



**Welcome to the
Managers' Conference
25th January 2017**



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Chair of the Council Dame Janet Paraskeva

Today



Council's Report

13.10 - 2016 in review

13.30 - Plans for 2017

13.50 - Fraud and cybercrime

14.10 – Break

Review of Regulatory Arrangements

14.30 – Accounts Code Changes

14.50 - Changes to CPD

15.10 - Qualifying as a CLC Lawyer

15.30 – Break

Focus on the Consumer

15.50 - Price and Quality transparency

16.10 - Consumer feedback

16.30 - Communicating with clients

17.00 – Closing remarks

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Chief Executive
Sheila Kumar

2016 in review - 1



- Monitoring and inspection, compliance and enforcement
- Publishing disciplinary information
- Working with financial institutions

2016 in review - 2



- Participating Insurers Agreement
- Reduction in entity fee rates
- Education to CLC qualifications

Views of the CLC - 1



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- The Legal Services Board says the CLC
 - takes a ‘consistent and risk-based approach’
 - is able to take ‘targeted action depending on the risk posed’ and
 - ‘allows practitioners to be innovative in the way they deliver their products’

‘...the CLC has a culture of improvement and is not static in its approach to regulation.’

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Views of the CLC - 2



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Three-quarters of you told us in 2016 that the CLC

- provides value for money and supports innovation and growth in your businesses
- being regulated by the CLC is either ‘extremely’ or ‘mostly’ beneficial to your businesses

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Plans for 2017 - 1



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- Review of regulatory arrangements
 - Risk-based
 - Proportionate
 - Using intelligence and market insight
- Focus on the consumer
 - CMA recommendations:
 - Price and service transparency
 - Regulatory independence

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Plans for 2017 - 2



- Maintaining monitoring and inspection regime
- Continued provision of compliance support –, webinars
- Engaging with others in the property sector to ensure the market functions well
- Helping you tackle fraud and cybercrime

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Fraud and cybercrime



- RSM Role
- Impact of Cyber crime
- Mitigation and prevention
- Support Tools

Further Info



- Cyber Essentials: www.cyberstreetwise.com/cyberessentials/
- IASME: www.iasme.co.uk/index.php
- Action Fraud: www.actionfraud.police.uk/
- CLC: www.clc-uk.org/CLC-Lawyer/Tackling-Cybercrime.aspx
- Take Five Stop Fraud: <https://takefive-stopfraud.org.uk/>



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Review of Regulatory Arrangements

Simon Blandy

Director of Regulatory Standards

Our approach



Independent regulation

- Protecting the consumer
- Protecting the public interest
- Promoting innovation in delivery

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Continuity - Code



- Independence and Integrity
- Maintain high standards of work
- Act in the Client's best interests
- Client money separate and safe

Objectives



- Maintain consumer protection
- Flexibility
- Clarity
- Reduction of Regulatory Burden

2016 Code changes



a. Professional Indemnity Insurance

b. Education



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Accounts Code Changes

Misuse of client money



Mitigation

- Handling of money
- Accounting Records
- Checks (Reconciliation)
- Accountant's Report
- Monitoring

Objectives of review



- Maintain consumer protection
- Regulatory burden
- Flexibility
- Clarity

What is the CLC proposing?



- Simplify Accounts Code
- Amend Accountant's report
- Introduce self-certification scheme (£50)

1. Simplify the Accounts Code



- Managers responsible for accounts compliance
- Remove duplication
- Remove overly prescriptive requirements for updating accounting records
- Too specific? Conveyancing/probate orientated?

Benefits of proposal



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- Simpler, more targeted set of requirements
- Increasing compliance, reducing compliance costs
- Greater freedom afforded to practices to manage their business, systems and processes

2. Accountant's Report



- Reduce prescriptive requirements
- Increase reliance on judgment of accountant
- Appropriately focused? Too narrow?

Benefits of proposals



- Greater reliance on judgement of the accountant
- Proportionate burdens and costs on the practice concerned
- Regulation targeted and transparent

3. Certify aged balances £50



- Practices self certify aged balances up to £50
- Balances in excess of £50 to be paid to the CLC.
- Guidance to be re-worked and published

Benefits of proposal



- Reduce the administrative burden on the profession (self certify up to 75% aged balances)
- Protection continue in force for balances £50+

Next Steps



- Opening January 2017
- Closes April 2017
- In force January 2018



Changes to CPD

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Current requirements



- Manager
 - Conveyancing 12 hours
 - Probate 4 hours

- Employed
 - Conveyancing 6 hours
 - Probate 4 hours

Key Risks



- Tick-box exercise
- No consideration for needs of individual
- Not relevant

Objective of new scheme



- Encourage CLC Lawyer to maintain and improve competence
- Responsibility for deciding nature of CPD

