

CLC

The  
Specialist  
Property  
Law  
Regulator

Research carried out by:



# CLC Annual Regulatory Return

IFF Research

11 October 2017



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# 1 Background

## Introduction

- 1.1 The Council for Licensed Conveyancers (CLC) legally requires the firms it regulates to complete an Annual Regulatory Return. This information is used to target the CLC's regulatory activities better and ensure they continue to protect consumers effectively and support innovation in the delivery of legal services.
- 1.2 The return covered a range of topics pertinent to the CLC's regulatory functions, including:
  - Scope of work: time, transactions, and income;
  - Costs of services;
  - Fraud;
  - Equality and diversity

## Methodology

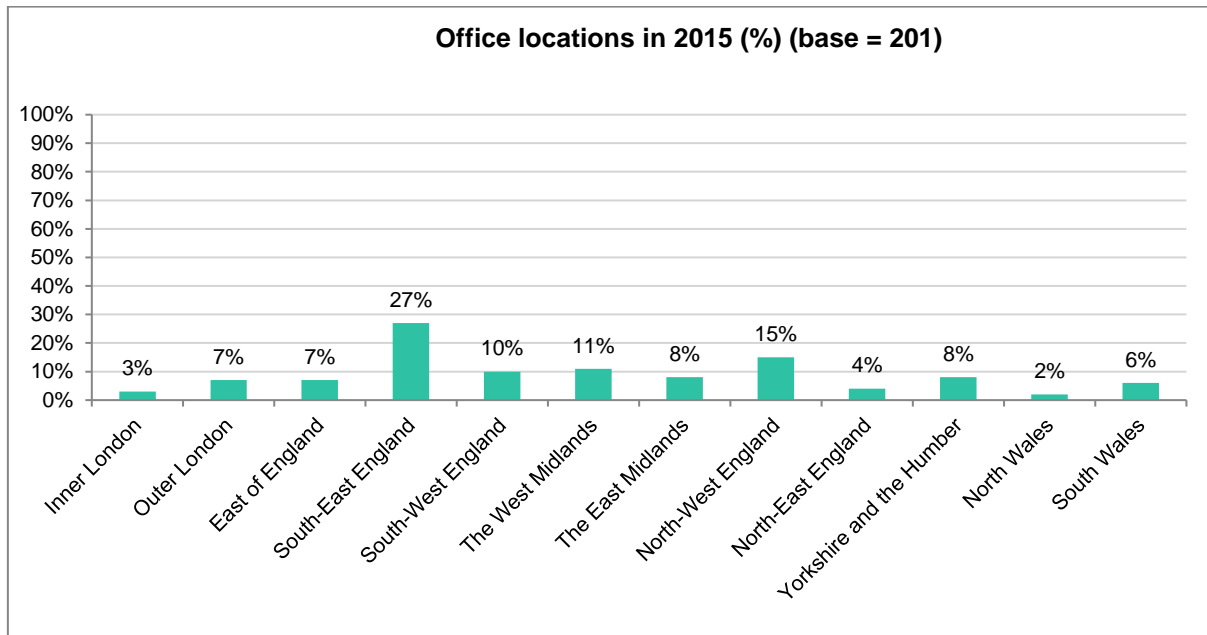
- 1.3 All firms regulated by the Council for Licensed Conveyancers (CLC) were requested to take part in an online annual regulatory return. The online survey invitation was e-mailed to one named key decision-maker within each firm, identified by the CLC.
- 1.4 Online fieldwork took place between 3<sup>rd</sup> August – 18<sup>th</sup> September 2017.
- 1.5 Firms were asked to report on data for the last completed PII year (i.e. the one reported to PI insurers at the time of renewal in June), unless otherwise specified in the question text.<sup>1</sup>

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<sup>1</sup> One firm, recently established, was only able to report on data from June 2017.

## Sample

- 1.6 231 online invitations were sent and 230 completed returns were received. One firm was excused from completing the return as they were due to close in 2017.
- 1.7 The firms surveyed, on average, employed 8 fee-earners and 11 admin and support staff.
- 1.8 The firms surveyed held offices in a range of locations across England and Wales<sup>2</sup>.



Q 2015: During 2015, in which region(s) did your organisation maintain offices?

<sup>2</sup> In the 2016 Annual Regulatory Return conducted by the CLC, firms were asked: “During 2015, in which region(s) did your organisation maintain offices? (Select all that apply)” (n=201)

## 2 Executive summary

### Main findings

- Residential conveyancing was undertaken by nearly all firms surveyed (98%). On average, around one-quarter (23%) of any conveyancing work (residential and / or commercial) was sourced from outside the local area. For around half of firms (47%) residential conveyancing made up over 90% of their workload.
- Personal recommendation was the most common channel of business (38%), followed by referral e.g. from a mortgage lender (24%) and direct approach from the client (18%), among those who conducted any conveyancing business. Personal recommendation was more common among firms with a turnover of under £500,000 (41%) than among firms with a turnover of £500,000 and above (31%)<sup>3</sup>, while large firms were significantly more likely to gain conveyancing work from referrals (e.g. from mortgage lenders) (36% - compared with 20% among small and medium-sized firms)<sup>4</sup>.
- Around three-quarters (73%) of firms spent some of their workload on re-mortgaging. Significantly fewer firms spent any time on will-writing and / or probate work (will-writing: 32%; probate: 27%).
- Around half of firms (48%) who conducted conveyancing business (residential and / or commercial) reported that they increased their prices for this type of work during 2016. When asked to think about the next 12 months, around one-third of firms predicted that they will increase the costs of their conveyancing services. Fewer firms reported that they increased prices for services relating to probate and / or will-writing work during 2016.
- Half (53%) of firms expected their organisation's volume of work to increase over the next 12 months. One in five (20%) firms who expected their business to grow reported that Brexit had a negative impact on their response.
- Firms were asked to report the greatest business risks over the next 12 months, the top three reported were: cybercrime (29%), fraud / money laundering (27%), and a downturn in the property market (18%). These risks were experienced to a comparable extent regardless of area of work.
- In terms of diversity in the workplace, firms reported that around half (47%) of managerial staff were women during 2016. Whilst the change is not statistically significant, this proportion had increased from 41% reported in the annual regulatory return conducted by the CLC in 2016/2015. There was, however a wide variance in the reported proportions of women managerial staff. Around a quarter of firms each reported that none of their managerial staff were women and that over 90% were women (no women managerial staff: 24%; over 90% women managerial staff: 26%) – although it should be noted that this is to some extent a factor of the size of the firm, with small firms significantly more likely to report

<sup>3</sup> Although this difference was not significant.

<sup>4</sup> Note that in the course of this report, 'small' refers to firms with turnover of under £200,000, 'medium-sized' refers to firms with turnover of £200,000 to under £500,000, and 'large' refers to firms with turnover of £500,000 and above.

both over 90% women managerial staff (36% - compared with 16% among large firms) and no women managerial staff (32% - compared with 11% among large firms).

- Most firms (73%) reported that they did not take any formal measures to ensure equality and monitor diversity among its staff, but they did try to consider these issues when making decisions about staff. Fewer firms reported that job applicants were asked to complete an equality and diversity form in 2016 / 2017 (4%) compared to 2016 / 2015 (11%).

### 3 Scope of work

3.1 Firms were asked to report the proportions of time dedicated, transactions conducted, and income gained from the following work areas:

- Residential conveyancing;
- Commercial conveyancing;
- Will-writing;
- Probate;
- Re-mortgaging

#### Time dedicated to business areas

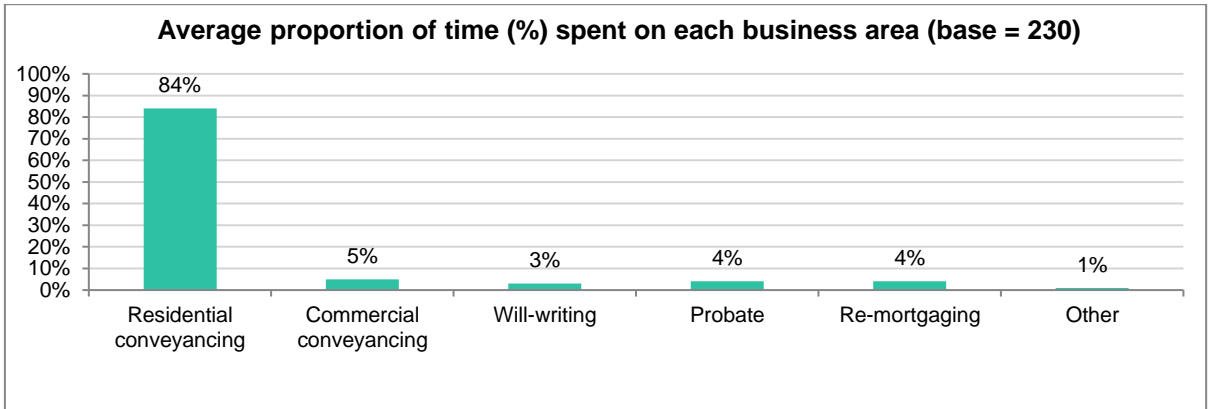
3.2 Nearly all firms (98%) dedicated some time to residential conveyancing work; on average 84% of their time was dedicated to this type of work. Nearly 1 in 2 firms (47%) reported that they spent over 90% of their time on residential conveyancing.

3.3 Firms spent significantly less time on commercial conveyancing; 55% of firms reported they spent some time on this type of work. The average proportion of time dedicated to commercial conveyancing was 5%.

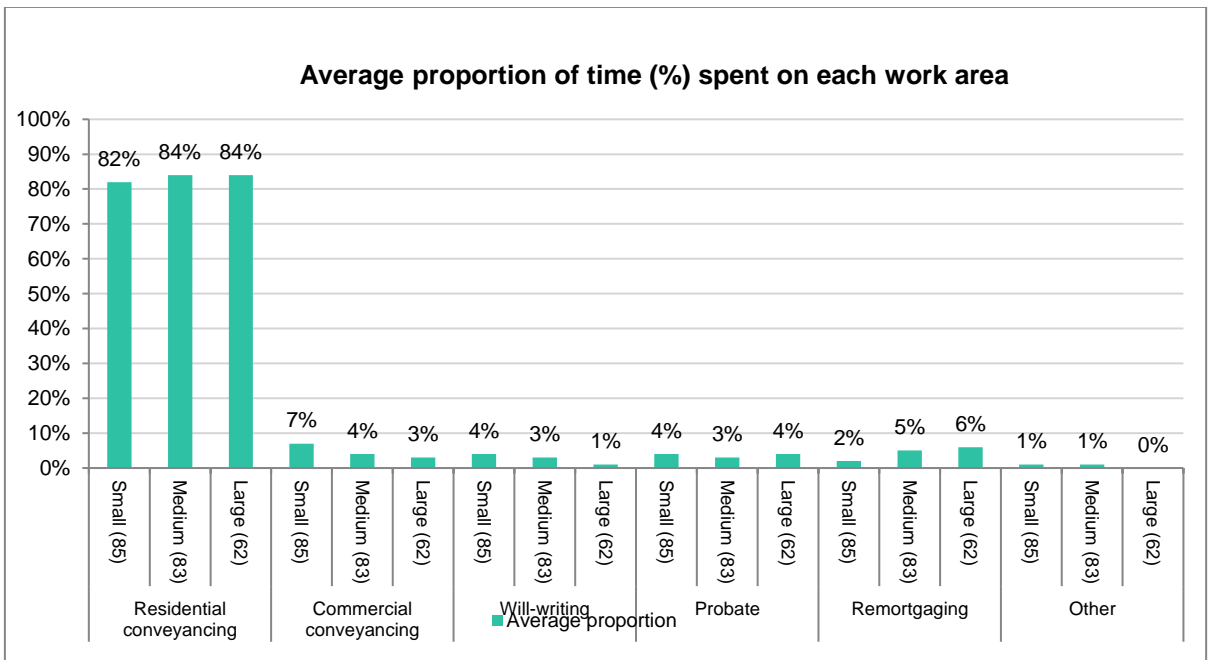
3.4 Firms without ABS status were significantly more likely to dedicate a greater amount of time to commercial conveyancing, compared to firms with ABS status (with ABS status: 2%; non-ABS status: 6%).

3.5 Re-mortgaging work was the second most common type of work; nearly three-quarters (73%) had spent some of their time on this type of work. 7 in 10 firms (69%) dedicated between 1 and 10% of their time to re-mortgaging and the average proportion spent was 4%. Firms with ABS status were significantly more likely to dedicate a greater amount of time to re-mortgaging, compared to firms without ABS status (with ABS status: 8%; non-ABS status: 3%).

- 3.6 One in three firms (32%) said that they dedicated some time to will-writing work. 1 in 4 firms (25%) dedicated between 1 and 10% of their time to will-writing work; the average proportion of workload time dedicated was 3%.
- 3.7 Firms were least likely to report that they spent some of their time conducting probate work; just over a quarter (27%) of firms reported that they spent some of their workload on this type of business. One in 5 firms (19%) dedicated between 1 and 10% to probate work and the average proportion dedicated was 4% of the workload.



Q2. What proportion of your organisation's time is dedicated to the following types of work?

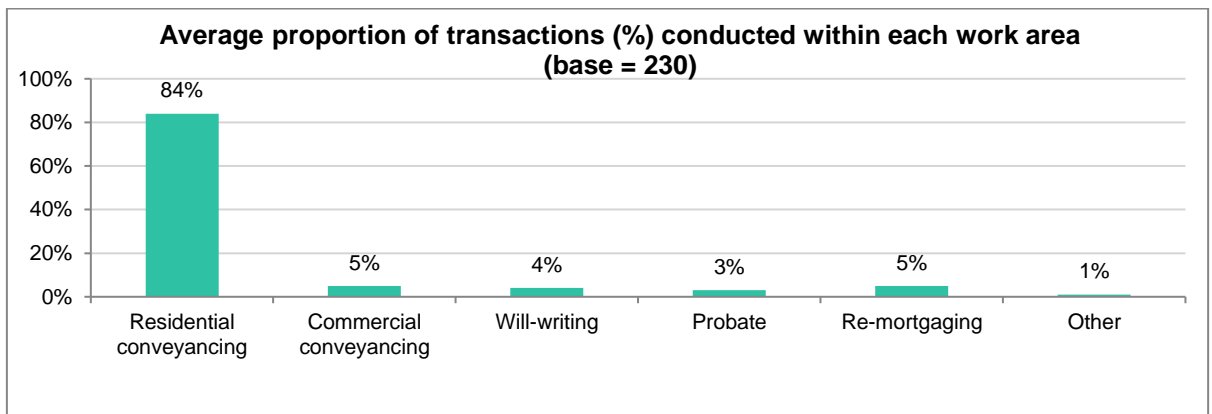


Q2. What proportion of your organisation's time is dedicated to the following types of work?



