

**Summary of Responses
to Consultation Paper
Proposed Increase in the Maximum Level of Compensation
awarded for Inadequate Professional Service**

1. The Consultation Period ended on 31 March 2008. 16 responses were received from members of the profession: 9 were in favour of an increase in the level of compensation to £15,000; 7 were opposed. Although the number of responses was low, the reasons given for either opposing or supporting an increase in the level of compensation have proved very relevant.

2. The reasons given in the responses for opposing an increase were as follows:
 - The current maximum of £5,000 was quite sufficient;
 - Complaints are not dealt with fairly by the CLC (there is a bias in favour of the consumer);
 - The Investigating Committee demonstrates a lack of legal understanding in many areas;
 - The Investigating Committee is not aware of the real world in which licensed conveyancers operate;
 - Any maximum over £5,000 can not be justified by the conveyancing work which is carried out usually for a fee of less than £1,000 (and generally for a much lower fee) – the Legal Complaints Service (LCS) and Bar Standards Board (BSB) increase in jurisdiction relates to all areas of law;
 - Compensation awarded should not be higher than the fee charged;
 - Any increase in the maximum limit will inevitably increase the expectations of the consumer;
 - There should be a stepped increase;
 - The IPS (Inadequate Professional Service) scheme duplicates the indemnity insurance scheme;
 - Clients should not profit from an IPS award, but should be put in the same position they would have been in had the transaction proceeded normally.

3. The reasons given in the responses for supporting an increase were as follows:
 - The limit of compensation capable of being awarded by the CLC should be in line with the LCS and BSB;
 - The limit should be moving towards the limit of £30,000 which the Office for Legal Complaints will have when it is established in 2009/2010;
 - Clients should have the same level of protection when dealing with licensed conveyancers as they have when dealing with solicitors – if the levels are not the same there may be a disincentive in instructing a licensed conveyancer;
 - Clients should be reasonably compensated for poor service, though the actual compensation awarded should continue to reflect both the client's loss and the extent of the poor service provided.

Council for Licensed Conveyancers
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