice or (in the case of an ABS) is the Head of Legal Practice (HoLP) or Head of Finance and Administration (HoFA).

- A manager authorised as a Licensed Conveyancer
- A manager authorised as a Barrister
- A manager authorised as a Solicitor
- A manager authorised as a FCILEx
- A manager who is an other authorised person
- A manager who is not an authorised person
- An employee authorised as a Licensed Conveyancer
- An employee authorised as a Barrister
- An employee authorised as a Solicitor
- An employee authorised as a FCILEx
- An employee who is an other authorised person
- An employee who is not an authorised person
- Other (please specify)

8. If your organisation is an Alternative Business Structure (ABS), are you any of the following?

(Select all that apply).

- Head of Legal Practice (HoLP)
- Head of Finance and Administration (HoFA)

C: Market Segmentation

9. During 2015, in which region(s) did your organisation maintain offices?

(Select all that apply).

- Inner London
- Outer London
- East of England
- South-East England
- South-West England
- The West Midlands
- The East Midlands
- North-West England
- North-East England
- Yorkshire and the Humber
- North Wales
- South Wales

10. During 2015, from which region(s) did most of your organisation's completions or grants of probate originate?

(Select all that apply).

- Inner London
- Outer London
- East of England
- South-East England
- South-West England
- The West Midlands
- The East Midlands
- North-West England
- North-East England
- Yorkshire and the Humber
- North Wales
- South Wales

11. During 2015, what were the characteristics of the business(es) that you perceived to be your organisation's main competitor(s)?

(Select only one in each category: "size", "geographical scale", and "regulated by").

Size:

- Sole practitioner(s)
- Small firm(s)
- Medium firm(s)
- Large firm(s)

Geographical scale:

- Local
- Regional
- National

Regulated by:

- Council for Licensed Conveyancers
- Solicitors Regulation Authority
- Chartered Institute of Legal Executives
- Institute of Chartered Accountants of England and Wales
- Other
- Not regulated
- Don't know

12. During 2015, what percentage of your organisation's workload did each of the following activities comprise?

(Your best estimates will suffice. If your organisation carried out no work in a particular category, simply enter 0).

Residential conveyancing (%)

Commercial conveyancing (%)

Wills, probate, or trusts (%)

Non-reserved legal activities
regulated by the CLC (%)

13. Throughout the whole of 2015, what was the total number of clients that received services from your organisation?

(One client with multiple completions or grants of probate still only counts as one client.
Your best estimate will suffice).

14. Throughout the whole of 2015, what was the total number of completions or grants of probate facilitated by your organisation?

(Your best estimate will suffice).

15. During 2015, what percentage of your organisation's clientele did each of the following groups comprise?

(Your best estimates will suffice. If your organisation carried out no work in a particular category, simply enter 0. Your answers should sum to 100).

Private consumers (%)

Small or medium-sized businesses, or charities,

WITHOUT their own legal advisor (%)

Small or medium-sized businesses, or charities,

WITH their own legal advisor (%)

Large businesses or Government (%)

16. During 2015, was your organisation admitted to any mortgage lender panels?

- No
- Yes

17. During 2015, was your organisation refused admission to any mortgage lender panels?

- No
- Yes

18. During 2015, was your organisation ejected from any mortgage lender panels?

- No
- Yes

19. At the end of 2015, to how many mortgage lender panels in total did your organisation belong?

(Your response must be a whole number expressed as a numeral. If your organisation was not a member of any mortgage lender panels, please enter 0).