### Proportion of transactions conducted in each business area

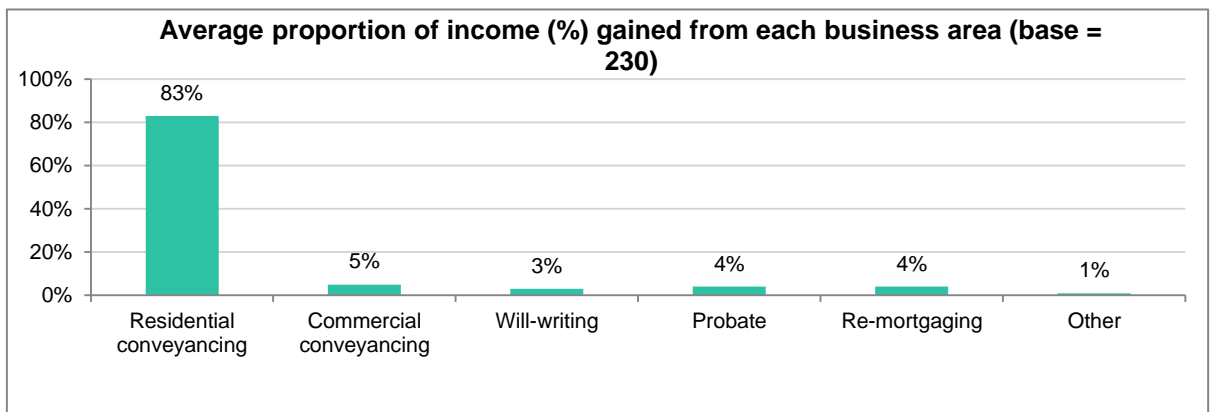
- 3.8 In line with the pattern of time spent on each work area, residential conveyancing made up the majority of transactions conducted overall, with an average of 83% of transactions made for this type of work. Around half (48%) of firms reported that residential conveyancing made up over 90% of transactions conducted by their firm.
- 3.9 Commercial conveyancing made up on average 5% of transactions conducted. Forty-four percent (44%) of firms reported that between 1 – 10% of transactions conducted were related to commercial conveyancing.
- 3.10 Re-mortgaging made up 5% of transactions conducted on average, with nearly 7 in 10 firms (69%) conducting between 1-10% of transactions in this type of work. Firms with ABS status were significantly more likely to conduct a greater proportion of transactions in this type of work, compared to firms without ABS status (with ABS status: 8%; non-ABS status: 3%).
- 3.11 Will-writing made up 4% of transactions on average, with nearly 1 in 4 (23%) firms making between 1-10% of their transactions for will-writing.
- 3.12 Probate work made up 3% of transactions on average, with 1 in 5 (20%) firms reporting that 1-10% of their transactions were of this type of work.



Q3. What proportion of your organisation's transactions are conducted in the following types of work?

### Proportion of income gained from each business area

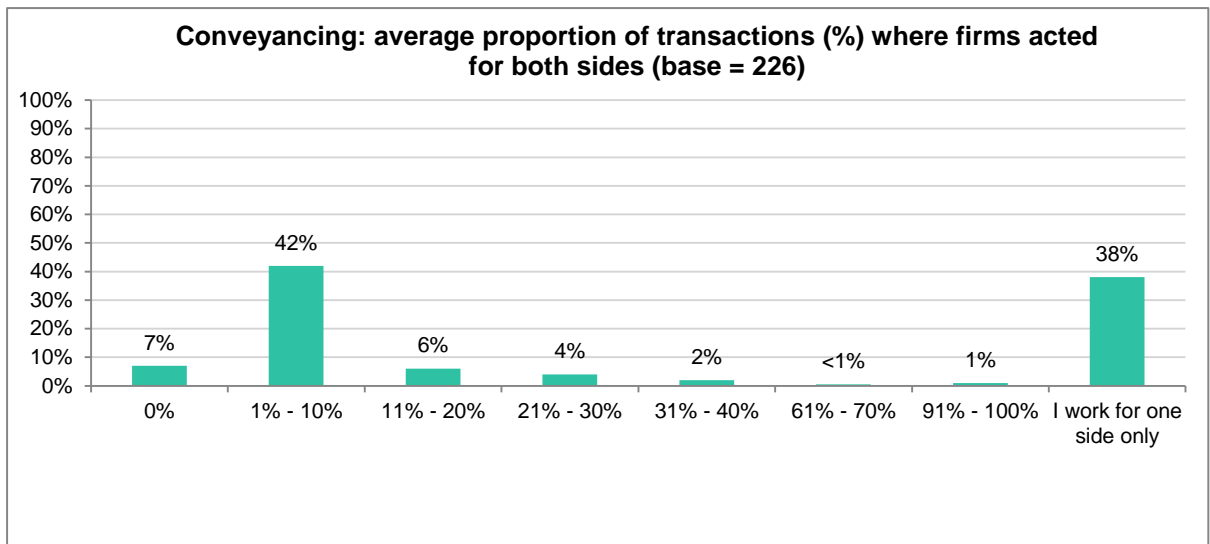
- 3.13 Residential conveyancing was the main source of income for firms overall, with an average of 83% of income coming from this type of work. Half of firms (51%) reported that over 90% of their income comes from this type of business.
- 3.14 This was followed by commercial conveyancing work, which represented 5% of the income on average. Firms without ABS status were significantly more likely to report greater proportion of income from this type of work than firms with ABS status (non-ABS status: 6%; with status 2%).
- 3.15 Probate and re-mortgaging work both represented 4% of firms' income each, on average. Lastly, will-writing brought in 3% of the income on average. Firms with ABS status were significantly more likely to report a greater proportion of income from will-writing, compared to firms without ABS status (with ABS status: 5%; non-ABS status: 2%).



Q4. What proportion of your organisation's income is gained from the following types of work?

### Acting for both sides in a transaction

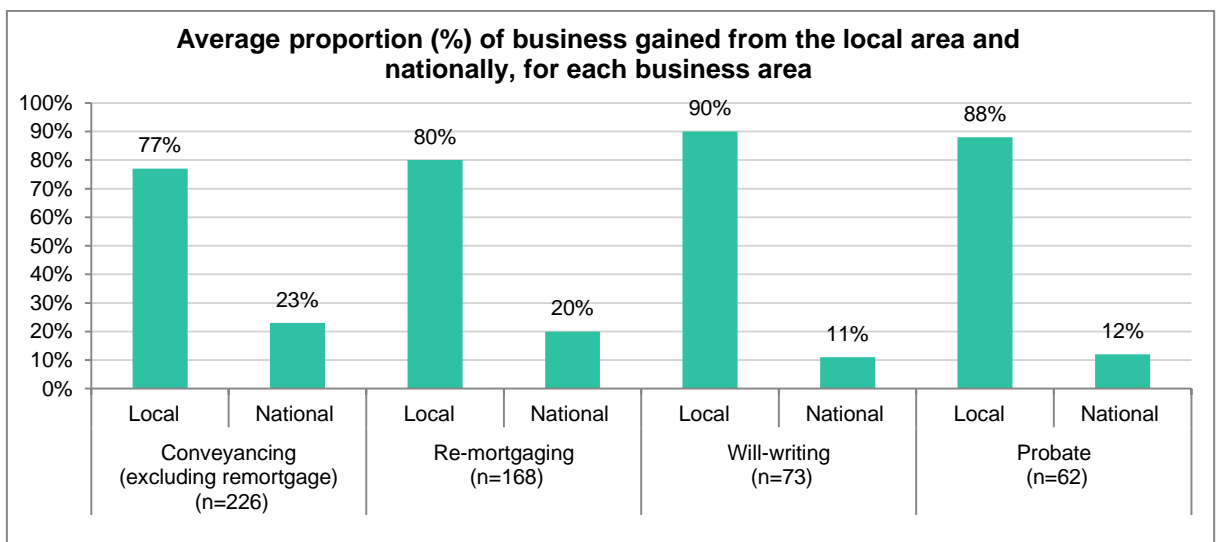
3.16 Firms who conducted re-mortgaging and / or commercial conveyancing work were asked to report on the proportion of transactions where they acted for both sides during 2016. Around 6 in 10 (62%) firms had acted on behalf of both sides in a transaction. Four in ten (42%) firms reported that they acted for both sides for between 1 and 10% of transactions overall. A further 4 in 10 (38%) reported that they worked for one side only.



Q9. Thinking about your organisation's conveyancing work (excluding remortgage) undertaken in 2016, in what proportion of transactions did your organisation act for both sides?

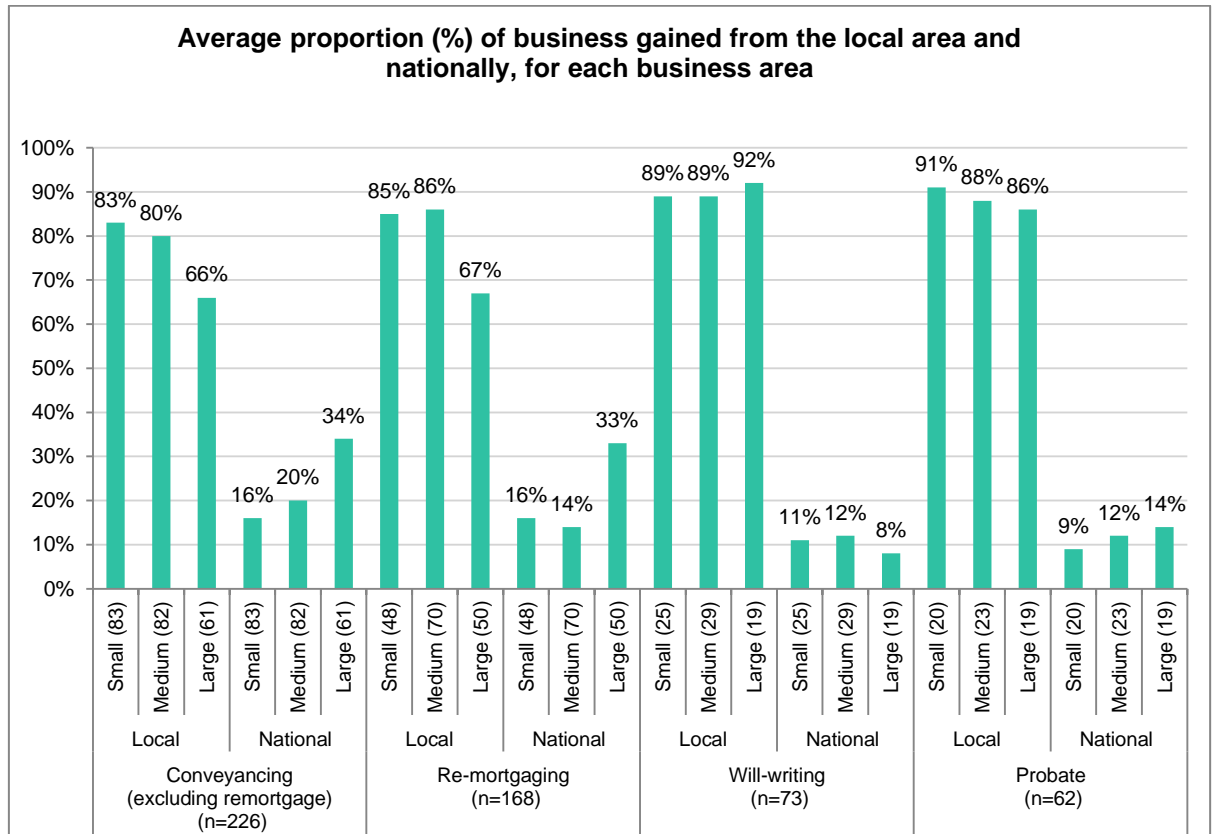
### Sources of business: local vs national

- 3.17 Firms were asked to report the proportion of work that comes from the local area vs. nationally, for each of the work areas they carried out. The local area was defined as within a 20 mile radius of firms' location(s).
- 3.18 Overall, will-writing tended to be sourced the most from the local area; firms reported that 90% of this type of work was sourced from the local area. Three-quarters (77%) of firms reported that over 90% of their will-writing work comes from the local area.
- 3.19 This was followed by probate work; firms who conducted this type of work reported that it was sourced from the local area in 88% of cases.
- 3.20 Firms who conducted re-mortgaging work reported that it is sourced from the local area in 80% of cases.
- 3.21 Conveyancing work (residential and / or commercial) was least likely to be sourced from the local area: firms who conducted this type of work reported that three-quarters (77%) of cases came from the local area.



Q 5/6/7/8. Thinking about your organisation's conveyancing/remortgaging/will-writing/probate work, what proportion comes from the local area compared to nationally? (The 'local area' is defined as within a 20 mile radius of your location(s) so think about what is generally the case for your whole firm at all locations)

3.22 In terms of conveyancing and re-mortgaging work, large firms were significantly more likely to source work from the national area than small and medium-sized firms (conveyancing: 34% among large firms, compared with 18% among small and medium-sized firms; re-mortgaging: 33% among large firms, compared with 14% among small and medium-sized firms).



