



COUNCIL FOR LICENSED CONVEYANCERS

RESPONSE TO OLC CONSULTATION ON ITS CORPORATE STRATEGY 2020-23

January 2020

INTRODUCTION

The Office for Legal Complaints (OLC) has published a consultation document on its proposed strategy for 2020-23 and invited comments.

The Council for Licensed Conveyancers welcomes this consultation as we value the work and contribution to overall improvement across the legal sector that the OLC was intended to bring. Achieving this requires close cooperation with the regulators, representative bodies of lawyers and the regulated community itself and we are grateful to the staff of the Legal Ombudsman.

In addition to its service to consumers, the insight that a regulator can gain from OLC's work is considerable. OLC has been working for some years now to improve the data that it can capture and make available. In recent months we have seen helpful improvements in the data that OLC supplies to us and we are grateful for those improvements. We welcome OLC's commitment to continuing the improvement in its services under all three of its strategic objectives.

However, the CLC has concerns about:

- Clarity of OLC's performance information
- The basis for OLC's budget increase proposal
- The value for money that has been achieved from the very significant money and resources invested in IT infrastructure in recent years

Until these issues are addressed clearly and complaints are being handled in a timely manner, the development of further services should be shelved. OLC and others return frequently to the question of whether its jurisdiction should be extended to the non-regulated sector. No further work should be done on this until OLC has achieved a sustained period of years of effective performance in relation to the regulated sector.

PERFORMANCE INFORMATION

An indication of significant delays in dealing with complaints received appeared with a warning on the OLC website in late 2018. This was removed following enquiries from regulators but with no explanation. In recent weeks, OLC has been more open about the existence of a backlog and figures have been published in OLC Board papers. However, it is difficult to tally KPI information with data published in board papers.

The CLC hopes that in future, OLC will be able to provide key stakeholders with better insight into its operations so that we can do what we can to help them overcome difficulties and to mitigate the

risks that can arise from a large backlog of complaints. It is important to remember that service complaints may include information of serious conduct issues that may pose a risk to other consumers.

WHAT THE CLC CAN DO

As a regulator, the CLC can work with its regulated community to try to reduce the number of complaints that arise and thus reduce calls on the OLC. We already do this of course and are committed to stepping up our efforts. We have spoken to OLC officials about what more we can do with them to bring their insight and advice to bear on front line complaints handling.

BUDGET INCREASE

The plan for the first year of the corporate strategy is heavily focused on removing the delay before work begins on complaints. This is something which can be achieved in the first year of the corporate strategy it would seem. The trend in the reduction in numbers of complaints in the backlog group certainly gives confidence that should be possible. However, the increase in costs for OLC planned for 2020-21 seem largely to be baked in for the following two years of the strategy, too.

It is not possible to be certain based on the contents of the OLC's consultation document, but if the above is correct, then we might expect that the OLC's budget should be able to return to current levels following the eradication of the backlog. Instead, the OLC's intention is that its funding should settle at a new, higher level of over £14m compared to the current year's £12.3m.

It is striking, and a cause of considerable concern, that there is so little emphasis in the strategy on securing value for money and keeping costs under control. There has been very significant investment of money and resources by the OLC in IT infrastructure during the last few years. Openness at the beginning of that project faded away over its course, such that now, the OLC's stakeholders and customers have only a scant understanding of the impact of that project and the return on investment that represents.

THE CLC OPPOSES OLC'S PROPOSED BUDGET INCREASE

For these reasons, the CLC cannot support the OLC's request to increase its budget by 20%. The cost per case is already worryingly high at over £1,700, especially in view of the generally low values of remedy applied (in those cases where any remedy at all is applied). The levy on the CLC to fund this part of the profession's share of OLC's costs accounts for around one-fifth of our operational expenditure. As such, the OLC's costs do not seem proportionate to their task or the outcomes delivered.

Instead, we appeal to the Legal Service Board to require OLC to hold its budget steady in real terms unless the OLC is able to make out a much more compelling case for such a significant increase. We would also be grateful for assurances from LSB and MoJ as to the steps they are taking to secure better performance and value from the OLC.