D: Workforce Information: Managers

20. During 2015, how many full time equivalent managers authorised as Licensed Conveyancers did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only

Probate only

Administrative work only

A mix of conveyancing and probate

A mix of conveyancing and administrative work

A mix of probate and administrative work

A mix of conveyancing, probate,
and administrative work

21. During 2015, how many full time equivalent managers authorised as Barristers did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only	<input type="text"/>
Probate only	<input type="text"/>
Administrative work only	<input type="text"/>
A mix of conveyancing and probate	<input type="text"/>
A mix of conveyancing and administrative work	<input type="text"/>
A mix of probate and administrative work	<input type="text"/>
A mix of conveyancing, probate, and administrative work	<input type="text"/>

22. During 2015, how many full time equivalent managers authorised as Solicitors did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only	<input type="text"/>
Probate only	<input type="text"/>
Administrative work only	<input type="text"/>
A mix of conveyancing and probate	<input type="text"/>
A mix of conveyancing and administrative work	<input type="text"/>
A mix of probate and administrative work	<input type="text"/>
A mix of conveyancing, probate, and administrative work	<input type="text"/>

23. During 2015, how many full time equivalent managers authorised as FCILEX did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only	<input type="text"/>
Probate only	<input type="text"/>
Administrative work only	<input type="text"/>
A mix of conveyancing and probate	<input type="text"/>
A mix of conveyancing and administrative work	<input type="text"/>
A mix of probate and administrative work	<input type="text"/>
A mix of conveyancing, probate, and administrative work	<input type="text"/>

24. During 2015, how many full time equivalent managers who are other authorised persons did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only	<input type="text"/>
Probate only	<input type="text"/>
Administrative work only	<input type="text"/>
A mix of conveyancing and probate	<input type="text"/>
A mix of conveyancing and administrative work	<input type="text"/>
A mix of probate and administrative work	<input type="text"/>
A mix of conveyancing, probate, and administrative work	<input type="text"/>

25. During 2015, how many full time equivalent managers who are non-authorised persons did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only	<input type="text"/>
Probate only	<input type="text"/>
Administrative work only	<input type="text"/>
A mix of conveyancing and probate	<input type="text"/>
A mix of conveyancing and administrative work	<input type="text"/>
A mix of probate and administrative work	<input type="text"/>
A mix of conveyancing, probate, and administrative work	<input type="text"/>

E: Workforce Information: Other Employees

26. During 2015, how many full time equivalent employees authorised as Licensed Conveyancers did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only

Probate only

Administrative work only

A mix of conveyancing and probate

A mix of conveyancing and administrative work

A mix of probate and administrative work

A mix of conveyancing, probate,
and administrative work

27. During 2015, how many full time equivalent employees authorised as Barristers did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only	<input type="text"/>
Probate only	<input type="text"/>
Administrative work only	<input type="text"/>
A mix of conveyancing and probate	<input type="text"/>
A mix of conveyancing and administrative work	<input type="text"/>
A mix of probate and administrative work	<input type="text"/>
A mix of conveyancing, probate, and administrative work	<input type="text"/>

28. During 2015, how many full time equivalent employees authorised as Solicitors did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only	<input type="text"/>
Probate only	<input type="text"/>
Administrative work only	<input type="text"/>
A mix of conveyancing and probate	<input type="text"/>
A mix of conveyancing and administrative work	<input type="text"/>
A mix of probate and administrative work	<input type="text"/>
A mix of conveyancing, probate, and administrative work	<input type="text"/>

29. During 2015, how many full time equivalent employees authorised as CFILEx did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only	<input type="text"/>
Probate only	<input type="text"/>
Administrative work only	<input type="text"/>
A mix of conveyancing and probate	<input type="text"/>
A mix of conveyancing and administrative work	<input type="text"/>
A mix of probate and administrative work	<input type="text"/>
A mix of conveyancing, probate, and administrative work	<input type="text"/>

30. During 2015, how many full time equivalent employees who are other authorised persons did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only	<input type="text"/>
Probate only	<input type="text"/>
Administrative work only	<input type="text"/>
A mix of conveyancing and probate	<input type="text"/>
A mix of conveyancing and administrative work	<input type="text"/>
A mix of probate and administrative work	<input type="text"/>
A mix of conveyancing, probate, and administrative work	<input type="text"/>

31. During 2015, how many full time equivalent employees who are non-authorised persons (excluding students or trainees) did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only	<input type="text"/>
Probate only	<input type="text"/>
Administrative work only	<input type="text"/>
A mix of conveyancing and probate	<input type="text"/>
A mix of conveyancing and administrative work	<input type="text"/>
A mix of probate and administrative work	<input type="text"/>
A mix of conveyancing, probate, and administrative work	<input type="text"/>

32. During 2015, how many full time equivalent employees who are students or trainees did your organisation employ, and in which areas did they work?

(Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only	<input type="text"/>
Probate only	<input type="text"/>
Administrative work only	<input type="text"/>
A mix of conveyancing and probate	<input type="text"/>
A mix of conveyancing and administrative work	<input type="text"/>
A mix of probate and administrative work	<input type="text"/>
A mix of conveyancing, probate, and administrative work	<input type="text"/>

33. During 2015, did your organisation employ any non-authorised persons to carry out reserved legal activities under the supervision of a Licensed Conveyancer or other appropriately regulated authorised person?

- No (Please skip to section G: Disciplinary Issues with Individual Staff)
- Yes (Please continue to the next section F: Gearing and Supervision)

F: Gearing and Supervision

34. During 2015, how many non-authorised persons did your organisation employ to carry out reserved legal activities, and how many appropriately regulated authorised persons were there to oversee their work?

Number of non-authorised persons
carrying out reserved legal activities

Number of authorised persons
supervising their work

G: Disciplinary Issues with Individual Staff

35. During 2015, were any of the MANAGERS or owners of your organisation subject to:

- (a) an internal disciplinary process for serious misconduct that could result in suspension or dismissal?**
- (b) an investigation by their profession's regulatory body?**
- (c) an investigation by an external agency, such as the police?**

Please enter the number of managers or owners subject to each type of procedure, in the relevant text box below. If no managers or owners were subject to a particular procedure during 2015, please enter a "0".

- (a) Number of managers or owners subject to internal disciplinary process
- (b) Number of managers or owners investigated by their professional regulator
- (c) Number of managers or owners investigated by an external agency

36. During 2015, were any of the EMPLOYEES of your organisation subject to:

- (a) an internal disciplinary process for serious misconduct that could result in suspension or dismissal?**
- (b) an investigation by their profession's regulatory body?**
- (c) an investigation by an external agency, such as the police?**

Please enter the number of employees subject to each type of procedure, in the relevant text box below. If no employees were subject to a particular procedure during 2015, please enter a "0".

- (a) Number of employees subject to internal disciplinary process
- (b) Number of employees investigated by their professional regulator
- (c) Number of employees investigated by an external agency

H: Succession and Diversity

Succession planning is a process for identifying and developing internal candidates to fill business-critical or leadership roles within a company. It increases the availability of experienced, capable employees, ready to assume senior roles as they become vacant.

37. Does your organisation have a written succession plan?

- No
- Yes

38. What measures does your organisation take to monitor the equality and diversity of its staff?

(Select all that apply).

- Job applicants complete an equality and diversity form
- There is a regular equality and diversity survey
- No formal measures are taken, but we try to consider issues of equality and diversity when making decisions about our staff
- No measures are taken
- None, I am a sole practitioner with no employees
- Other (please specify)

39. During 2015, women made up approximately what proportion of each of the following groups within your organisation?

(Enter a percentage from 0 to 100, as appropriate).

All staff (including managerial staff) (%)

Managerial staff (%)

I: Investment Decisions

40. Please indicate the extent to which you agree or disagree with each of the following statements:

	Disagree completely	Strongly disagree	Disagree	Slightly disagree	Neither agree nor disagree	Slightly agree	Agree	Strongly agree	Agree completely
When my business needs investment, it is easy to access the capital required	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
When my business needs investment, there are a range of sources of readily available finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
Short-term sources of finance, such as overdrafts, are reliable sources of investment funding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
Keeping control is more important than growing my business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				

41. During 2015, did your organisation make any substantial investment in its legal business?

- No, and investment was not considered seriously (*Please skip to section K: Dealing with Clients*)
- No, but investment was considered seriously (*Please skip to section K: Dealing with Clients*)
- Yes (*Please continue to the next section J: Ownership*)

J: Ownership

42. What form does your organisation take?

- PLC
- Limited Company
- LLP
- Partnership
- Sole Trader
- Other (please specify)

43. During 2015, which aspects of your organisation's legal business were targeted for investment?

(Tick all that apply).