Q 5/6/7/8. Thinking about your organisation's conveyancing/remortgaging/will-writing/probate work, what proportion comes from the local area compared to nationally? (The 'local area' is defined as within a 20 mile radius of your location(s) so think about what is generally the case for your whole firm at all locations)

### Sources of business: channels

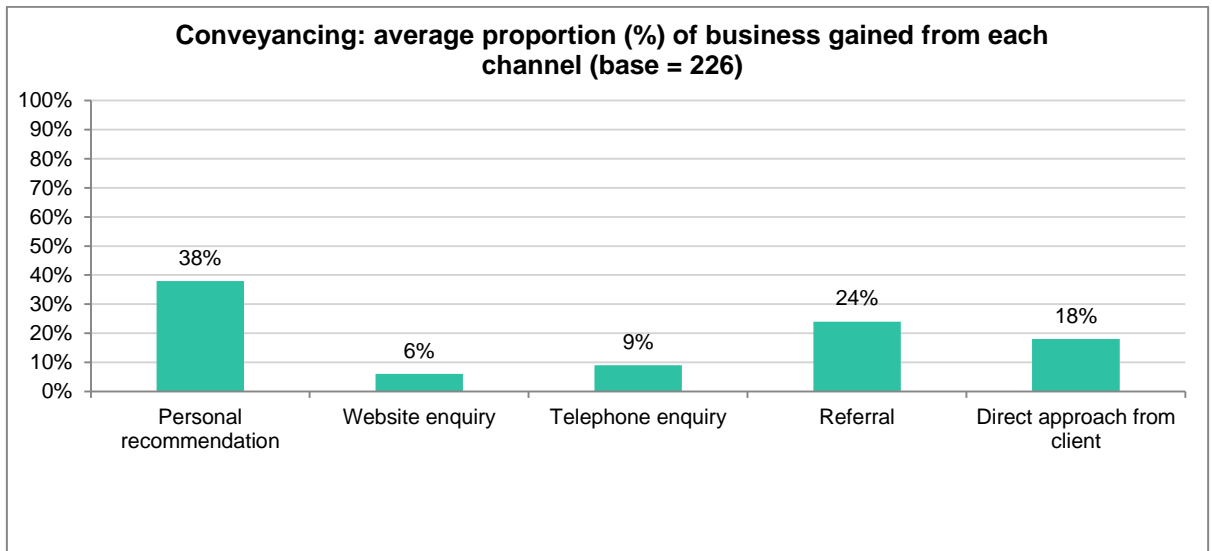
3.23 Firms were asked to report what proportions of their work was sourced from the following channels, for each type of business conducted:

- Personal recommendation;
- Website enquiry;
- Telephone enquiry;
- Referral (e.g. from mortgage lenders);
- Direct approach from client

3.24 In terms of conveyancing, the channel which generated the most work was personal recommendation (38%<sup>5</sup>), and the second most fruitful channel was referrals (24%).

3.25 Firms without ABS status were significantly more likely to gain conveyancing work from personal recommendation (42%) compared to firms with ABS status (24%). Conversely, a significantly greater proportion of firms with ABS status received conveyancing work through referrals (45%), compared to firms without ABS status (18%).

3.26 Firms with a revenue of £500,000 and above were also significantly more likely to secure conveyancing work through referral arrangements (36% - compared with 20% for smaller firms)<sup>6</sup>.



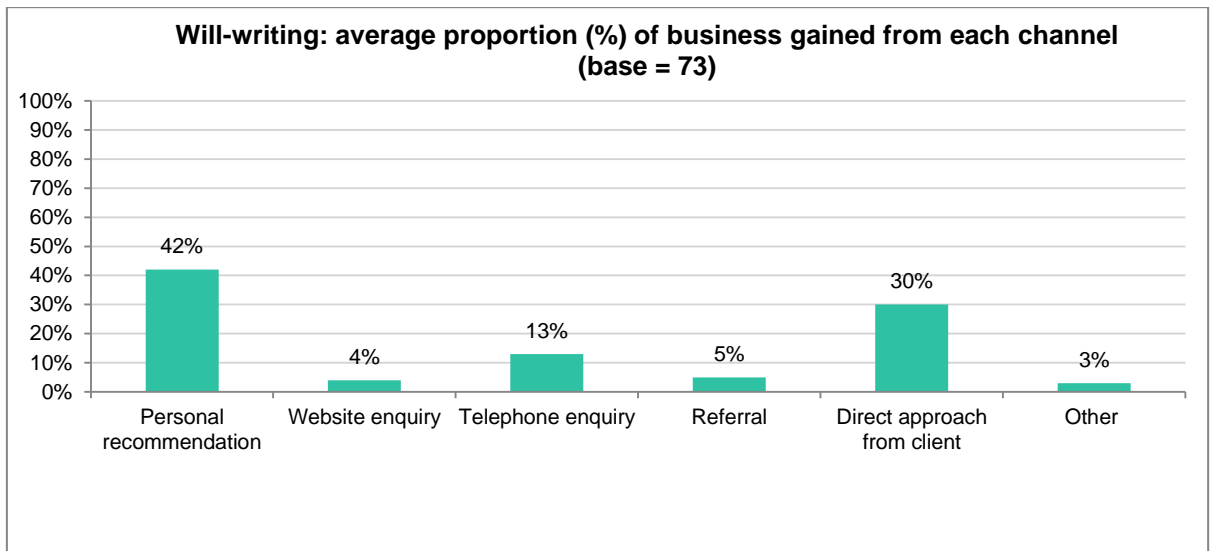
Q10. Thinking about your organisation's conveyancing work, what proportion is gained through the following channels?

<sup>5</sup> All percentage figures in the 'Sources of business: channels' section represent an average of the percentage of relevant work (conveyancing, will-writing, or probate) respondents said they gained through a particular channel.

<sup>6</sup> It is worth noting that there is a lot of overlap between these categories: 51% of firms with ABS status are in the £500,000 and above category, and 45% of firms in the £500,000 and above category have ABS status.

3.27 In terms of will-writing, the channel which generated the most work was also personal recommendation (42%), and the second most fruitful channel was direct approaches from clients (30%).

3.28 Again, firms with ABS status were significantly more likely to gain will-writing work from referral (16% for those with ABS status<sup>7</sup> – compared with 2% non-ABS). Will-writing referrals also appear to favour companies with revenue of £1,000,000 and above, however the base sizes are too small for a meaningful analysis.

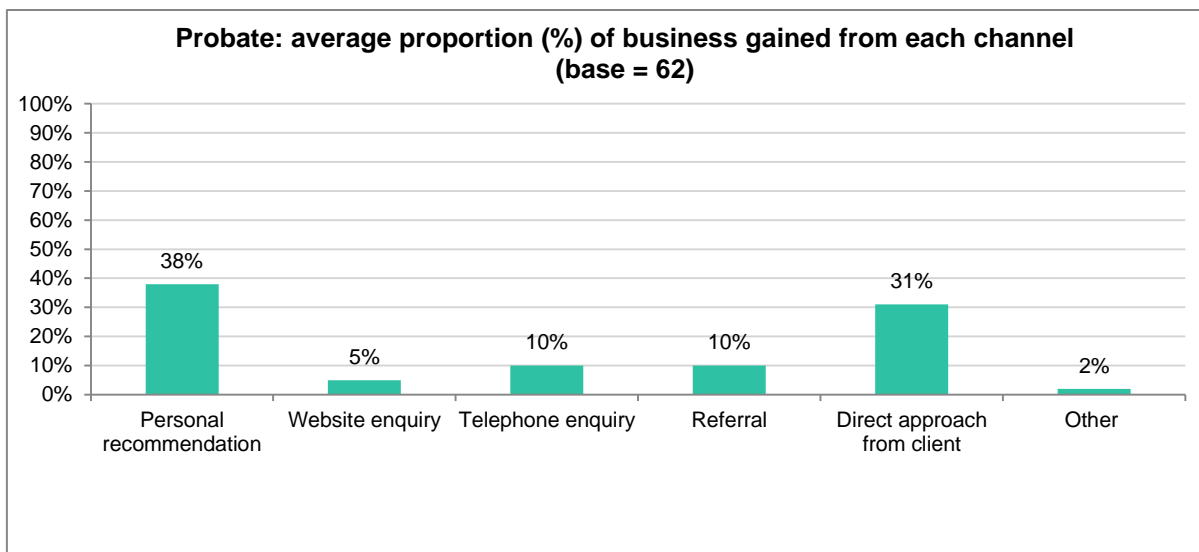


Q10. Thinking about your organisation's will-writing work, what proportion is gained through the following channels?

<sup>7</sup> It should be noted that the base size in this category is only 15.

3.29 In terms of probate, the channel which generated most work was again personal recommendation (38%), and as with will-writing work the channel which generated the second largest proportion of probate work was direct approaches from clients (31%).

3.30 Firms without ABS status were more likely to gain probate work from personal recommendation (45%<sup>8</sup> – compared with 14% ABS<sup>9</sup>), while firms with ABS status were significantly more likely to gain probate work from referrals (38% – compared with 2% non-ABS). As with conveyancing work, probate referrals appear to favour large firms (17% - compared with 6% for small and medium-sized firms<sup>10</sup>).



Q10. Thinking about your organisation's probate work, what proportion is gained through the following channels?

3.31 Across each of conveyancing, will-writing and probate work, a relatively small proportion of work was gained from website and telephone enquiries, while personal recommendation accounted for the greatest proportion of gained work in each of the categories.

<sup>8</sup> It should be noted that the base size in this category is only 49.

<sup>9</sup> It should be noted that the base size in this category is only 13.

<sup>10</sup> It should be noted that the base sizes in these categories are 19 and 43, respectively.

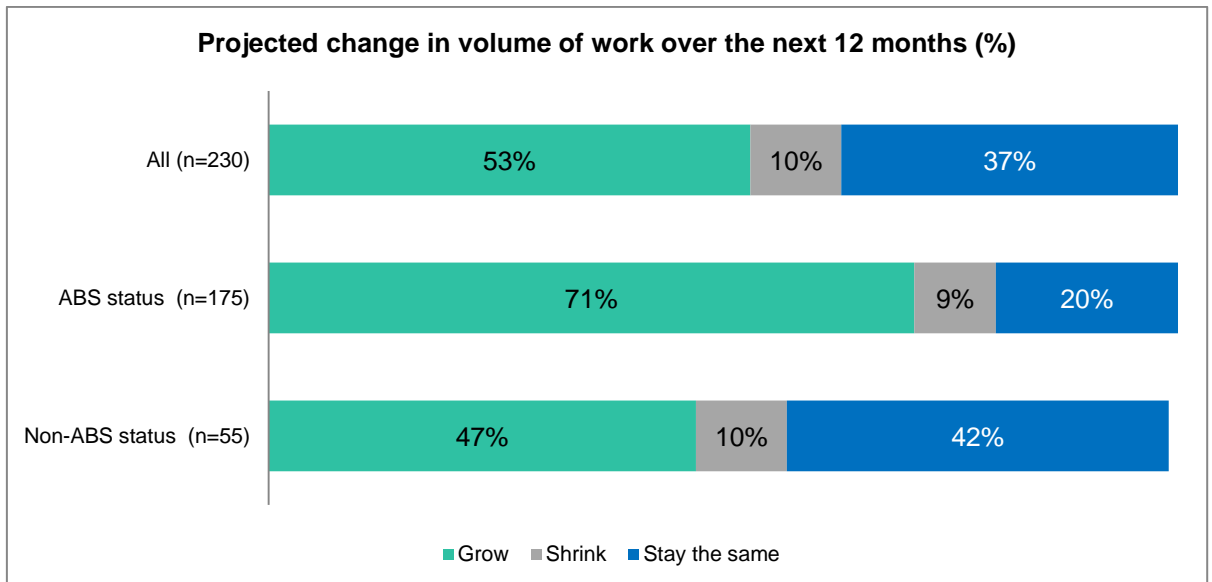


### Volume of work

3.32 Firms were asked whether they expected their organisation’s overall volume of work to grow, shrink or stay the same over the following 12 months. Firms were then asked to what extent Brexit had affected their answer, and, if they answered that it had affected their answer to at least some extent, whether this impact was positive or negative.

3.33 The majority of respondents (53%) expected their organisation’s volume of work to grow, with a sizeable minority (37%) expecting it to stay the same, and only a tenth (10%) expecting it to shrink.

3.34 In terms of work area, organisations active in probate were most optimistic, with 61% expecting their volume of work to grow; and in terms of turnover, organisations with a turnover of £1,000,000 and above were most optimistic, with 85% expecting their volume of work to grow<sup>11</sup>. Organisations with ABS status were significantly more optimistic than organisations without ABS status (71% of organisations with ABS status expected their volume of work to grow – compared with 47% non-ABS).

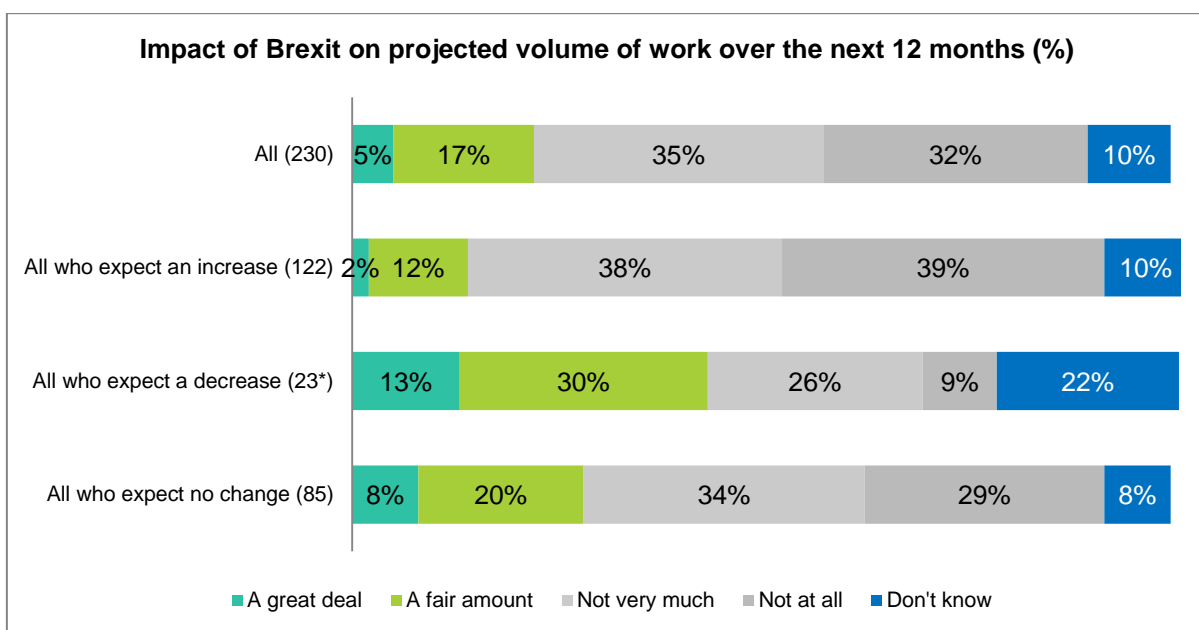


Q 19. Now thinking about your organisation’s volume of work overall in the next 12 months, do you expect that it will grow, shrink or stay the same?

<sup>11</sup> It should be noted that the base size in this category is only 27.

### Impact of Brexit on volume

- 3.35 Across all respondents, the majority (67%) said that Brexit had little or no impact on their answer, with just over a fifth (22%) saying it affected their answer either a great deal or a fair amount.
- 3.36 Among those firms who expected their volume of work to increase, around 1 in 7 (14%) said that Brexit affected their response either to a great deal or a fair amount. Of those who expected their volume of work to shrink<sup>12</sup>, around half said that Brexit affected their answer - this implies that Brexit is generally expected to have a negative impact on businesses with negative outlook, and little to no impact on businesses with a positive outlook.
- 3.37 This conclusion is supported by the results of the following question, which shows that, among those who expect their organisation’s volume of work to grow and for whom Brexit had some effect on their response, the majority (73%) said that Brexit had neither a positive nor negative impact on their answer – with only 5% saying that it had a positive impact and 23% saying it had a negative impact.
- 3.38 As for those firms who expected their organisation’s volume of work to shrink and for whom Brexit had some effect on their response, around half said that Brexit had a negative impact on their answer.



