

COUNCIL FOR LICENSED CONVEYANCERS

CONSULTATION PAPER

PROPOSED INCREASE IN THE MAXIMUM LEVEL OF COMPENSATION AWARDED FOR INADEQUATE PROFESSIONAL SERVICE

1. The Courts and Legal Services Act 1990 sets out the CLC's current powers for making awards of compensation for inadequate professional service (also known as poor service) arising out of complaints made by clients against licensed conveyancers. Since 2000 the maximum award of compensation which can be made has been £5,000.
2. On 30 October 2007 the Legal Services Act 2007 received Royal Assent. That provides for the establishment of the Office for Legal Complaints (OLC) which will determine all complaints of poor service made against lawyers, including licensed conveyancers. The OLC is likely to become fully operational in 2010. It will be able to award compensation of up to £30,000. It is possible that limit may be increased further to £50,000 or even £100,000 (which would bring it in line with the Financial Ombudsman Service).
3. On 1 January 2006 the Law Society increased the maximum award it could make from £5,000 to £15,000. In September 2007 the Bar Standards Board increased the limit of compensation which can be awarded against barristers to £15,000 to bring it in line with the Law Society. The other legal regulators, such as ILEX, the Chartered Institute of Patent Attorneys (CIPA) and the Institute of Trade Mark Agents (ITMA) have not yet announced any intention to review the maximum award of compensation which they can make. In her 2007 Report the Legal Services Ombudsman reported that ILEX had received 30 complaints in 2006, CIPA 8 and ITMA none.
4. The purpose of this consultation is to determine whether the CLC should ask for the maximum compensation it can award to be increased from £5,000 to £15,000.
5. The Investigating Committee of the CLC which makes determinations of poor service on behalf of the CLC has issued guidance explaining broadly how it determines the level of compensation to be awarded for distress and inconvenience. It is unlikely that any increase in the level of compensation which can be awarded will lead to any changes to that guidance or to any significant increase in the awards of compensation for distress and inconvenience.
6. The CLC will continue to review complaints as they are received to determine whether they appear to raise issues of fact or law which should more properly be considered by insurers before they are determined by the Investigating Committee. One factor the CLC will take into account is the amount of compensation claimed and how this is calculated.

7. Based on the experience of the Law Society, it is unlikely there will be a substantial increase in the number of complaints received or in the amount of awards made for compensation.
8. Responses to this consultation may be sent by email to consultations@theclc.gov.uk, by fax to 01245 341320 or by post to Council for Licensed Conveyancers, 16 Glebe Road, Chelmsford Essex CM1 1QG. All responses will be noted, although they may not necessarily result in any amendment to the Rules. Any responses to this consultation should be received by the CLC no later than 31 March 2008.

You are invited to respond to the following question:

- Q1. Do you agree that the CLC should increase the maximum level of compensation it can award in favour of clients of licensed conveyancers who have received poor service from £5,000 to £15,000
YES/NO

In each case please supply reasons for your answer

Could you please identify yourself.

Are you:

- a licensed conveyancer
- a consumer
- a consumer representative
- a lawyer
- other (please specify)

Do you wish your response to be treated in confidence? Yes/No

Thank you for responding to this Consultation Paper.