- Expansion of the business through increased marketing activities
- Expansion of the business through purchase of an existing business
- Developing of the business through the purchase of an existing business
- Improved management of the business through the purchase of consumer-facing IT systems
- Improved management of the business through the purchase of new IT for practice management
- Expansion of the business through the purchase of new property
- Expansion of the business through hiring more staff
- Other (please specify)

44. Why did you opt to do this, rather than investing in other aspects of your organisation's legal business?

45. How did you fund the investment?

(Please tick all that apply).

- Business profits or cash reserves
- Overdraft facility
- Loan from a bank
- Loan from family or friends
- Issuing shares
- Capital injection from existing owners/partners
- Capital injection from new owners/partners who are authorised persons
- Capital injection from new owners/partners who were authorised persons, but allowed their licences to lapse
- Capital injection from new owners/partners who were authorised persons, but were struck off
- Capital injection from new owners/partners who are not and have never been authorised persons
- Other (please specify)

46. What factors influenced your decision to use this source of finance?

K: Dealing with Clients

47. Does your practice have a website?

- No
- Yes (enter your web address, eg. <http://www.madeupconveyancingpractice.co.uk>)

48. By what means can clients access your organisation's services?

(Select all that apply).

- Face-to-face
- Telephone
- Mail
- E-mail
- Online interactive system
- Mobile phone apps
- Other (please specify)

49. What proportion of your organisation's clients use each of these different methods of access to make initial contact?

(Only approximate estimates are expected, but your answers must sum to 100%).

Face-to-face	<input type="text"/>
Telephone	<input type="text"/>
Mail	<input type="text"/>
E-mail	<input type="text"/>
Online interactive system	<input type="text"/>
Mobile phone apps	<input type="text"/>
Other	<input type="text"/>

50. During 2015, how many individuals or organisations approached your organisation (by any method) seeking advice, and what proportion of them went on to become clients?

(If you do not have precise numbers, your best estimates will suffice).

Number of approaches

Proportion who went on to become clients (%)

51. Does your organisation carry out any client satisfaction surveys?

- No (*Please skip to section M: Dealing with Vulnerable Clients*)
- Yes (*Please continue to the next section L: Client Satisfaction Surveys*)

L: Client Satisfaction Surveys

52. How does your organisation carry out its client satisfaction surveys?

(Select all that apply).

- Questionnaires by mail
- Online questionnaires
- Face-to-face interviews
- Telephone interviews
- Informal discussions
- Other (please specify)

53. Which of the following aspects of your business do you attempt to capture in your client satisfaction surveys?

(Select all that apply).

- Quality of the services
- Understandability of services
- Ease of services
- Range of services
- Delivery on time
- Speed of delivery
- Client care letters
- Courtesy of staff
- Representative's availability
- Representative's knowledge
- Reliability of returning calls
- Friendliness of staff
- Complaint resolution
- Responsiveness to enquiries
- After sales care
- Technical service
- How they learned about your organisation
- Reputation of your organisation
- Ease of doing business
- Invoice clarity
- Invoices on time
- Price
- Total cost of services and related fees
- Value for money
- Would recommend your business
- Overall satisfaction
- Other (please specify)

M: Dealing with Vulnerable Clients

Some circumstances, such as illness, disability or personal traumas can make you vulnerable, putting you at a disadvantage when buying goods or services. The law says that shops and service providers must treat consumers fairly and be especially careful to provide fair service to ‘vulnerable’ people. Research suggests that vulnerable people are more likely to receive poor service, and less likely to complain about it.

54. *Imagine a typical client. How confident are you of each of the following?*

	No confidence	Very low confidence	Low confidence	Moderately low confidence	Neither confident nor unconfident	Moderately high confidence	High confidence	Very high confidence	Complete confidence
The person understands the information relevant to any decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The person retains that information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The person uses that information effectively when making decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The person can communicate their decisions clearly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

55. Are you aware of your organisation carrying out any work on behalf of people with any of the following characteristics in 2015?