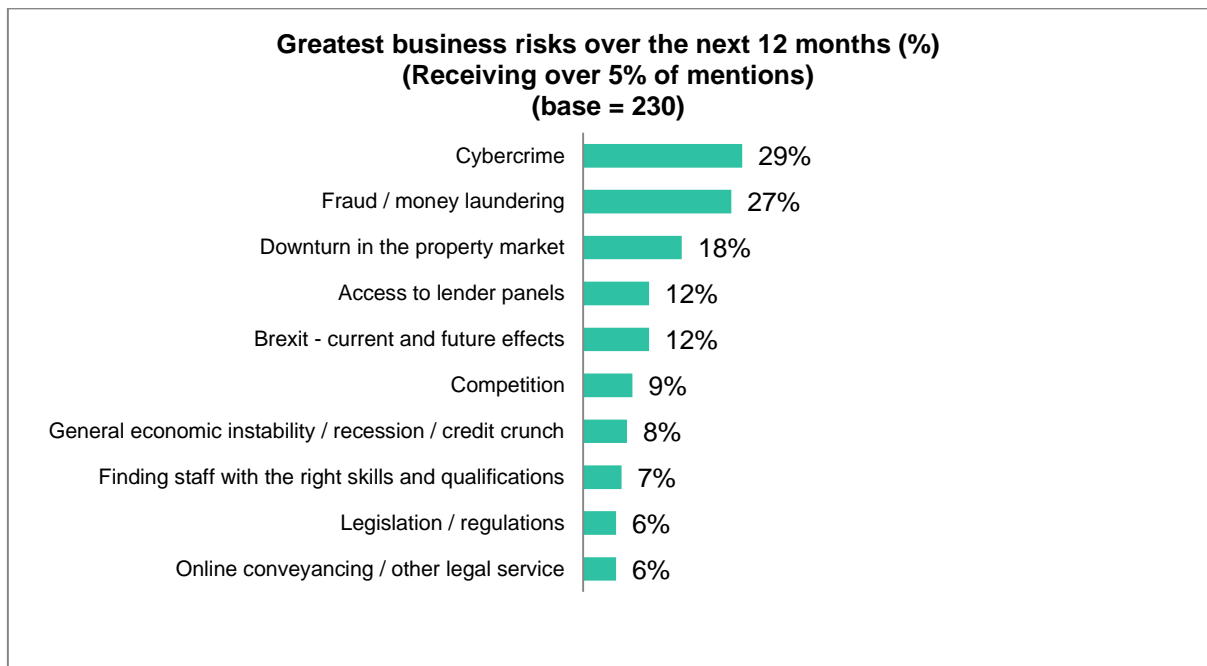
Q 20. You mentioned that you expect your organisation to grow/shrink/stay the same over the next 12 months. To what extent has 'Brexit' affected your answer?

- 3.39 The overall conclusion from these questions is that Brexit has had a limited impact on respondents’ expectations of growth, with what impact there has been tending towards the slightly negative.

<sup>12</sup> It should be noted that the base size in this category is only 23.

## Business risks

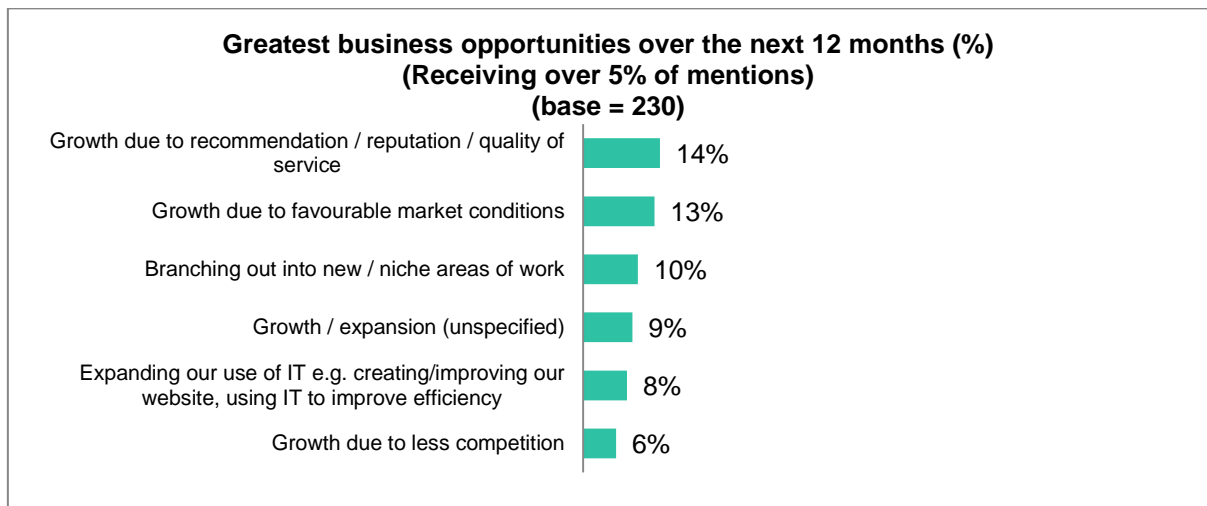
3.40 Firms were asked to report the greatest business risks they expected to face over the next 12 months. Cybercrime (29%), fraud / money laundering (27%), and a downturn in the property market (18%) were the most commonly reported types of risk. These risks were predicted to a comparable extent regardless of area of business conducted. A further 12% of firms reported that Brexit, either in its current or future impact, was a risk to business over the next 12 months.



Q51. Thinking about your organisation overall, what are the greatest risks confronting your organisation over the next 12 months?

## Business opportunities

3.41 When asked to report the greatest opportunities that firms expect to face over the next 12 months, growth was most commonly mentioned. Growth due to recommendation, the firm's reputation or quality of service (14%), and growth due to market conditions received mentions to a similar extent (13%). One in ten (10%) firms reported that there is opportunity to branch out into new or niche areas of work.

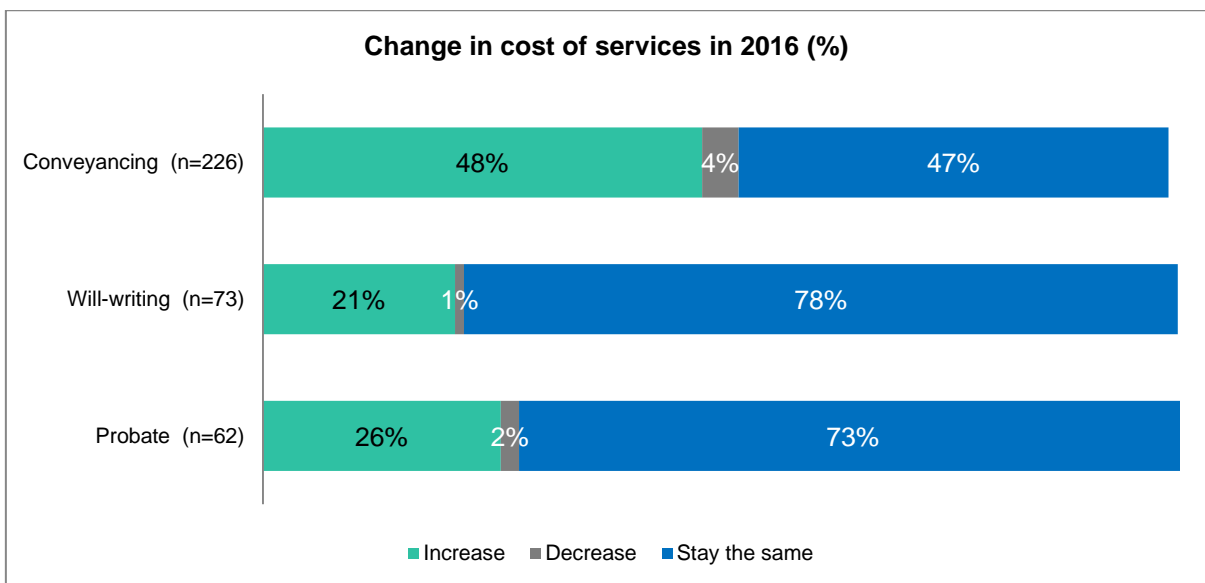


Q52. And what are the greatest opportunities open to your business over the next 12 months?

## 4 Costs

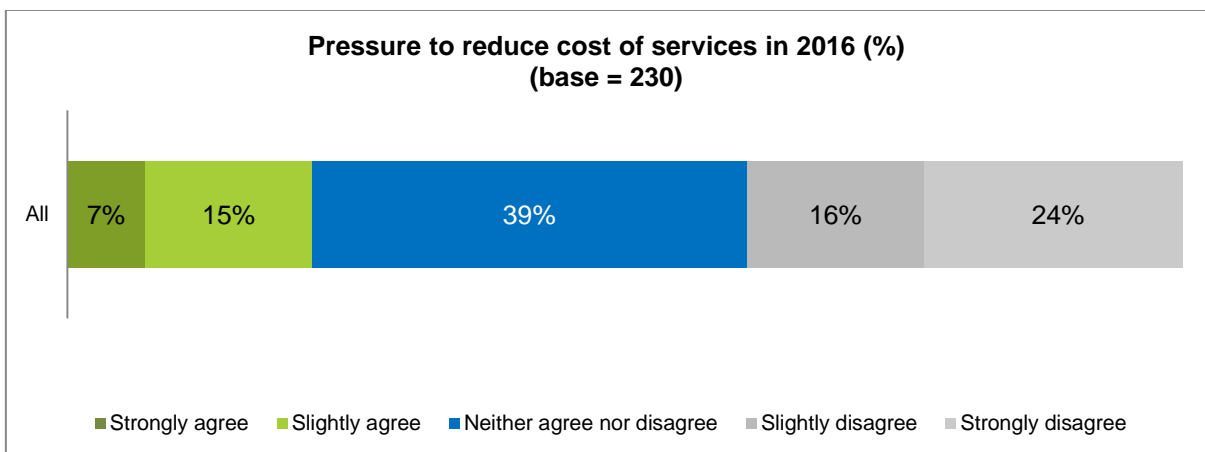
### Cost of services

- 4.1 Firms were asked to report whether the prices charged for its services during 2016 had increased, decreased, or stayed the same compared to the preceding year.
- 4.2 Firms were most likely to have increased the prices charged for conveyancing work (residential and / or commercial) during 2016, compared to probate and / or will-writing work (conveyancing 48%; probate 26%; will-writing 21%). Around three quarters of firms who carried out will-writing and/or probate work reported that the prices they charged for these types of work remained constant in 2016 compared to the previous year (will-writing 78%; probate 73%).



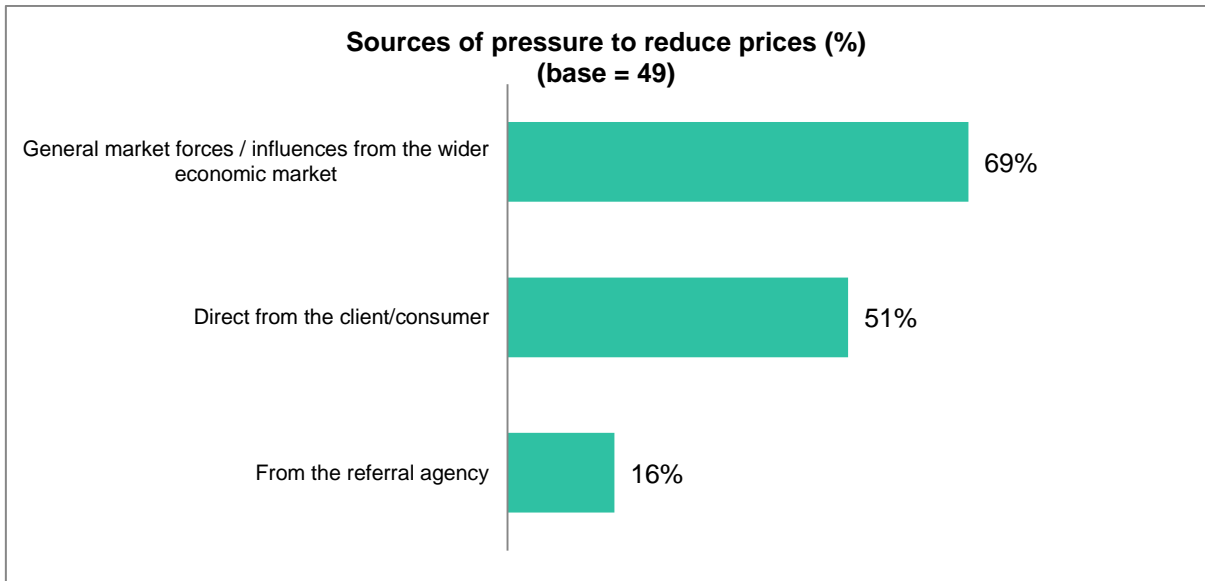
Q11. Thinking about the prices your organisation charged for its services during 2016, did they increase, decrease, or stay the same, compared to the preceding year? Please specify by the type of work listed below

- 4.3 Around 1 in 5 (21%) of all firms reported that in 2016 they felt pressure to reduce prices charged to clients for its services. Despite this, only 4% of firms who conducted conveyancing work and 1% of firms who conducted will-writing / probate work had decreased their prices during 2016.