Proposal



- No hours spent requirement
- Identify and manage training and development needs
- Evaluate activities when assess overall benefit
- CLC monitor and sample CPD records

Reflect, Plan, Implement, Evaluate



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- Reflect- identify gaps or new areas to develop
- Plan- Activities maintain, improve or develop their knowledge and skills
- Implement- participate in relevant CPD activities
- Evaluate- impact on work and practice

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Operational Risk



Compulsory element

Examples:

- AML
- Cyber security
- Accounts Code requirements
- Management of Client Account

Implementation Timetable



- CLC December 2016
- Consultation closes March 2017
- Implementation from June 2018



Qualifying as a CLC Lawyer

Achievement 2016



- New arrangements, new responsibilities
 - CLC set standards
 - SQA standards keeper
 - New providers
 - Different financial support

New Arrangements



- Providers licensed by SQA
- Assess application of knowledge
- Diplomas knowledge and competency based
- More fluid approach
- End point assessment
- Costs

Benefits



- Recognised nationally
- Prior learning recognised
- Shorter term commitment
 - L4 Technician
 - L6 CLC Lawyer
- Increased number of providers
- Personalised learning

Promoting the profession



- Engaging with the CT/PT diplomas
- Technician Register
- Probate
- Other property professionals interested

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Activities 2017



- Career roadshows
- Tell your story – the employers voice
- My story - newly qualified Lawyers
- Apprenticeships

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Focus on the Consumer

Stephen Ward

Director of Strategy and External
Relations

Price and quality transparency - 1



- Consumer expectation
- Legal Services Consumer Panel
- Competition and Markets Authority

Price and quality transparency - 2



1. Require firms to publish price information
2. Require firms to use accredited quote generator
3. CLC provides quote generator for all firms
4. CLC accredits comparison websites
5. CLC provides comparison website

1. Require firms to publish price information



- CLC would specify items for inclusion – setting a transparency standard

2. Require firms to use accredited quote generator



- CLC would set transparency standard
- Providers would be accredited by CLC if they meet the standard
- Providers could offer enhanced services
- Firms would have a choice of provider

3. CLC provides quote generator for all firms



- Similar to the last option, but with no choice of provider
- Mandatory scheme delivered by CLC
- Funded through regulatory fee, not on a commercial basis

4. CLC accredits comparison websites



- CLC transparency standard
- Participating Websites Agreement
- Mandatory for firms to participate?

5. CLC provides comparison website



- As before
- CLC would provide website for its regulated community
- Funded by regulatory fees, not commercially

Quality information



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- Price alone is not enough to inform choice
- What other information is available to guide consumers well?
- Complaints data? First tier and LeO
- Disciplinary information?

Where to publish?



- On firms' websites
- On the CLC's website
 - In a stand-alone table?
 - With Find a Licensed Conveyancer search results?
- Alongside price information on e.g. comparison website

Consumer feedback



- Only just over two-thirds of practices run client satisfaction surveys
- Generally by mail or online, several by phone
- How useful do you find consumer feedback?

Increasing consumer feedback



- CLC template for surveys
- Firms required to publish online
- CLC provides collector
- Range of providers accredited by CLC

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Consumers wanted



Information personalised to their specific case:

- Confirmation of a named contact
- Scope of the agreed work
- Associated fees and charges
- Likely timescales
- Details of next steps / any actions that are required



Communicating with clients

Points to remember



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- 1. Show a clear purpose** – provide a clear rationale as to the role of the letter and the importance of reading it upfront
- 2. Keep it concise** – recognise that the ideal length for consumers would be 1-2 pages. If this is not feasible, break information down into bite size chunks and use a short to the point sentence structure
- 3. Put it in plain English** – seek to avoid using legal terms, archaic or complex language. Minimise the use of vague and / or heavily caveated sentences
- 4. Prioritise information** – focus on the information which is perceived to be most relevant to the consumer and ensure a logical flow

Points to remember



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5. Personalise information – provide details on the consumer's specific case, for example their estimated costs rather than general estimated costs. Tailor the letter so that irrelevant information is excluded. Use personal pronouns so it is clear you are talking to the individual

6. Make it easy to read – Use line spacing and a large font size (minimum size 12). Use headings to make the letter easy to navigate and avoid dense paragraphs. Break down information by using tables or bullet points

7. Highlight key information – Use visual tools such as bold text, headers, summary boxes, tables or diagrams, to make it easier for consumers to pick out key points

Finally



8. Consider additional opportunities to engage consumers – While there should be a clear reference to the complaints procedure in the CCL, consider whether more detailed coverage is better delivered in separate leaflets, or whether reminders could be sent later on in the legal process, to ensure that this information gets across

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Thank you