(Select all that apply).

- Advanced age
- Children or young people
- Physical disabilities
- Ill-health
- Other cognitive impairment
- Loss of mental capacity to make relevant decisions
- Mental health problems
- Learning disabilities
- Sensory impairment
- Dementia
- Acquired brain injury caused for example by a stroke or head injury
- Severe facial or other disfigurement
- Difficulty in accessing and/or understanding complex information because of psychological or emotional factors (such as stress, divorce or bereavement)
- No or limited speech
- English as a second language/limited ability in English
- Limited ability to read or write
- Other communication difficulties
- Experience of domestic violence or sexual abuse
- Heavy reliance on others (family or friends) for necessary care, support or accommodation
- Requires assistance in the conduct of own affairs
- Long-term alcohol or drug abuse
- Exposure to financial abuse
- In residential accommodation, sheltered housing, or receiving domiciliary care
- Detained in lawful custody
- Under a community sentence
- Other (please specify)

56. What steps does your organisation take to identify vulnerable clients?

- Ask all clients if they have any vulnerabilities that may require you to modify your approach to working with them.
- Only ask those clients who you suspect may have vulnerabilities.
- Only ask those clients who clearly have vulnerabilities.
- Don't ask, but take special care in cases where you suspect or can clearly see that a client has vulnerabilities.
- Don't ask, but include information in client care letters about how to request special assistance.
- No special steps taken to identify vulnerable clients.
- Other (please specify) _____

57. Does your organisation have any plans or policies in place for meeting the needs of vulnerable clients?

- No
- Yes

58. What percentage of your clientele do you think would meet a broad definition of "vulnerable"?

(Please enter a number from 0 to 100, do not include a % sign). _____

N: Pricing

59. During 2015, approximately what percentage of your services were offered on each of the following bases?

(Only approximate estimates are expected, but your answers must sum to 100%).

Fixed price

Hourly rate

Other

60. During 2015, what was your practice's average hourly rate for staff in each of the following roles?

(Please enter an amount in GBP, do not use the £ symbol, use numerals only. If you offered no services on the basis of an hourly rate, or have no staff offering such services within a particular category, please leave the corresponding text box empty).

Senior fee earner

Junior fee earner

Support staff

61. In relation to a freehold residential property worth £250,000, approximately how much would you have charged on average for each of the following services in 2015?

(If you charged an hourly rate estimate the average cost of the service, and if you offered fixed prices, enter the fixed price for the service in question. If you did not offer a particular service in 2015, please leave the corresponding text box empty).

Purchase of freehold property	<input type="text"/>
Buy-to-let purchase of freehold property	<input type="text"/>
Sale of a freehold property	<input type="text"/>
Remortgage of freehold property	<input type="text"/>
Transfer of equity in freehold property	<input type="text"/>
Equity release from freehold property (lifetime mortgage)	<input type="text"/>
Equity release from freehold property (home reversion)	<input type="text"/>

62. In relation to a leasehold residential property worth £250,000, approximately how much would you have charged on average for each of the following services in 2015?

(If you charged an hourly rate estimate the average cost of the service, and if you offered fixed prices, enter the fixed price for the service in question. If you did not offer a particular service in 2015, please leave the corresponding text box empty).

Purchase of leasehold property	<input type="text"/>
Buy-to-let purchase of leasehold property	<input type="text"/>
Sale of a leasehold property	<input type="text"/>
Remortgage of leasehold property	<input type="text"/>
Transfer of equity in leasehold property	<input type="text"/>
Equity release from leasehold property (lifetime mortgage)	<input type="text"/>
Equity release from leasehold property (home reversion)	<input type="text"/>
'Friendly' lease extension	<input type="text"/>
'Unfriendly' lease extension	<input type="text"/>

63. In relation to an estate worth £250,000, approximately how much would you have charged on average for each of the following services in 2015?

(If you charged an hourly rate estimate the average cost of the service, and if you offered fixed prices, enter the fixed price for the service in question. If you did not offer a particular service in 2015, please leave the text box empty).