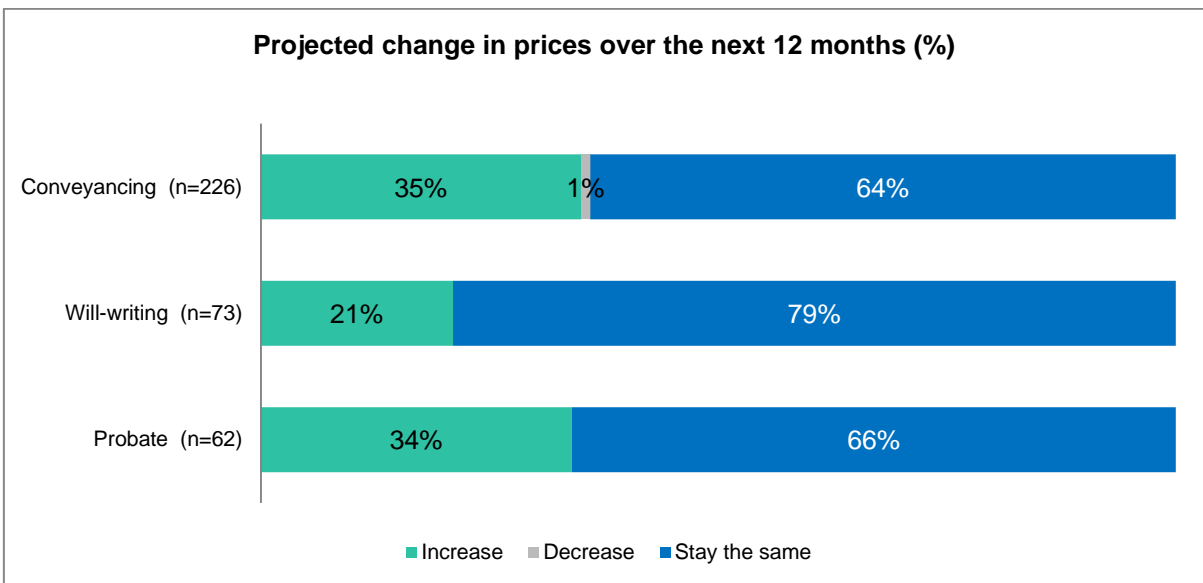
Q12. To what extent do you agree or disagree with the following statement: 'During 2016, my organisation felt pressure to reduce prices charged to clients for its services'

4.4 Of the firms who reported pressure to reduce their prices, the top sources of pressure were general market forces and the wider economic market (69%), followed by direct pressure from the client or consumer (51%). A further 16% reported pressure from the referral agency.

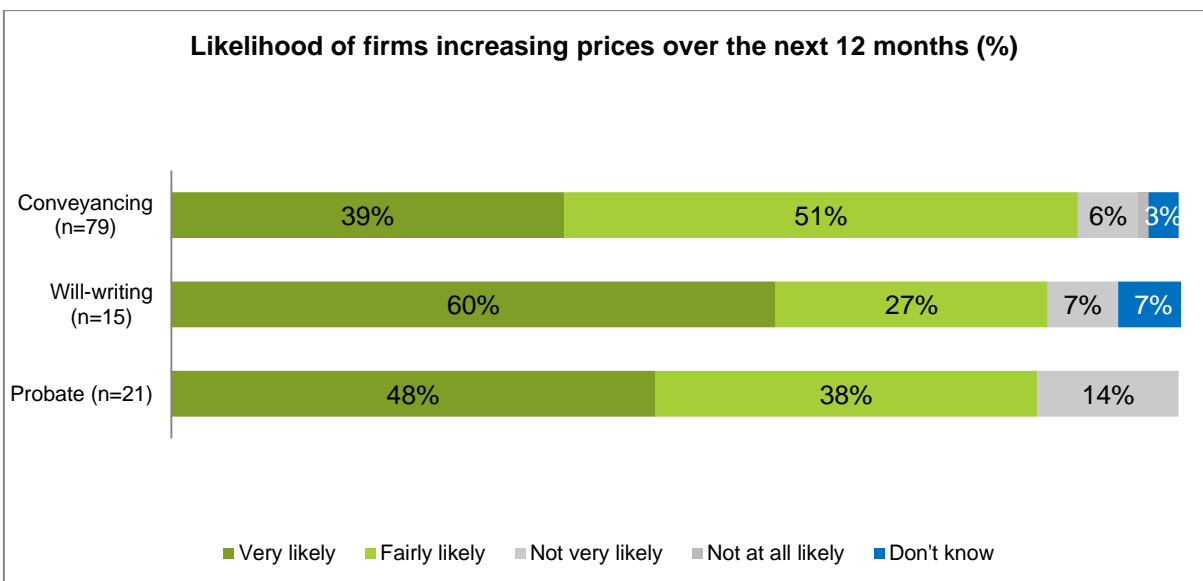


Q13. You mentioned that your organisation has felt pressure to reduce its prices. Where did this pressure come from?

- 4.5 When asked about the next 12 months, just over a third of firms conducting conveyancing (35%) and / or probate work (34%) reported that they will increase the cost of these services. The great majority of firms reported that this increase was either very or fairly likely to take place (conveyancing 90%; probate; 86%).
- 4.6 Fewer firms conducting will-writing work reported that the cost of this service will increase over the next 12 months (21%). Again, most firms were confident that this price increase would take place (very / fairly likely: 87%). No firms conducting will-writing and / or probate work reported that they will decrease their prices of these services, and only 1% of firms conducting conveyancing work reported that this service will increase.



Q14. Now thinking about the next 12 months, do you think that your organisation will increase or decrease the prices of its services, or will they stay the same? Please specify by the type of work listed below



Q15. You mentioned that you think your organisation will increase its prices in the next 12 months. How likely do you think it is that your organisation will increase its costs?

### Costs for specific services

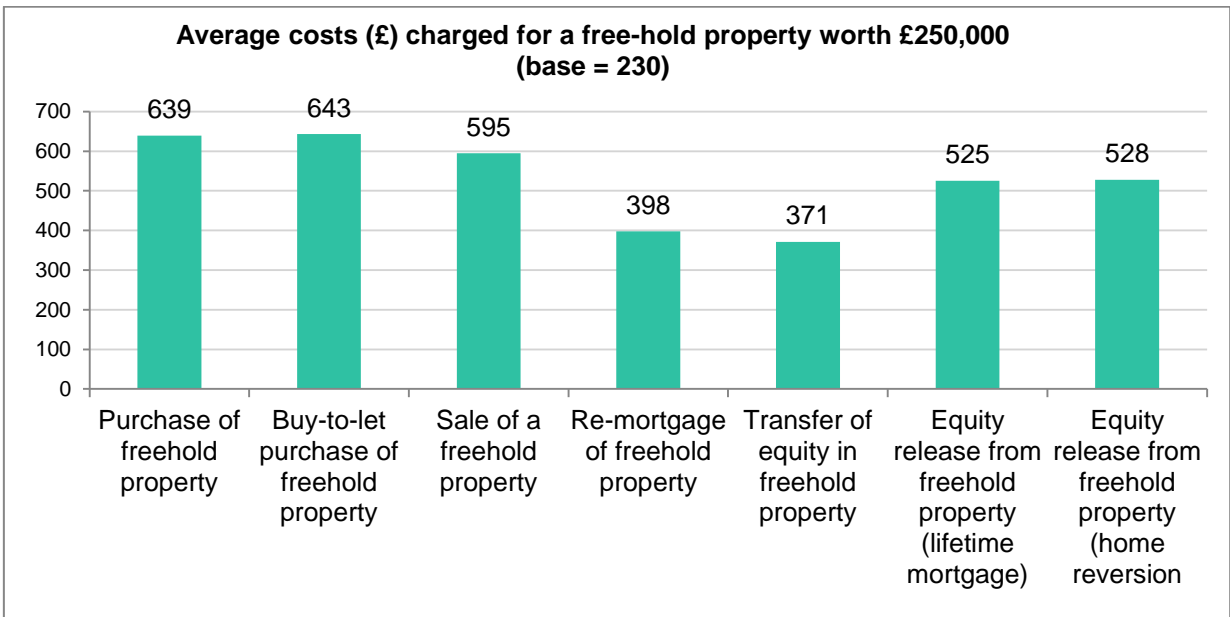
4.7 Firms were asked to provide an average estimate for a range of services provided in relation to the following types of properties over the last year:

- freehold residential property worth £250,000,
- leasehold residential property worth £250,000
- an estate worth £250,000 (asked of those who carried out will-writing and / or probate work)

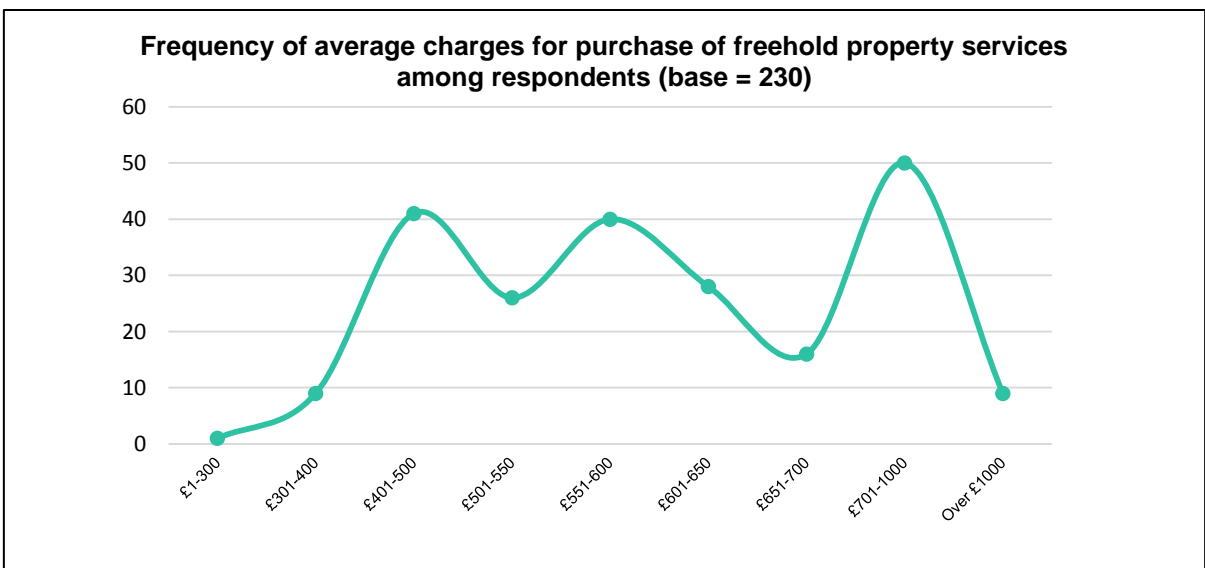


**Freehold residential property worth £250,000**

- 4.8 On average, firms charged a similar rate for the purchase of a free-hold property and a buy-to-let purchase of the same property type (purchase: £639; buy-to-let purchase: £643).
- 4.9 For the sale of a freehold property, the average price was £595, whereas for a re-mortgage of the same property type the average price was £397.
- 4.10 In terms of equity release, firms charged a similar fee on average for equity release from a freehold property on a lifetime mortgage as they did for home reversion (lifetime mortgage: £525; home reversion: £528). For the transfer of equity for a freehold property the average fee charged was £371.



Q16A. Now thinking about a freehold residential property worth £250,000, approximately how much would you have charged on average for each of the following services over the last year?



Q16A. Now thinking about a freehold residential property worth £250,000, approximately how much would you have charged on average for each of the following services over the last year? Purchase of freehold property

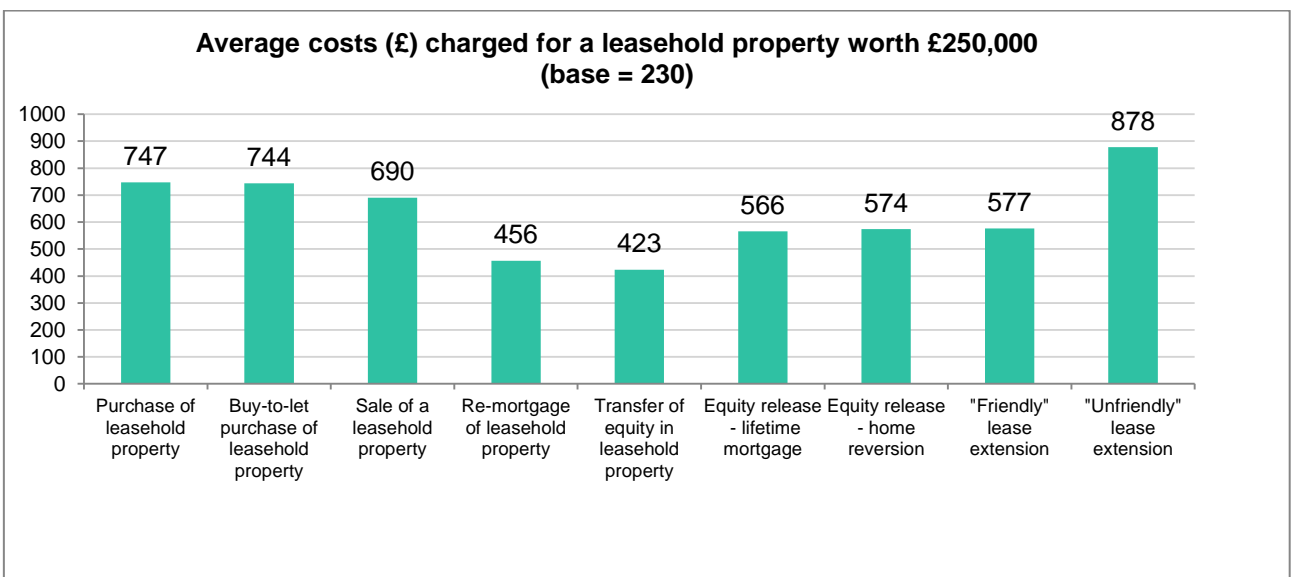
**Leasehold residential property worth £250,000**

4.11 For the purchase of a leasehold residential property, the average fee charged was £747 and this was similar to the fee charged for a buy-to-let purchase (£744).

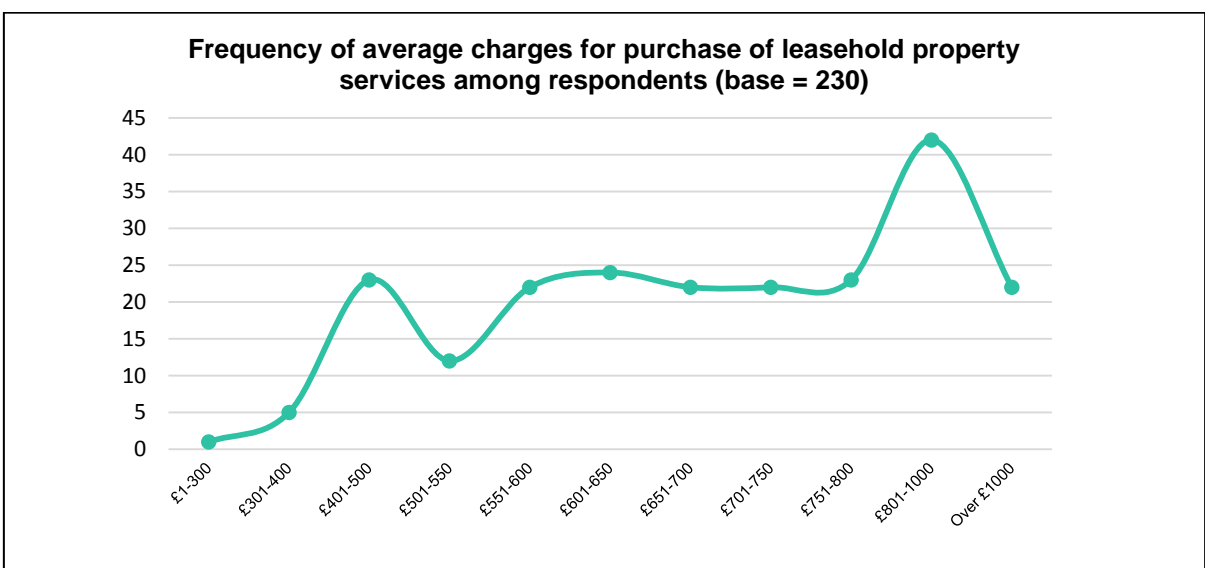
4.12 In terms of the sale of a leasehold residential property, the average price was £690, whereas the re-mortgage of the same property type was £456 on average.