Probate (full administration)

Probate (grant only)

Will writing

64. How important are each of the following factors in determining how much you charge for your legal services?

	Utterly unimportant	Unimportant	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Important	Extremely important
Market price: How much others are charging	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time: How long it will take	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Complexity: The mental effort and expertise it will require	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Value: The size of the property or estate in question	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Client relationship: Preferential rates for regular customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quantity: Preferential rates for work in bulk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

NB. This section has concentrated primarily on the pricing of services for private individuals, this is because they generally lack the knowledge, expertise and business experience of commercial clients, and therefore require additional regulatory attention.

O: Complaints Procedure

65. Which of the following describe your in-house complaints procedure?

(Select all that apply)

- Easy to understand
- Gives clear instructions on what the complainants should do
- Gives clear timescales for each stage of the complaints process
- Allows formal complaints to be made verbally or in writing
- Gives contact details of the Legal Ombudsman service
- Give clear timescales for making a complaint to the Legal Ombudsman
- States that the legal services provider will respond within 8 weeks of the complaint being made
- Other (please specify)

66. How well do you understand the guidance on complaints handling, as set out in the CLC Handbook?

	Poor	Fairly poor	Fairly good	Good
My understanding is	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

67. Which of the following do you bring to the attention of clients at instruction?

(Select all that apply)

- How long the matter will take
- The likely overall cost of the matter
- The level of service to expect, e.g. the type and frequency of communications
- The name and position of the person dealing with the matter
- The name and position of the person responsible for overall supervision of the matter
- The in-house complaints procedure
- The CLC
- The Legal Ombudsman
- Other (please specify)

68. At what point do you inform clients of their right to complain to the Legal Ombudsman?

(If you inform clients on multiple occasions, select all that apply)

- At instruction
- Part of the way though the case
- When a client is sent the bill
- When a client is informed about the complaints procedure
- When a client makes a complaint
- When a client's complaint is rejected
- Clients are not informed about the Legal Ombudsman
- Other (please specify)

69. During 2015, did your organisation receive any formal complaints from clients?

- No (Please skip to section Q: Transactional Information)
- Yes (Please continue to the next section P: Formal Complaints)

P: Formal Complaints

70. How many formal complaints did your organisation receive directly from clients in each month of 2015?

(If you received no complaints in a particular month, please enter a "0" without the quotation marks, in the appropriate text box)

January	<input type="text"/>	July	<input type="text"/>
February	<input type="text"/>	August	<input type="text"/>
March	<input type="text"/>	September	<input type="text"/>
April	<input type="text"/>	October	<input type="text"/>
May	<input type="text"/>	November	<input type="text"/>
June	<input type="text"/>	December	<input type="text"/>

71. How many formal complaints did your organisation receive directly from clients in total in 2015?

(Numerals only).

72. How many formal complaints from clients did your organisation resolve in-house in 2015?

(Numerals only. If you resolved no such complaints, please enter a "0" without the quotation marks, in the appropriate text box)

73. How many complaints regarding your organisation were referred to the Legal Ombudsman in 2015?

(Numerals only. If you referred no such complaints, please enter a "0" without the quotation marks, in the appropriate text box)

74. During 2015, what was the nature of any complaints that your organisation received?

(Select all that apply)

- Administration
- Client unable to fund
- Complainant felt costs too high
- Complainant not told about alternative funding
- Complainant not told there would be disbursements
- Complaint about another professional
- Cost excessive
- Cost excessive, error in the invoice
- Cost excessive, same work or payment has been charged for more than once
- Cost excessive, VAT charged in error
- Cost information deficient
- Costs charged higher than estimate complainant not notified
- Criminal activity
- Damage to property
- Damage to specific documents or a file
- Data protection/breach of confidentiality
- Delay
- Delay in responding to complaint
- Courtesy
- Discrimination
- Dissatisfaction with the outcome or the advice given
- Failure to advise
- Failure to communicate accurately
- Failure to comply with agreed remedy
- Failure to follow instructions
- Failure to investigate complaint internally
- Failure to keep papers safe
- Failure to meet the particular needs of a vulnerable client
- Failure to progress
- Failure to provide internal complaints procedure information
- Loss of property
- Loss of specific documents or a file
- No information provided about costs
- Opposition unhappy with advice
- Potential misconduct
- Other (please specify)

75. Thinking about the last complaint your organisation received in 2015, and regardless of whether or not the complaint was upheld, was the complaint about the work of a specific person?