4.13 In terms of lease extension, a 'friendly' lease extension was charged at £577 on average, whereas the average cost for an 'unfriendly' lease extension was £878.

4.14 When asked about equity release, home reversion was charged slightly more on average (£574) compared to a lifetime mortgage (£566). The transfer of equity for a leasehold property was costed at £423 on average.



Q17 Now 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 last year?

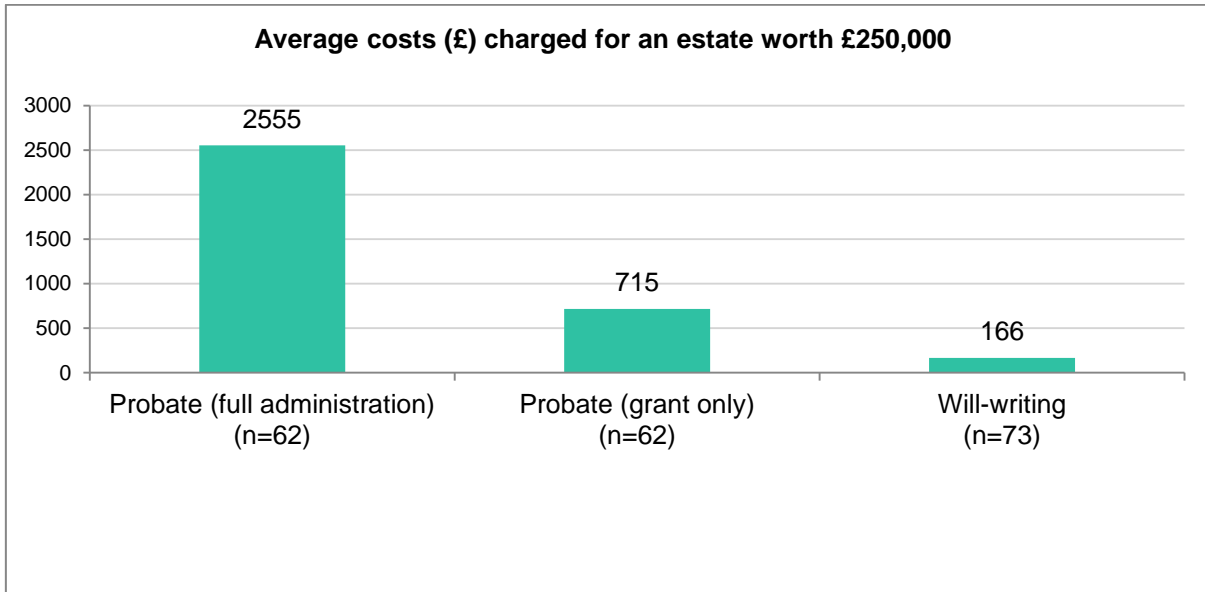


Q17 Now in relation to a leasehold residential property worth £250,000, approximately how much would you have charged on average for each of the following services last year? Purchase of leasehold property

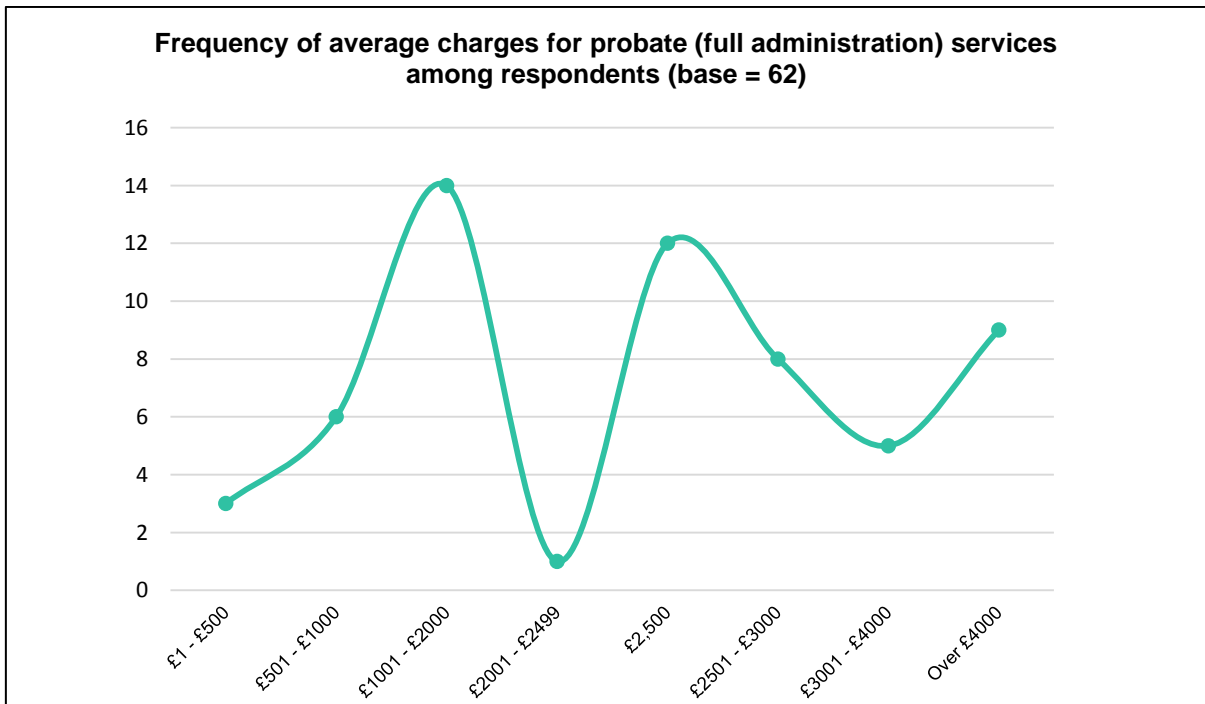
**An estate worth £250,000**

4.15 Among firms who carried out probate work, the average fee for full-administration was £2,555. For grant only, the average fee was £715.

4.16 For those firms who carried out will-writing work, the average fee in relate to an estate worth £250,000 was £166.



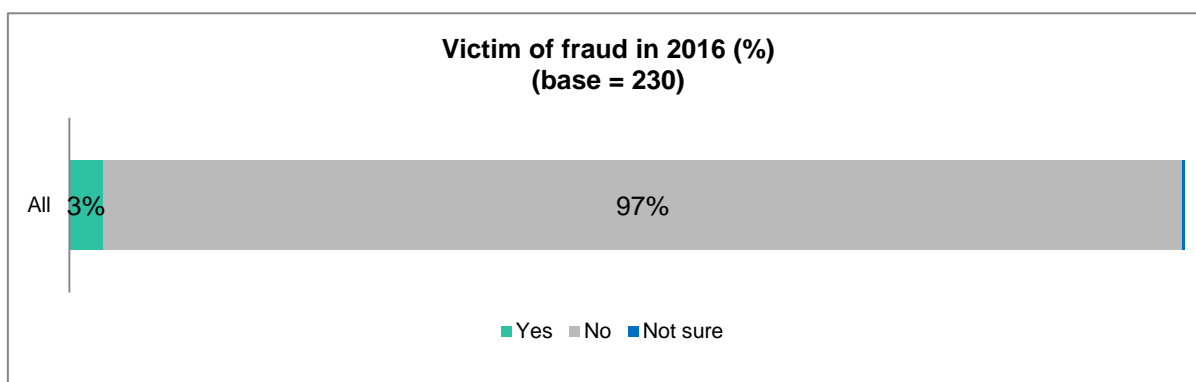
Q18. Thinking about an estate worth £250,000, approximately how much would you have charged on average for each of the following services last year?



Q18. Thinking about an estate worth £250,000, approximately how much would you have charged on average for each of the following services last year? Probate (full administration)

## 5 Fraud

5.1 Only a small number of firms reported that they had been the victim of definite cases of fraud in 2016 (3%; six firms). These firms reported one instance of confirmed fraud each. Three of the six firms reported that the confirmed instances of fraud cost their organisation between £7,500 and £25,000. In addition, one firm said it did not cost them at all, and a further 2 firms answered 'don't know'. Furthermore, one firm *suspected* that they had been victim of one instance of fraud in 2016.

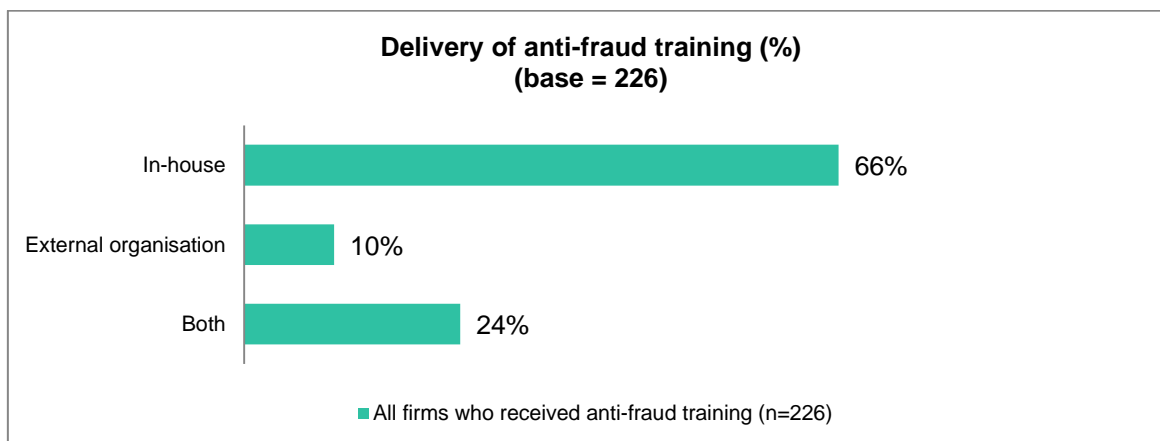


Q24. Has your organisation been the victim of fraud in 2016? (Please tell us about definite cases of fraud, not suspicions)

5.2 Of the six firms who experienced a confirmed instance of fraud, three firms had made an insurance claim. This was paid out in full for two of the firms (the third firm reported 'don't know').

5.3 The great majority of firms (91%) reported that all relevant staff had received training on anti-fraud measures in 2016. A further 7% of firms reported that *some* relevant staff had received training on anti-fraud measures.

5.4 Of those firms whose staff received anti-fraud training, for two-thirds (66%) this was delivered in-house. One in 10 firms had used an external organisation, and 1 in 5 (24%) firms had used both in-house and external training.



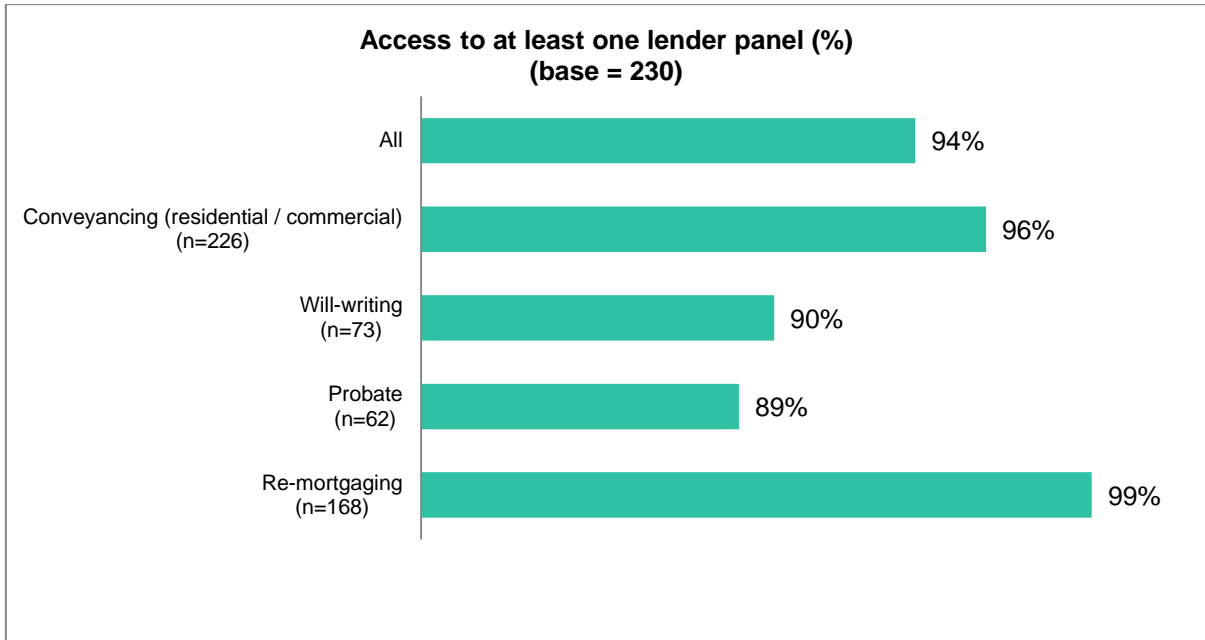
Q33. Did staff receive training on anti-fraud measures during 2016?

## 6 First-tier complaints

- 6.1 Firms were asked to report how many complaints they received directly from the client in 2016. Most firms (60%) did not receive any first-tier complaints. A minority of firms received one complaint only (13%), however at the other extreme there were also small number of firms who reported more than 20 complaints (4%; 10 firms).
- 6.2 The majority of complaints received at an overall level were resolved (95%). A further 11% were referred to the Legal Ombudsman, whilst 1% (21 complaints) were unresolved.

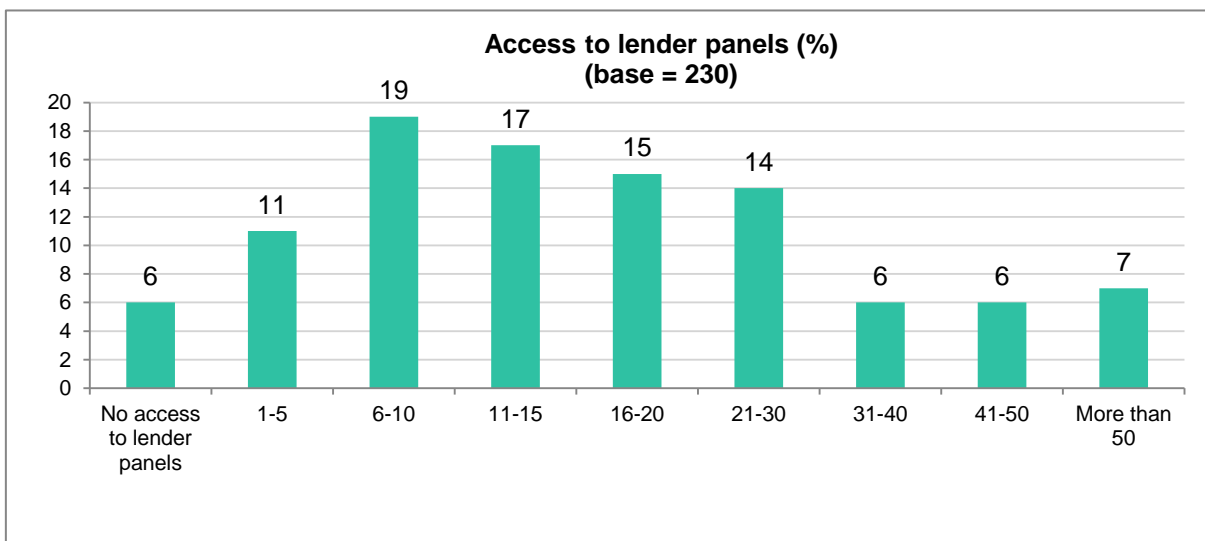
## 7 Lender panels

7.1 Nearly all firms (94%) had access to at least one lender panel. Firms who carried out probate and will-writing work were most likely to not have access to a lender panel (probate 11%; will-writing 10%; residential and / or commercial conveyancing 4%; re-mortgaging 1%).



Q37. How many lender panels does your organisation have access to?

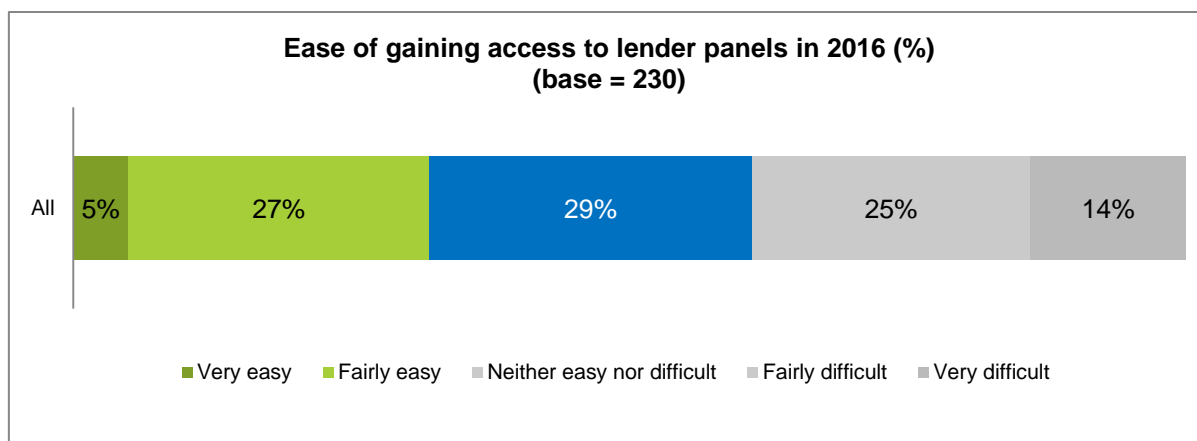
7.2 Firms reported a wide range of the number of panels they had access to, ranging from 1-5 panels (11%) to more than 50 panels (7%). The average number of lender panels reported per firm was 22.



Q37. How many lender panels does your organisation have access to?

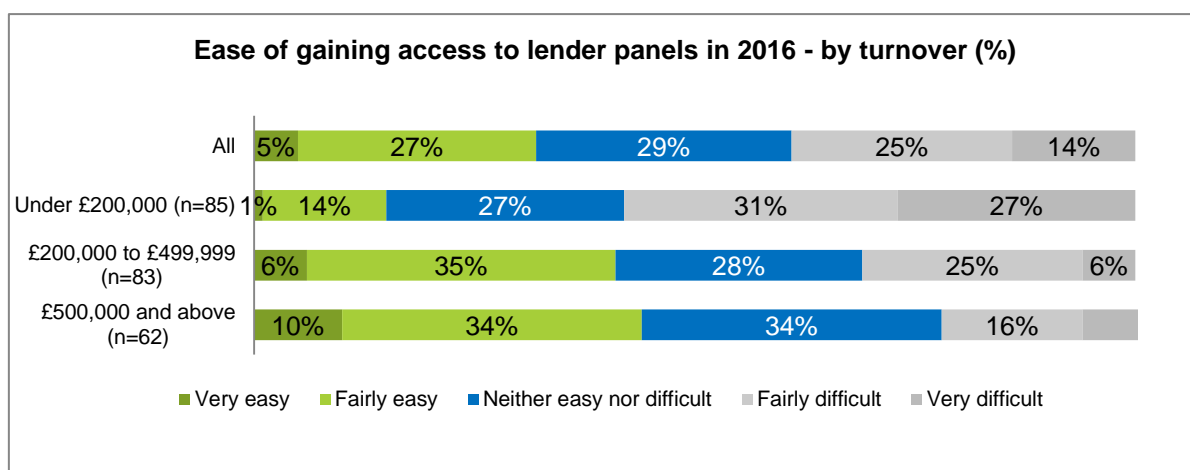
7.3 Firms with ABS status were more likely to have access to a greater number of panels compared to firms without ABS status (with ABS status: average 28 panels per firm; non-ABS status: average 20 panels per firm)<sup>13</sup>.

7.4 All firms were asked how easy or difficult it was for them to gain access to lender panels in 2016. Firms were more likely to report that it was fairly or very difficult (39%) to gain access, compared to fairly or very easy (32%) (although this difference is not statistically significant). Of those firms who experienced difficulties in applying for panel membership, 3 in 4 (75%) firms reported that their difficulties were either ‘a great deal’ or ‘quite a lot’.



Q38. How easy or difficult has it been for your organisation to get access to lender panels in 2016?

7.5 Firms with a turnover of less than £200,000 were significantly more likely to report difficulty in gaining access (58%), compared to those with a turnover between £200,000 and £499,999 (31%) and £500,000 and above (23%).



Q38. How easy or difficult has it been for your organisation to get access to lender panels in 2016?

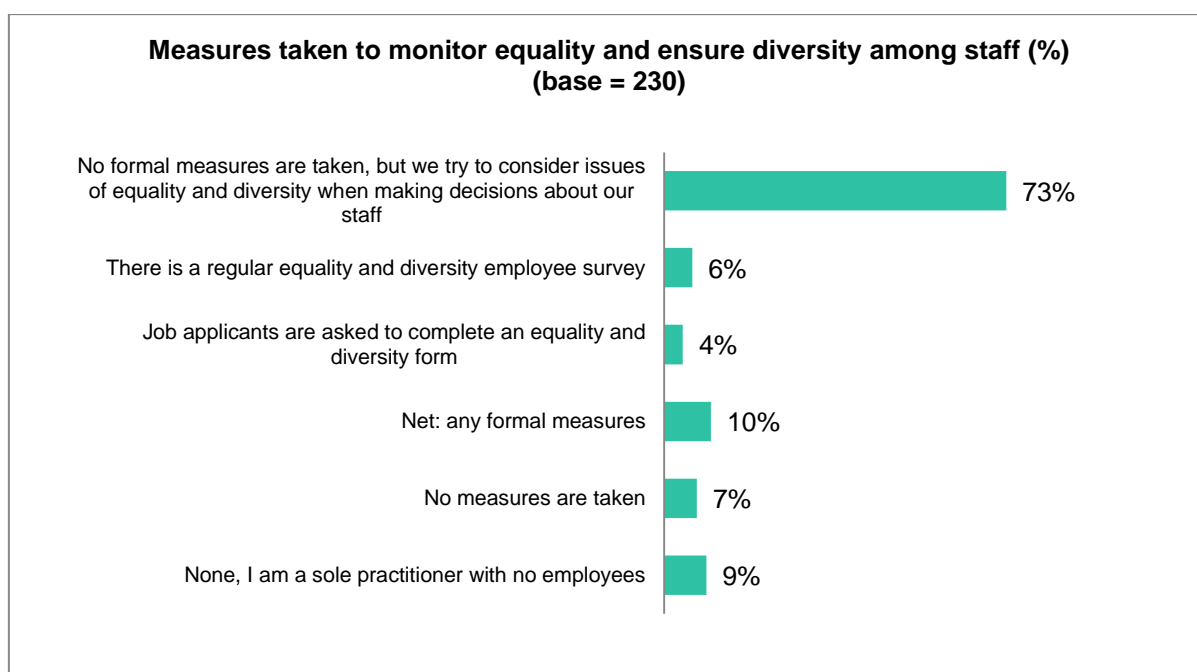
7.6 Around 1 in 7 firms (15%) reported that their organisation had had its access to a lender panel cancelled.

<sup>13</sup> It should be noted that this greater access to lender panels may be a factor of size rather than of ABS status – as noted above, there extensive overlap between firms with ABS status and firms in the £500,000 and above revenue category (51% of firms with ABS status are in the £500,000 and above category, and 45% of firms in the £500,000 and above category have ABS status).

## 8 Equality and diversity

### Measures taken

- 8.1 Firms were asked to report which measures their organisation had taken to ensure equality and monitor diversity among its staff during 2016.
- 8.2 For nearly three-quarters of firms (73%), firms reported that no formal measures were taken but they tried to consider issues of equality and diversity when making decisions about staff. Whilst not statistically significant, this figure is lower than in research conducted in 2016;<sup>14</sup> nearly 8 in 10 firms (79%) had not taken any formal measures (but had made informal considerations).
- 8.3 One in 10 (10%) firms reported that their organisation had taken formal measures, such as a regular equality and diversity employee survey (6%) and / or job applicants are asked to complete an equality and diversity form (4%). Firms with ABS status were significantly more likely to report having formal measures in place (18%), compared to firms without ABS status (7%).
- 8.4 A further 17% of firms reported that no measures were taken or that they were a sole practitioner with no employees.



Q43. What measures did your organisation take to ensure equality and monitor diversity among its staff during the year?

<sup>14</sup> In the 2016 Annual Regulatory Return conducted by the CLC, firms were asked: "What measures does your organisation take to monitor the equality and diversity of its staff?" (n=183).



## Women staff

8.5 Firms were asked to report the proportion of women staff in their organisation overall, in addition to the proportion of women management staff only.

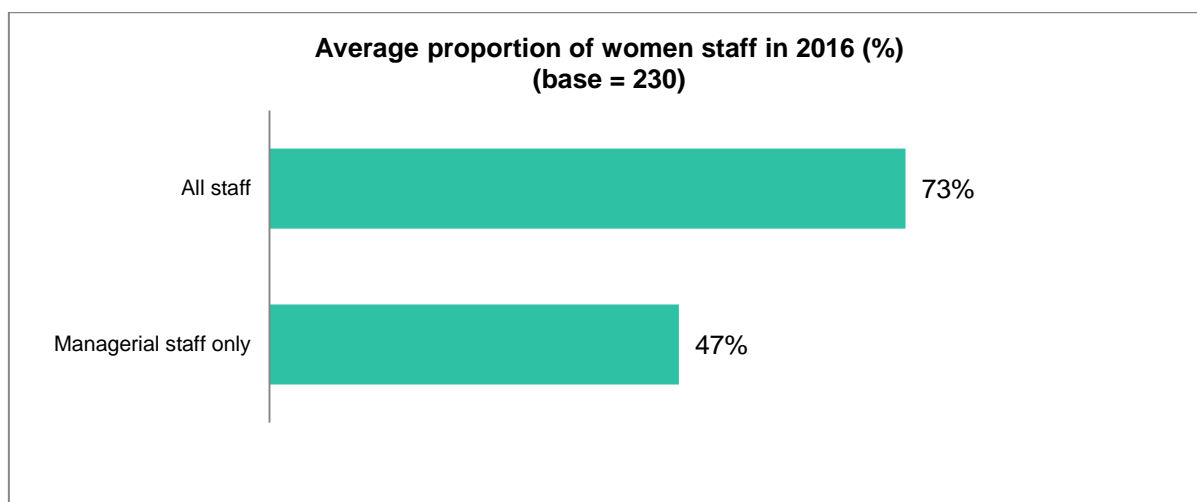
### All staff (including managerial staff)

8.6 Overall, firms reported that on average three-quarters (73%) of staff in their organisation were women in 2016. Two in three firms (68%) reported that over 70% of their staff were women.

8.7 This is comparable to research conducted in 2015<sup>15</sup>; 71% of all staff were women.

### Managerial staff

8.8 Among all firms, the average percentage of women managerial staff was 47%. Although not statistically significant, this is an increase on figures received in 2015, where firms reported that on average 41% of their managerial staff were women.



Q44. Approximately what proportion of your staff were women in 2016?

8.9 There was however a wide range in the number of women staff in managerial positions, for example 1 in 4 firms (26%) reported that between 91-100% of their managerial staff were women, however a similar proportion also said between 41% - 50% (22% of firms) and 0% of their managerial staff were women (24%). Most firms who reported no or very high proportions of women managerial staff were either small or medium-sized firms, with a turnover of less than £500,000.

8.10 Non-ABS firms were significantly more likely to employ a high number of women managerial staff than ABS firms (firms who employed 91 – 100% women managerial staff: 13% ABS; 30% non-ABS)<sup>16</sup>.

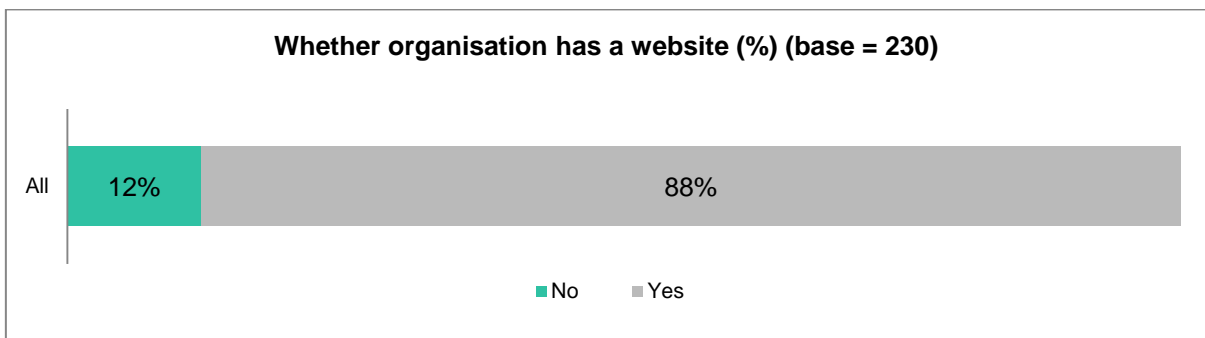
<sup>15</sup> In the 2016 Annual Regulatory Return conducted by the CLC, firms were asked: “During 2015, women made up approximately what proportion of each of the following groups within your organisation? (Enter a percentage from 0 to 100, as appropriate) - All staff (including managerial staff); Managerial staff” (n=198)

<sup>16</sup> Again, it is worth noting the overlap between large firms and firms with ABS status.

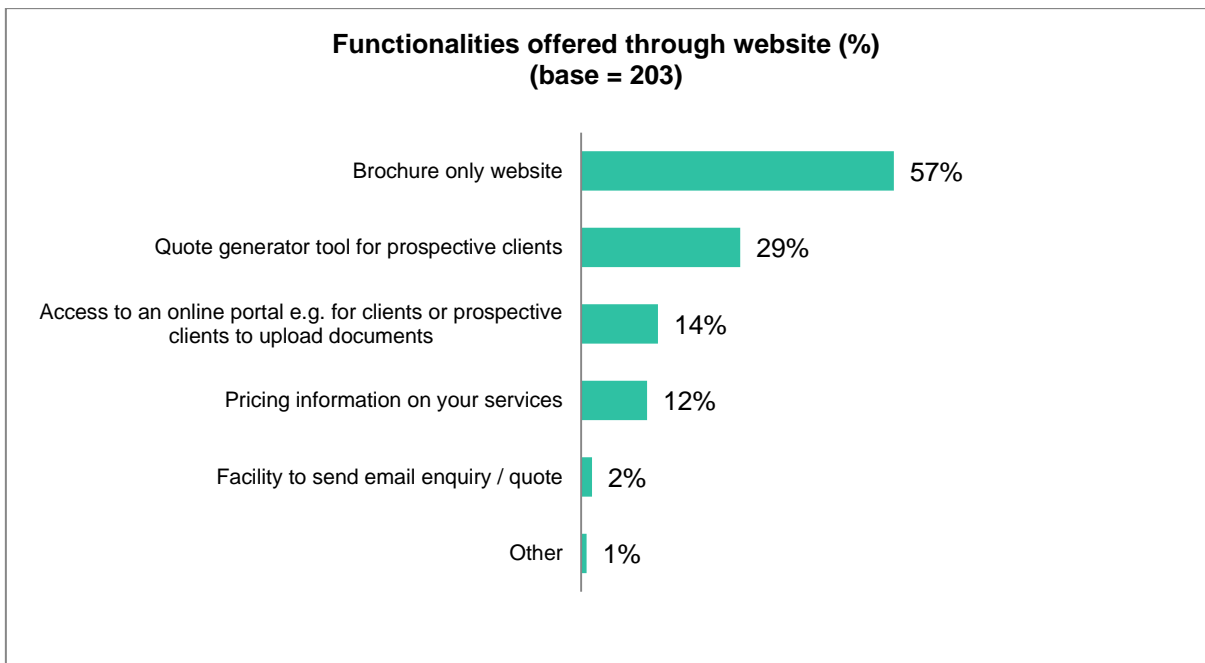
## 9 Website

9.1 Firms were asked which level(s) of functionality is offered via their organisation’s website.

9.2 The vast majority of firms (88%) had a website. Of those firms, nearly 6 in 10 (57%) had a brochure only website with no additional functionality. Around 3 in 10 (29%) firms offered a quote generator tool via their website. Access to an online portal e.g. for clients or prospective clients to upload documents and pricing information on the firm’s services were offered to a similar extent (14% and 12% respectively). Very few firms offered an email enquiry or quote functionality (2%; 4 firms).



Q22. Does your organisation have a website?



Q23. Which level(s) of functionality does your organisation’s website offer?

9.3 Firms with ABS status were significantly more likely to offer access to an online portal via their website, compared to non-ABS firms (ABS 33%; non-ABS 7%).

## 10 IT Services

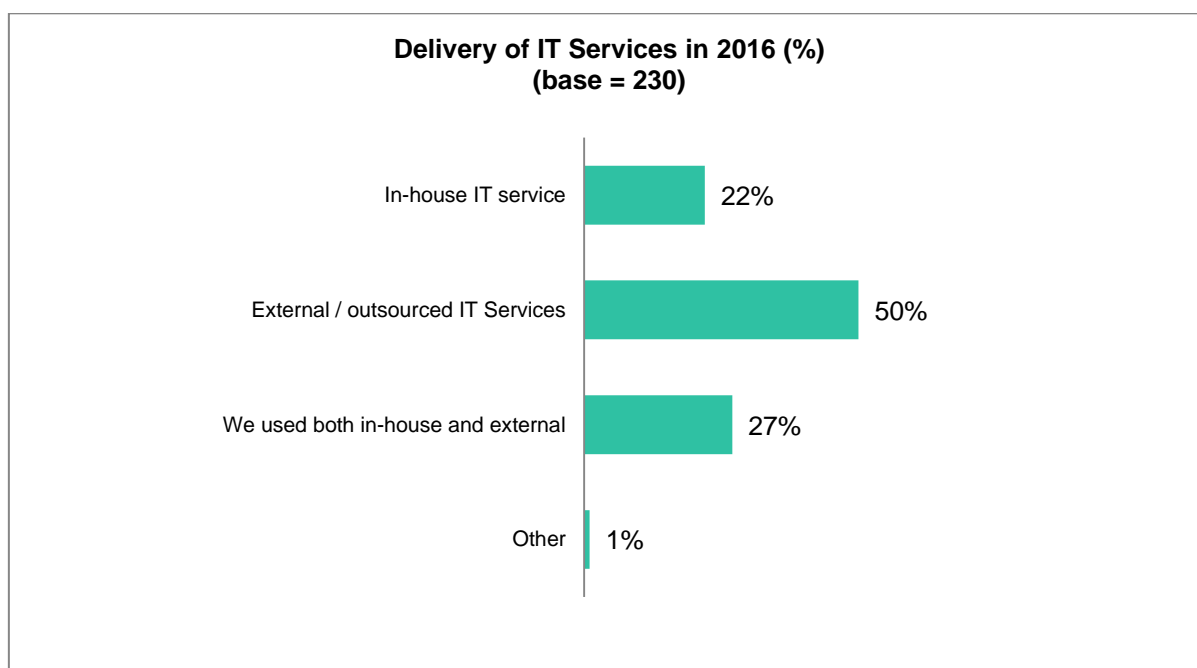
10.1 Firms were asked how IT services were delivered within their organisation in 2016 – whether through an in-house service, external or outsourced services, or both in-house and external services. Firms that mentioned that they used in-house IT services were then asked which staff delivered IT services within their organisation, while firms that mentioned external or outsourced services were then asked which external organisations they used.

### Delivery

10.2 Half of firms (50%) delivered their IT services exclusively through external or outsourced providers, while just over a fifth (22%) delivered them exclusively through an in-house service. A further quarter (27%) delivered them through both in-house and external providers.

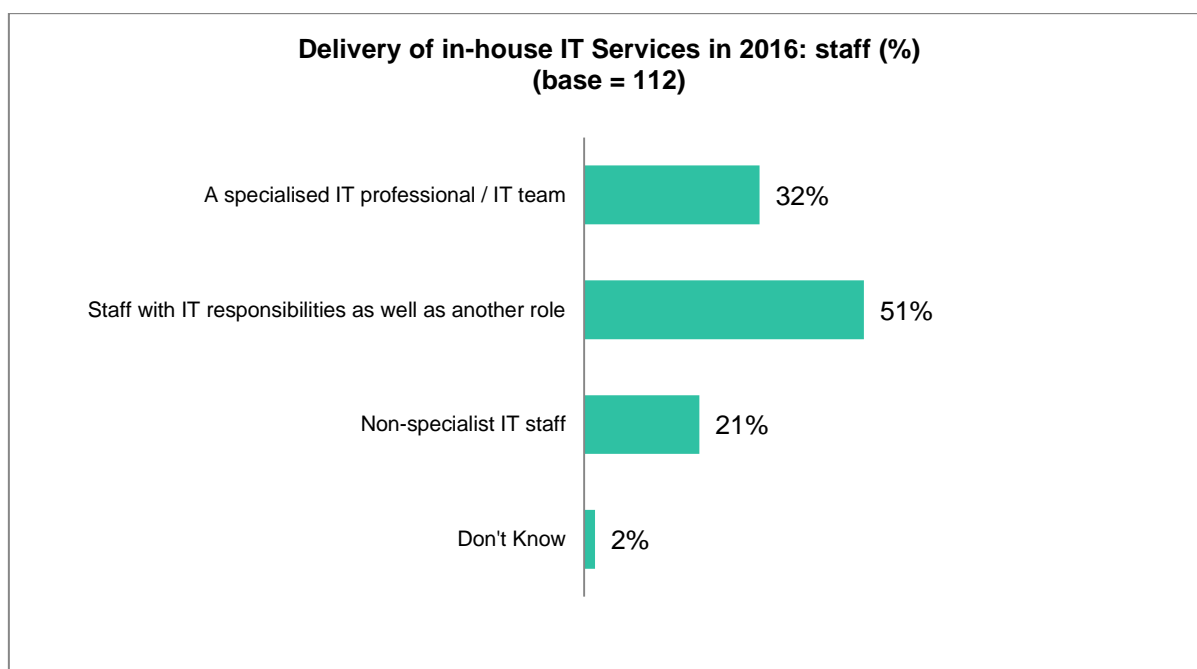
10.3 Small firms were significantly more likely to exclusively use in-house services (32%) compared to large firms (13%).

10.4 Firms with ABS status were significantly more likely to use both in-house and external providers (38%), compared to non-ABS firms (23%).



Q45. How were IT services delivered within your organisation in 2016? Please select all that apply

10.5 Of those firms which used an in-house IT provider (whether exclusively or in combination with external provision), half (51%) said that these services were delivered by staff with IT responsibilities in addition to another role, with a third (32%) saying they were delivered by a specialised IT professional or IT team, and a fifth (21%) saying they were delivered by non-specialist IT staff. Firms with ABS status were significantly more likely to have their in-house services delivered by a specialised IT professional or IT team (59%<sup>17</sup> - compared with 21% non-ABS).



Q46. You mentioned that your organisation used in-house IT services in 2016. Which staff delivered IT services within your organisation?

### Intentions to outsource

10.6 Firms were asked how much of their IT services they planned to outsource next year.

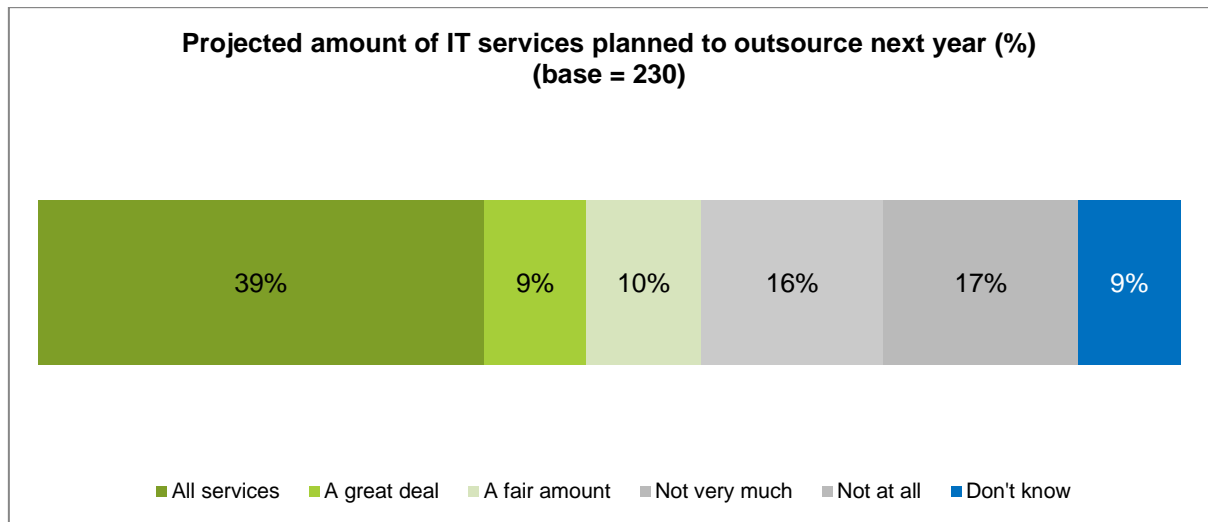
10.7 Nearly half of firms (48%) said they planned to outsource all or a great deal of their organisation's IT services next year, with a third (33%) saying they planned to outsource not very much or none at all.

10.8 Of those firms which used external or outsourced IT providers in 2016, three-fifths (60%) said they planned to outsource all or a great deal of their organisation's IT services next year, with one-fifth (21%) saying they planned to outsource not very much or none at all; and of those firms which did not use external or outsourced IT providers in 2016, under a tenth (8%) said they planned to outsource all or a great deal next year, with a majority (72%) saying they planned to outsource not very much or none at all.

<sup>17</sup> It should be noted that the base size in this category is only 32.

10.9 Slightly fewer firms said they planned to outsource at least some of their IT services next year than said they used external or outsourced IT providers in 2016 (74% - compared with 77%<sup>18</sup>).

10.10 Among those firms that did not use external or outsourced IT providers in 2016 (n=53), a majority (57%) said they planned to continue to not use external or outsourced provision, with just under a third (30%) saying that they planned to use at least some external or outsourced provision. Of those firms that used external or outsourced IT providers in 2016, only 5% said they planned to not use external or outsourced provision next year.



Q48. How much of your organisation's IT services do you plan to outsource next year?

<sup>18</sup> Although it should be noted that the former figure excludes the 9% of respondents who said they didn't know how much they planned to outsource next year.

“

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

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