- Yes, a manager authorised as a Licensed Conveyancer
- Yes, a manager authorised as a Barrister
- Yes, a manager authorised as a Solicitor
- Yes, a manager authorised as a FCILEx
- Yes, a manager who is an other authorised person
- Yes, a manager who is not an authorised person
- Yes, an employee authorised as a Licensed Conveyancer
- Yes, an employee authorised as a Barrister
- Yes, an employee authorised as a Solicitor
- Yes, an employee authorised as a FCILEx
- Yes, an employee who is an other authorised person
- Yes, an employee who is not an authorised person
- Yes, but it is unclear who was responsible for the work in question
- No, it was not something attributable to a specific person

76. Who dealt with the complaint?

- I dealt with it personally
- It was dealt with by another manager at my practice
- It was dealt with by an in-house lawyer at my practice
- It was dealt with by a designated complaints officer at my practice
- Other (please specify)

77. Which of the following took place after the complaint was made?

(Select all that apply)

- Nothing
- The complaint was acknowledged
- The practice's complaints procedure was provided to the complainant
- The complainant was asked to provide further information
- A meeting was arranged to discuss the complaint with the complainant
- A meeting was arranged to discuss the complaint within our organisation
- The complainant was telephoned to discuss the complaint
- A letter was sent to the complainant
- The complainant was told about the Legal Ombudsman
- The complainant was told about the Council for Licensed Conveyancers
- Other (please specify)

78. Did your practice charge for any work involved in responding to the complaint?

- No
- Yes
- Don't know

79. What was the outcome of the complaint?

(Select all that apply)

- Your practice did not respond to the complaint
- Your practice rejected the complaint without any investigation
- Your practice investigated the complaint and established that it was unfounded
- Your practice provided full explanation for its decision
- Your practice apologised to the complainant
- The complaint was resolved to complainant's satisfaction
- The complainant's legal fees were reduced or refunded
- The complainant was sent documents that your practice was holding
- The complainant was awarded compensation
- The complainant was referred to the Legal Ombudsman
- The complaint was referred to a regulatory body
- The complainant moved their case to another lawyer
- The complainant did not pursue the complaint
- Other (please specify)

80. How long did it take for the complaint to be resolved?

- Up to 2 weeks
- 2 to 4 weeks
- 4 to 6 weeks
- 6 to 8 weeks
- 8 to 10 weeks
- 10 to 12 weeks
- More than 12 weeks
- Other (please specify)

81. In which area of law did the complaint arise?

- Residential conveyancing
- Commercial conveyancing
- Wills, probate, or trusts
- Non-reserved legal activities regulated by the CLC
- Other (please specify)

82. What kind of consumer was the complainant?

- Private individual(s)
- Small or medium enterprise
- Charity or not-for-profit
- Large business
- Local government
- Central government
- Other (please specify)

Q: Transactional Information

83. At any point during 2015, did your organisation act for both sides in a transaction?

- No
- Yes

84. In 2015, what percentage of your organisation's client instructions came from each of the following sources?

(Only approximate estimates are expected, if you received no instructions from a particular source enter a 0 beside it. The total must sum to 100%).

Referral arrangements (%)

New clients approaching your business directly (%)

Former clients returning to use your services again (%)

Contractual arrangements with another organisation (%)

Other (%)

R: Anti-Money Laundering and Counter-Terrorism Finance

Please answer the following questions about the Anti-Money Laundering (AML) and Counter-Terrorism Finance (CTF) measures taken by your organisation during 2015.

85. During 2015, did your organisation have an AML policy that you are confident complied with CLC Code of Conduct? (AML & CTF Para 9)

- No official policy was in place
- An official policy was in place, but I am unsure if it was compliant with CLC Code of Conduct
- An official policy was in place, and it was probably compliant with CLC Code of Conduct
- An official policy was in place, and I am fairly sure that it was compliant with CLC Code of Conduct
- An official policy was in place, and I am certain that it was compliant with CLC Code of Conduct
- Other (please specify)

86. During 2015, did all relevant staff receive training in AML? (AML & CTF Para 9)

- No staff received any training in AML
- Some staff received some training in AML
- All relevant staff received at least one training session in AML
- All relevant staff received two training sessions in AML
- All relevant staff received three training sessions in AML
- All relevant staff received four or more training sessions in AML
- Other (please specify)

87. During 2015, did your organisation have a Money Laundering Reporting Officer (Nominated Officer and Manager), with an appropriate level of independence and access? (AML & CTF Para 10)

- No
- Yes

88. During 2015, how many times did you review your organisation's AML management arrangements, systems and controls? (AML & CTF Para 8)

- 0
- 1
- 2
- 3
- 4 or more times

89. Considering issues such as thoroughness and consistency, to what extent do you agree or disagree with the following statements as regards your business practices in 2015?

	Disagree completely	Disagree strongly	Disagree	Disagree somewhat	Neither agree nor disagree	Agree somewhat	Agree	Agree strongly	Agree completely
Appropriate internal reporting procedures were in place (AML & CTF Para 9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
Appropriate measures were in place to ensure that AML was taken into account in day-to-day operations (AML & CTF Para 9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
Appropriate Customer Due Diligence (CDD) arrangements were in place (AML & CTF Para 9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
Appropriate client identity checks were undertaken (AML & CTF Para 11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
Confirmation of instructions were received direct from clients (AML & CTF Para 11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
Appropriate steps were taken to identify the level of risk posed by the types of business and clients accepted, i.e. adequate risk analysis is completed and regularly reviewed.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				

90. During 2015, did your practice engage with any high risk clients?

NB. In this question, the definition of "a politically exposed person" includes an individual who was at the time, or at any time in the preceding year, entrusted with a prominent public function by (i) a state other than the United Kingdom; (ii) a Community institution; or (iii) an international body, as well as any person who falls in any of the categories listed in paragraph [4\(1\)\(a\) of Schedule 2 of The Money Laundering Regulations 2007](#).

	Yes	No
Any customer who was not physically present for identification purposes (AML Regs 2007 s.14(2))	<input type="radio"/>	<input type="radio"/>
Any customer was who was "a politically exposed person" (AML Regs 2007 s.14(4-5))	<input type="radio"/>	<input type="radio"/>

S: Regulatory Compliance Information

91. During 2015, did your organisation take any of the following steps to ensure compliance with the Code of Conduct's outcomes?

(Select all that apply)

- N/A, no steps were taken to ensure compliance with the Code of Conduct's outcomes
- Performance against each outcome is regularly assessed
- Senior managers/owners identify and review risks of any outcome not being achieved
- Management information systems provide relevant compliance data
- Planned checks/audits undertaken on operational practices
- Other (please comment)

92. During 2015, did your organisation take any of the following steps to ensure that your accounting practices complied with the CLC's Accounts Code provisions?

(Select all that apply)

- N/A, no steps were taken to ensure that accounting practices complied with the CLC's Accounts Code provisions
- Exception reporting to managers
- Internal audit programme
- Routine planned checks by accounting staff/managers/owners
- Regular management information reports
- Other (please comment)

93. Does your organisation produce monthly bank reconciliations in accordance with the requirements of the Accounts Code?

- No
- Yes

T: CLC Services Information

94. Do you have any suggestions as to how we might improve the way in which we exercise our regulatory functions?

95. Please use this space to make any comments or add any other information you feel may be of relevance:

U: Conclusion

96. What are the greatest risks confronting your business?

97. What are the greatest opportunities open to your business?

98. I confirm the information provided in this 'Annual Regulatory Return' is true, accurate and complete, and that all material information has been provided.

Name:

Role within the

licensed organisation:

Date: