

CLC

The
Specialist
Property
Law
Regulator

Research carried out by:



CLC Annual Regulatory Return 2018

IFF Research

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1 Background

Introduction

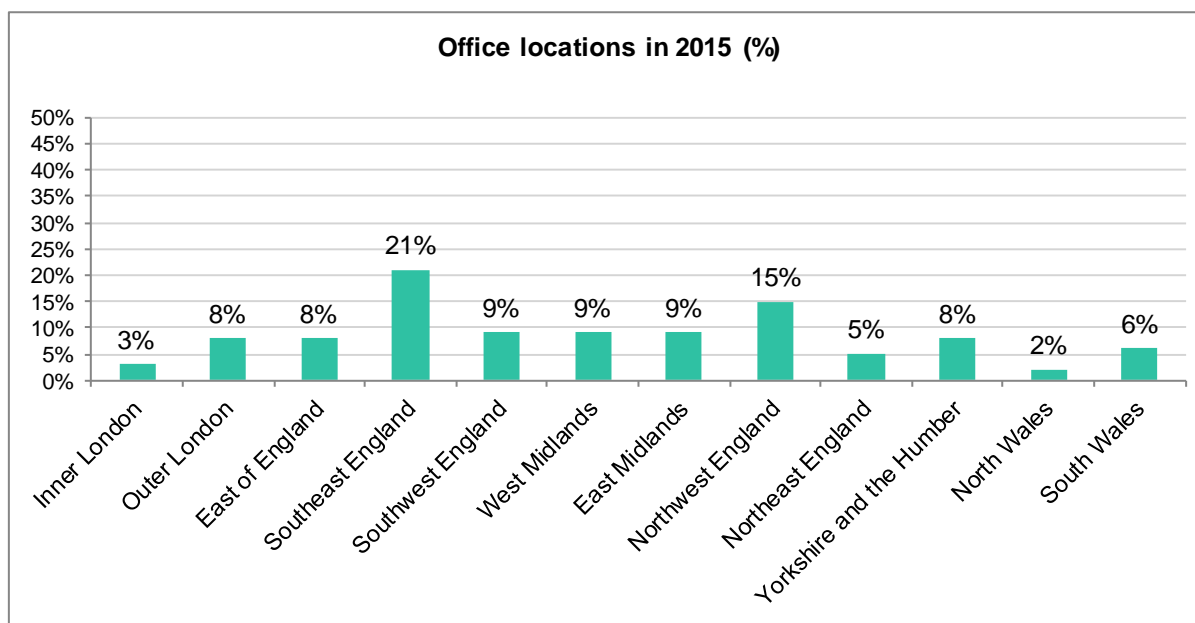
- 1.1 The Council for Licensed Conveyancers (CLC) legally requires the firms it regulates to complete an Annual Regulatory Return. This information is used to target the CLC's regulatory activities better and ensure they continue to protect consumers effectively and support innovation in the delivery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

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 invitation was e-mailed to one named key decision-maker within each firm, identified by the CLC.
- 1.4 Online fieldwork took place between 25th July – 12th September 2018.
- 1.5 Firms were asked to report on data for the last completed Professional Indemnity Insurance (PII) year (i.e. the one reported to PI insurers at the time of renewal in June), unless otherwise specified in the question text. Therefore, the return covers 2017/18.

Sample

- 1.6 212 online invitations were sent to the firms that were active for the full year covered by the survey and 212 completed returns were received.
- 1.7 On average, the firms surveyed employed 3 full-time qualified fee-earners, 6 unqualified fee-earners and 12 administration and support staff.
- 1.8 60 firms held Alternative Business Structure status (ABS), while 152 did not.
- 1.9 The firms surveyed had offices in locations across England and Wales¹.



Location data from CLC sample

- 1.10 Comparisons with the 2016/2017 Annual Return and the 2016 Stakeholder Perceptions Audit will be made where relevant.²

¹ For the 2017/18 return, region data was available for 191 of the 212 firms surveyed.

² In 2016, the CLC commissioned IFF Research to conduct a Stakeholder Perceptions Audit amongst its regulated community and with key stakeholders. As part of this research 80 managers of CLC-regulated firms completed an online survey, covering their perceptions of the CLC as a professional regulator.

2 Executive summary

Main findings

Scope of work

- 2.1 Residential conveyancing was the most common type of work undertaken by firms (82% of transactions). Firms were least likely to conduct equity release work (1% of transactions). This pattern of work conducted is consistent with the 2016/17 findings.
- 2.2 Four in ten firms (41%) expected their volume of work to grow over the next 12 months, significantly fewer than in 2016/17 (53%). Firms tended not to attribute growth predictions to the effects of Brexit, but there was an indication that Brexit underpinned a predicted decrease in the volume of work.

Cost of services

- 2.3 Around one in four firms (26%) said they had felt pressure to reduce the costs of their services during the year, a slight non-significant increase on 2016/17 (21%).
- 2.4 One-third (34%) of firms who conducted conveyancing work expected that their costs for this type of work will increase over the next 12 months. This was consistent with the expectations reported in the 2016/17 return (35%).
- 2.5 Although not statistically significant, more firms in 2017/18 expected to increase the costs for will-writing work (27%), compared to 2016/17 (21%), whereas fewer firms expected to increase their costs for probate work (2017/18: 28%; 2016/17: 34%).

Business risks and opportunities

- 2.6 When looking ahead, fraud / money laundering (34%), cyber-crime (22%) and Brexit (19%) were the top perceived risks over the next 12 months. In 2017/18, more firms perceived Brexit, its current and future threats, to pose a business risk (19%) compared with 2016/17 (12%).
- 2.7 Meanwhile, the top anticipated business opportunities over the next 12 months were growth due to recommendation (18%) and branching out into new or niche areas of work (15%).

Quality assurance and identity checks

- 2.8 For the majority of firms (86%), the Dreamvar case has had at least some impact on quality assurance and identity check practices within the firms. Of these firms that were impacted by the case, roughly two-thirds now seek greater assurance that identity checks have been carried out by the other side (67%) and have increased checks on clients (65%).
- 2.9 Most firms (91%) reported feeling fairly to very confident of their compliance with the requirements of GDPR, which came into effect in May 2018.

Equality and diversity

- 2.10 Over half of firms (57%), excluding sole practitioners, reported that they monitor the characteristics of their workforce. Most (84%) reported that they did not take any formal measures to ensure diversity and inclusion, but that they tried to consider issues of equality and diversity when making decisions about their staff.
- 2.11 Firms, excluding sole practitioners, reported that half of their workforce were women (50%), similar to the proportion in 2016/17 (47%).

Firms' website and usage of online review platforms

- 2.12 As in 2016/17, most firms reported that they had a website for their organisation (88%). Firms were most likely to have a brochure only website (57%) with no additional functionality. Around one in three firms (29%) had a website with a quote generator facility, and around one in ten (12%) offered access to an online portal.
- 2.13 Significantly more firms offered pricing information on their services in 2017/18 (20%) than in 2016/17 (12%).
- 2.14 All firms were asked whether they used online review platforms to promote their firm. Google Reviews was most popular (33%), followed by TrustPilot (14%). Despite this, over half of firms (58%) did not use any review platforms to promote their organisation.

Perceptions of the CLC

- 2.15 Nearly all firms had visited the CLC's website at least once (99%) and the majority (64%) rated it as very good or good. Significantly fewer firms rated the CLC's website as very poor or poor (just 1%), compared to 13% of firms in the 2016 Stakeholder Perceptions Audit.
- 2.16 Firms most commonly visited the CLC website to check the Code and Guidance (79%), followed by checking the status of the licensed conveyancer on the other side of a transaction (73%).
- 2.17 Similarly, the majority of firms had read the CLC's e-newsletter (89%) and again this was rated highly (65% rating very good or good), comparable with the 2016 Stakeholder Perceptions Audit (64%).
- 2.18 Most firms had had direct contact with CLC staff and found them to be very helpful or helpful (82%). A high proportion (87%) of firms were very satisfied or satisfied with the information or support received from CLC staff the last time they had contact. This pattern was comparable with the 2016 Stakeholder Perception Audit: 86% rated the CLC staff as very helpful or helpful and 83% were very satisfied or satisfied with the information received.
- 2.19 When asked to state the degree to which they felt that the regulatory standards set by the CLC achieve their aim of promoting innovation and growth of legal business, the majority (64%) said the CLC fully or mostly achieved the aim. The same proportion of firms (62%) felt that the CLC understands their business and the challenges they face, either very well or quite well. Again, most (61%) perceived the CLC to provide either exemplary or good support in helping them to achieve compliance with regulation.

2.20 Seven in ten firms (70%) said the CLC did very well or well in keeping them up to date with what is expected of them as a regulated firm, while eight in ten firms (80%) found regulation by the CLC to be either extremely or mostly beneficial. This pattern is consistent with the 2016 Stakeholder Perception Audit (80% perceived CLC regulation as beneficial).

3 Scope of work

3.1 Firms were asked to report the proportions of transactions conducted in each of the following work areas:

- Residential conveyancing (sale or purchase);
- Re-mortgaging;
- Equity release;
- Commercial conveyancing;
- Will-writing;
- Probate;

Proportion of transactions conducted in each business area

3.2 Residential conveyancing made up the majority of transactions (82%) conducted by firms. Around seven in ten firms (69%) reported that residential conveyancing made up over 80% of their transactions.

3.3 Commercial conveyancing accounted for 7% of transactions conducted. Nearly four in ten firms (37%) reported that between 1 – 10% of their transactions conducted were related to commercial conveyancing.

3.4 Re-mortgaging made up 6% of transactions, with around eight in ten firms (77%) conducting between 1-10% of their transactions in this type of work. Firms with ABS status were significantly more likely to conduct a greater proportion of re-mortgaging transactions, compared to firms without ABS status (ABS: 10%; non-ABS: 4%).

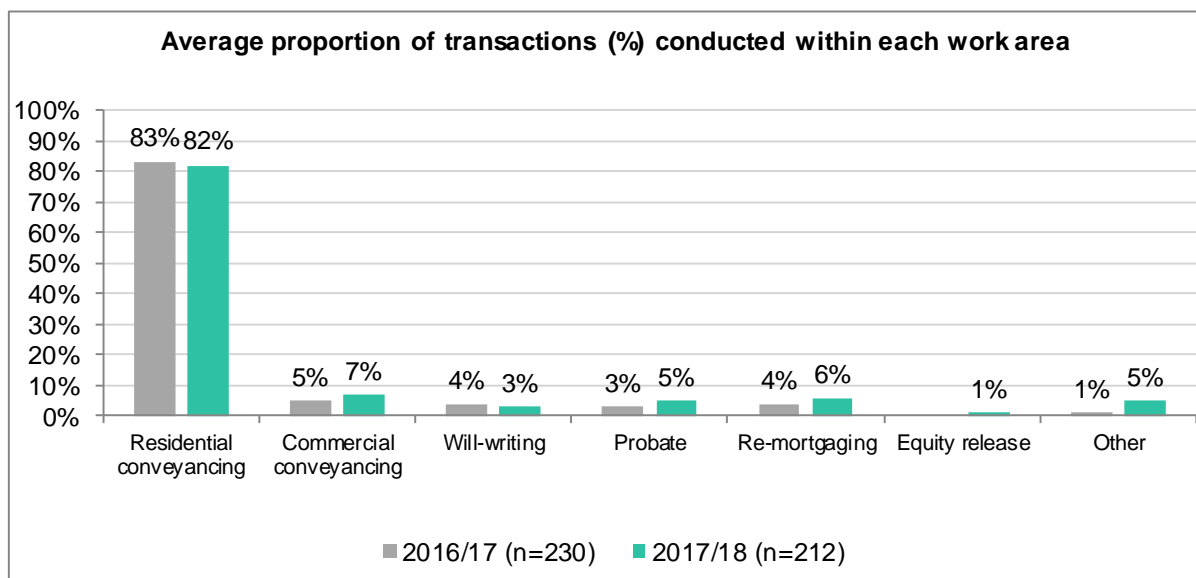
3.5 Probate work made up 5% of transactions, with one in five firms (19%) reporting that 1-10% of their transactions were of this type of work.

3.6 Will-writing made up 3% of transactions, with one in four firms (25%) making between 1-10% of their transactions for will-writing.

3.7 Firms were least likely to conduct transactions in equity release, with firms reporting that this type of work made up 1% of their transactions. Around one in three firms (29%) reported that between 1-10% of their work is related to equity release.

3.8 This pattern of transactions by work area is consistent with data from the 2016/17 return³.

³ Equity release was asked about in the 2017/18 return only, therefore there is no comparative data with 2016/17.

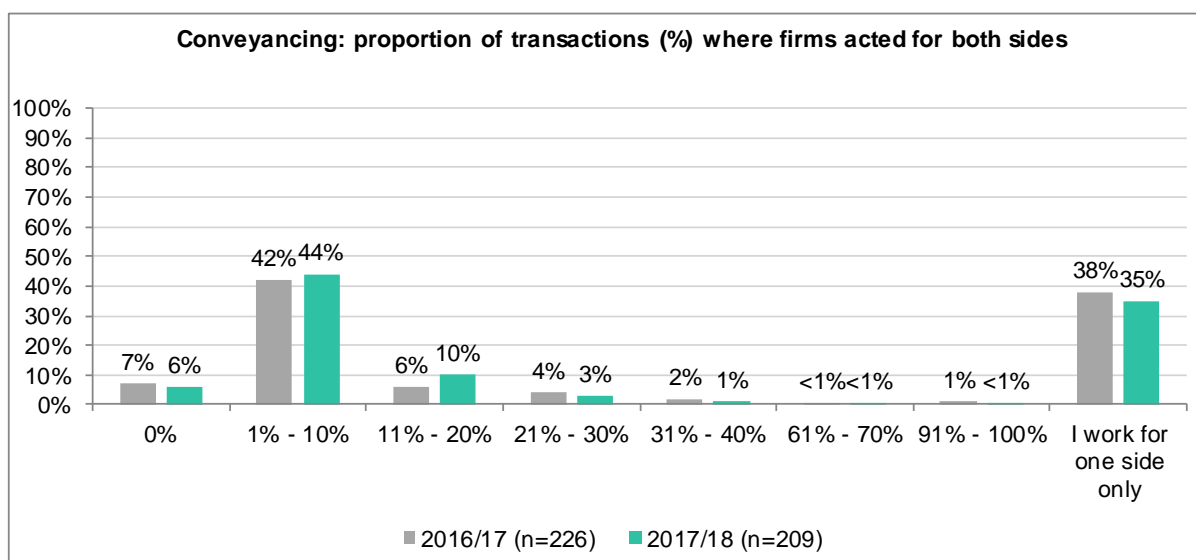


QA4. What proportion of your organisation's transactions are conducted in the following types of work? (n=212)

Acting for both sides in a transaction

3.9 Firms that conducted residential and / or commercial conveyancing were asked to report the proportion of transactions where they acted for both sides of the transaction. Two-thirds of firms (65%) reported that they had acted on behalf of both sides in a transaction during 2017/18, a slight increase on 2016/2017 (62%). Around one-third of firms (35%) reported that they worked for one side only.

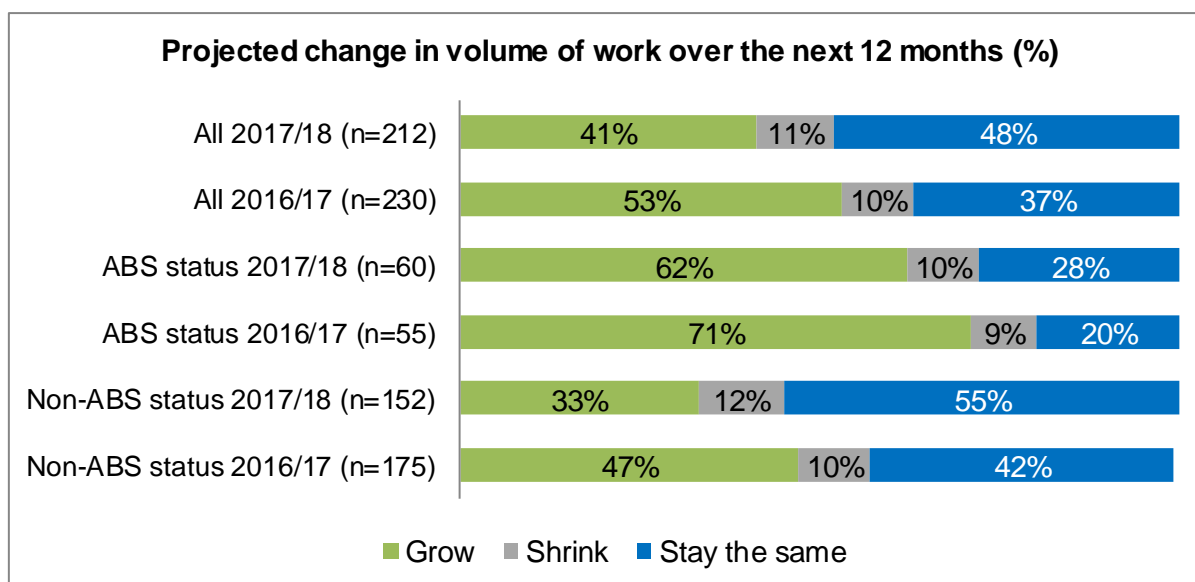
3.10 The majority of firms (44%) reported that they acted for both sides for between 1 and 10% of transactions overall.



QA5. Thinking about your organisation's conveyancing work (excluding remortgage) undertaken in the year to June 2018, in what proportion of transactions did your organisation act for both sides? (n=209)

Volume of work

- 3.11 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 so, whether this impact was positive or negative.
- 3.12 Around half of firms (48%) expected their volume of work to stay the same, while four in ten (41%) expected it to grow. Just one in ten firms (11%) expected their volume of work to shrink over the next 12 months.
- 3.13 Compared to 2016/17, fewer firms expected their volume of work to grow over the next 12 months (2017/18: 41%; 2016/17: 53%).
- 3.14 There were no differences in expected growth between firms with different mixes of work or with different turnovers.
- 3.15 Firms with ABS status were nearly twice as likely to anticipate growth over the next 12 months, compared to firms without ABS status (ABS: 62%; non-ABS: 33%).



QA11. 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? (n=212)

Impact of Brexit on volume

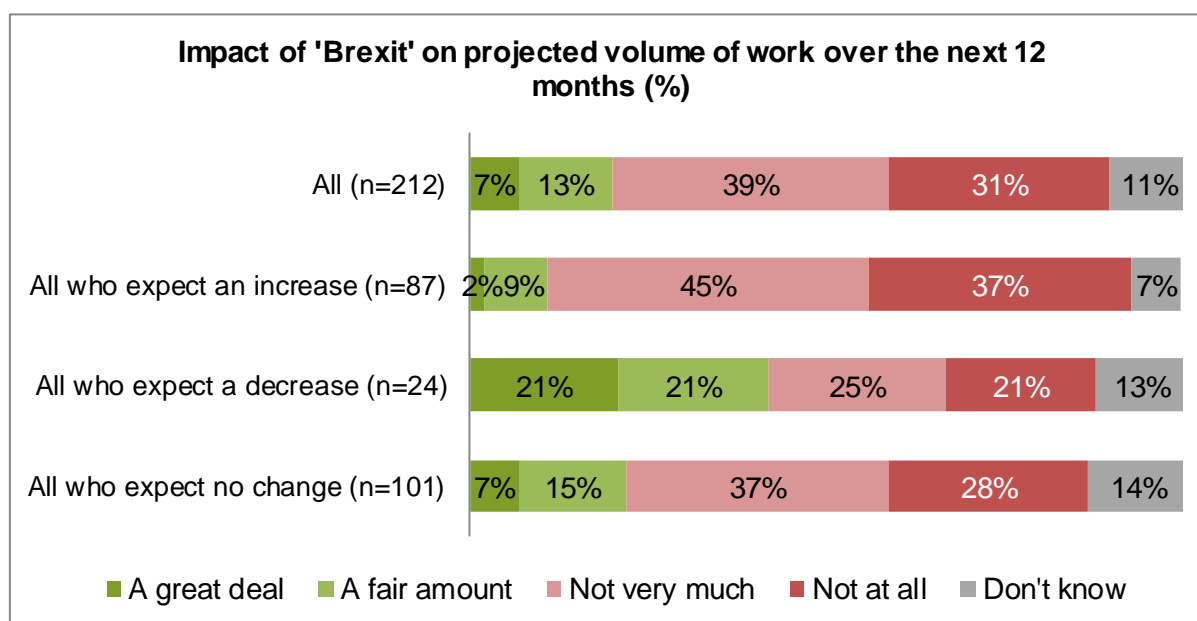
3.16 Most firms said that Brexit had little or no impact on the projected direction of their volume of work (69%), while a minority (20%) said Brexit had had a great or fair impact on their projected volume of work.

3.17 Among those firms that expected their volume of work to increase, around one in ten (11%) said that Brexit affected their response either to a great deal or a fair amount. Of those that expected their volume of work to shrink, a majority (42%) said that Brexit affected their answer.

3.18 This pattern is consistent with 2016/17 where of the firms that expected their volume of work to grow, 14% said that Brexit had affected their answer, while 43% of firms that expected their volume of work to shrink said Brexit impacted their response.

3.19 Firms that said that Brexit had either a great or a fair amount of impact on their volume of work projections were asked whether Brexit had had a positive or negative influence on their projections. The majority (71%) said that Brexit had a negative impact on their answer, while 12% said it had a positive impact.

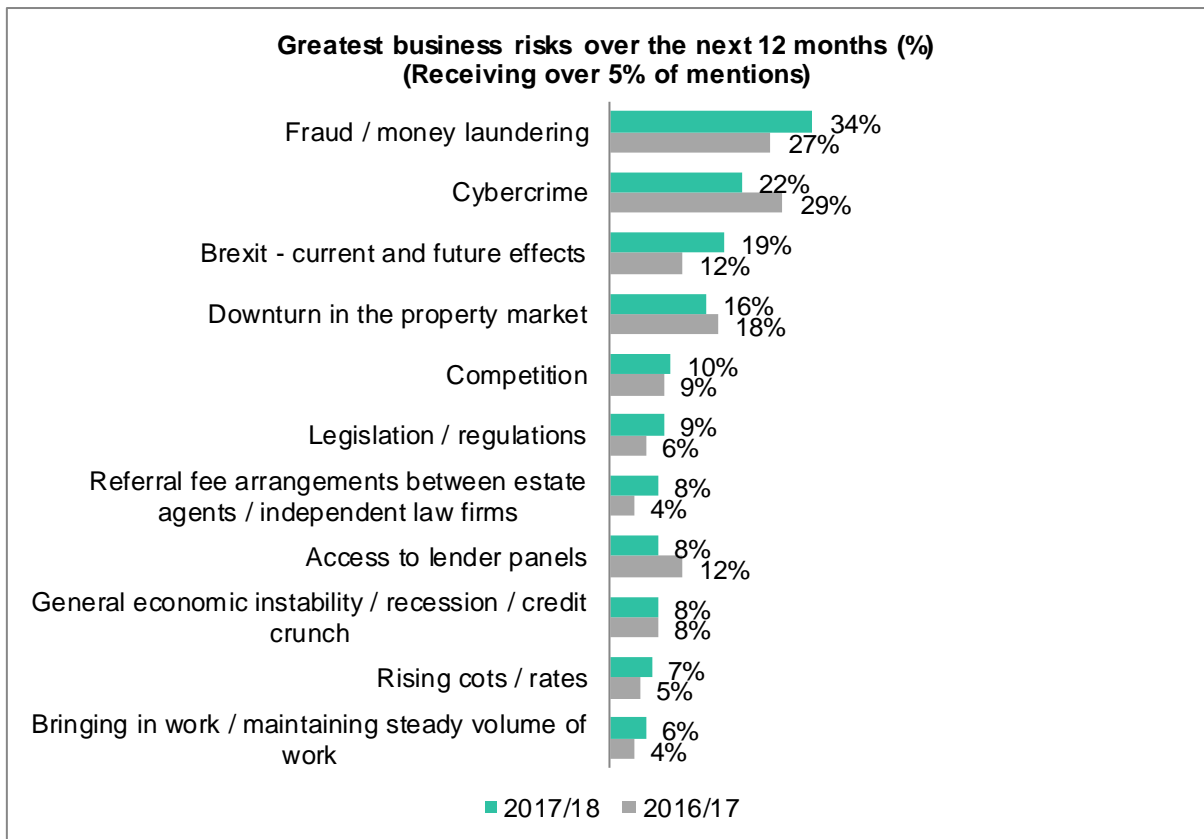
3.20 This finding is consistent with 2016/17. Among the firms that expected their volume of work to grow, only 5% said that Brexit had a positive impact and 23% said it had a negative impact.



QA12. 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?

Business risks

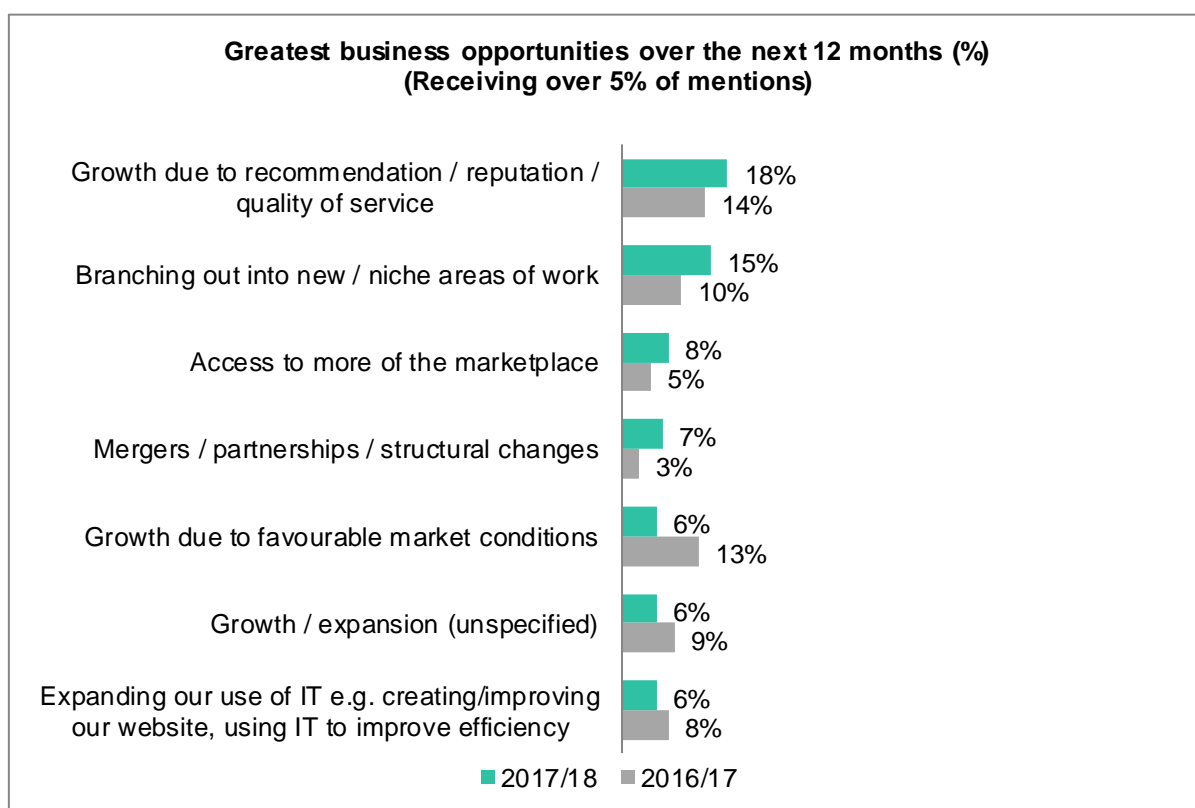
- 3.21 Firms were asked to report the greatest business risks they expected to face over the next 12 months. Fraud / money laundering (34%), Cybercrime (22%) and Brexit (19%) were the top three anticipated risks.
- 3.22 In 2017/18, more firms perceived Brexit, its current and future threats, to pose a business risk (19%) compared with 2016/17 (12%).
- 3.23 Firms without ABS status were more likely to perceive access to lender panels as a business risk, compared to firms with ABS status (non-ABS: 11%, ABS: 2%).



QA62. Thinking about your organisation overall, what are the greatest risks confronting your organisation over the next 12 months? (2017/18 n= 212; 2016/17 n = 230)

Business opportunities

- 3.24 When asked to report the greatest opportunities that firms expect to have over the next 12 months, growth due to recommendation (18%) and branching out into new or niche areas of work (15%) were the most commonly anticipated.
- 3.25 Compared to 2017/16, fewer firms felt that there were growth opportunities due to favourable market conditions (2017/18: 6%; 2016/17: 13%).
- 3.26 Firms with ABS status were more likely to anticipate growth due to increased access to more of the marketplace compared to firms without ABS status (ABS: 17%, non-ABS: 5%). Similarly, ABS firms were more likely to identify opportunities owing to an expansion of IT (ABS: 15%; non-ABS: 3%).

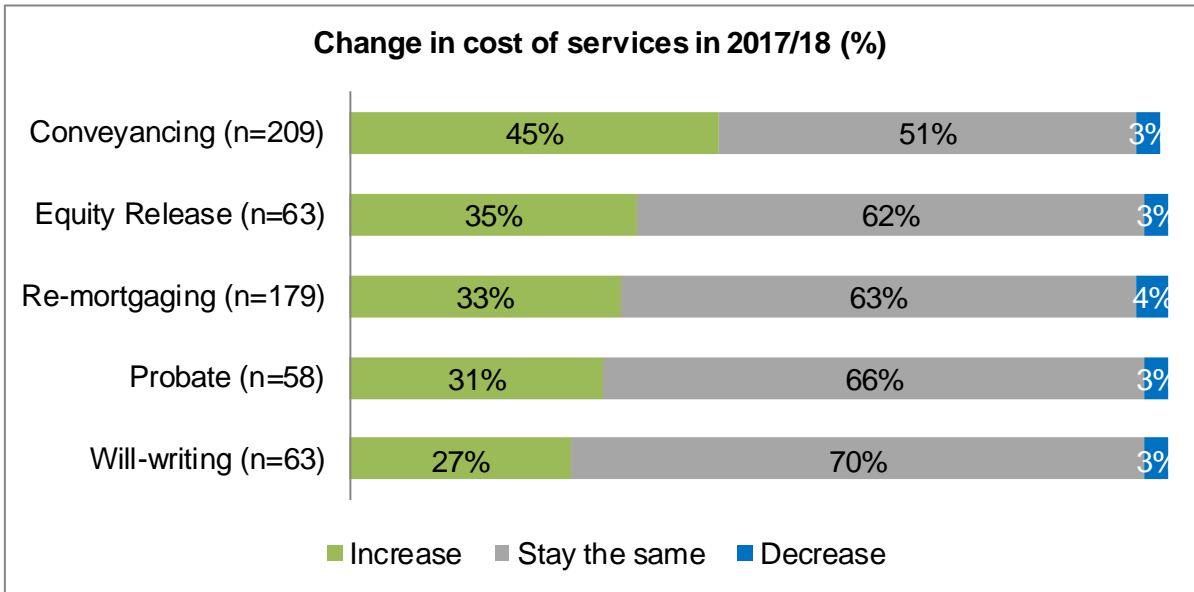


QA63. And what are the greatest opportunities open to your business over the next 12 months? (2017/18 n= 212; 2016/17 n= 230)

4 Costs

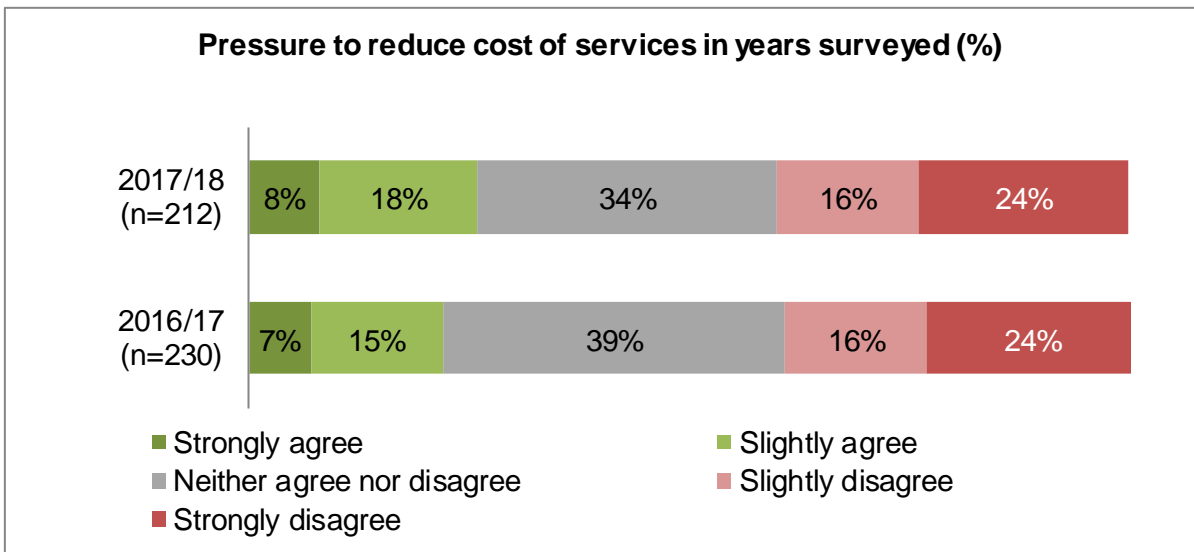
Costs during 2017/18

- 4.1 Firms were asked to report whether the prices charged for its services during 2017/18 had increased, decreased, or stayed the same, compared to the preceding year.
- 4.2 As in 2016/17, out of all services offered, firms were most likely to have increased prices during 2017/18 for conveyancing work (residential and / or commercial) (2017/18: 45%; 2016/17: 48%).
- 4.3 As in 2016/17, the majority of firms held their prices constant across the services offered.
- 4.3.1 Only about half of firms (51%) that carried out **conveyancing** services, however, reported their prices being held constant, a slight increase from the previous year (47%). Approximately two-thirds (64%) of firms in 2016/17 expected prices for conveyancing services to be held constant. More firms that expected an increase for conveyancing services in 2017/18 reported this as likely (90%) than in 2016/17.
- 4.3.2 **Equity release** and **re-mortgaging** were introduced to the annual return as of 2017/18, of which the majority of firms offering these services reported holding their prices constant (equity release: 62%; re-mortgaging: 63%). Just over a third of firms offering equity release services (35%) and a third (33%) of those offering re-mortgaging services reported an increase in prices in 2017/18. As questions about these services were introduced to the annual return this year, firms did not report the likelihood of prices for these services increasing in 2016/17.
- 4.3.3 Two-thirds (66%) of the firms that offered **probate** services in 2017/18 reported prices staying the same, whereas nearly three-quarters (73%) of firms in 2016/17 that offered the same services reported prices staying constant. This matches the two-thirds (66%) of firms that offered probate services in 2016/17, that expected probate services to stay the same in the next 12 months. More firms expected an increase in prices of probate services in 2017/18 (86%) than in 2016/17.
- 4.4 In 2017/18, most firms that offered **will-writing** services reported that their prices stayed the same (70%), down from 78% that kept their prices the same in 2016/17. This is a marginally lower level than was expected for the coming year when asked in 2016/17 (79%). More firms that expected an increase in demand for will-writing services in 2017/18 (87%) than in 2016/17. The proportion of firms offering will-writing that increased their prices for the service in 2017/18 is slightly higher (27%) than the proportion that did so in 2016/17 (21%).



QA6. Thinking about the prices your organisation charged for its services during 2017/18, did they increase, decrease, or stay the same, compared to the preceding year? Please specify by the type of work listed below.

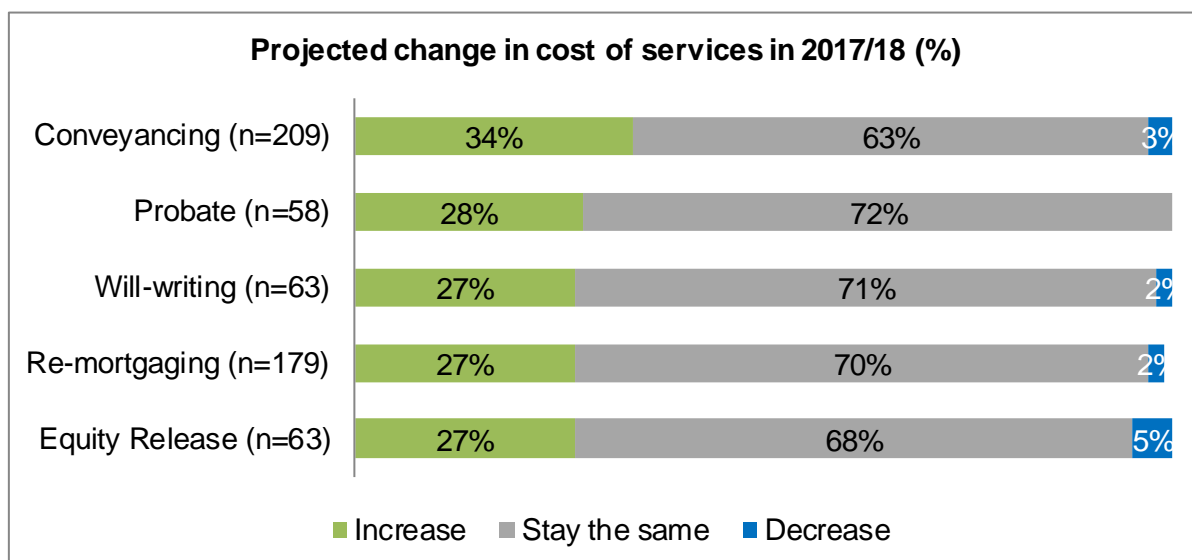
4.5 Around 1 in 4 (26%) of all firms reported that in 2017/18 they felt pressure to reduce prices charged to clients for their services. Despite this, only a small number of firms had reduced the cost of services in 2017/18 (equity release 3%; re-mortgaging 4%; conveyancing 3%; will-writing 3%; probate 3%).



QA7. To what extent do you agree or disagree with the following statement: 'During 2017/18, my organisation felt pressure to reduce prices charged to clients for its services'?

Costs over the next 12 months

4.6 When asked about the next 12 months, around a third of firms that conducted conveyancing (34%), in addition to over a quarter (27%) of firms that conducted equity release, will-writing, and re-mortgaging (27%) and 28% of firms that conducted probate services reported that they plan to increase the cost of these services over the next twelve months.



QA8. 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.

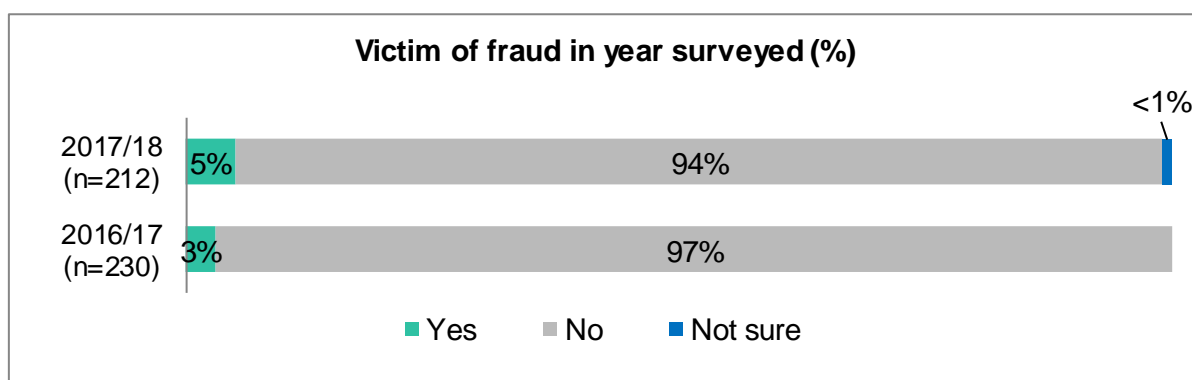
4.7 The majority of firms that expected to increase their costs reported that this increase was fairly to very likely to take place (equity release 88%; re-mortgaging 86%; conveyancing 71%; will-writing 88%; probate 81%). Although the base sizes for firms that conducted equity release (n=17), will-writing (n=17), and probate (n=16) and predicted an increase in their costs was low, there are indications that the majority of each group of firms would find the increase to be either very or fairly likely.

4.8 Firms that expected a decrease in prices over the next 12 months were a stark minority. Only 15 firms anticipated a decrease in their prices, of which: three conducted equity release, seven conducted conveyancing, and one firm conducted will-writing services.

Fraud

Definite cases

- 4.9 Only 11 firms (5%) reported that they had been the victim of definite cases of fraud in 2017/18. Of these 11 firms with confirmed instances of fraud, eight firms had experienced one instance of confirmed fraud each, two firms had experienced two instances, and one firm had experienced at least three confirmed instances of fraud.



QA34. Has your organisation been the victim of fraud in 2017/18?

- 4.10 Three of the 11 firms reported that the confirmed instances of fraud had cost their organisation money: one costing £80, one - £3,000, and another - £5,000.
- 4.11 Two of the 11 firms made an insurance claim on their confirmed instances of fraud, one of which was paid out in full, whereas the other was still pending at the point of submitting the return.

Suspected cases

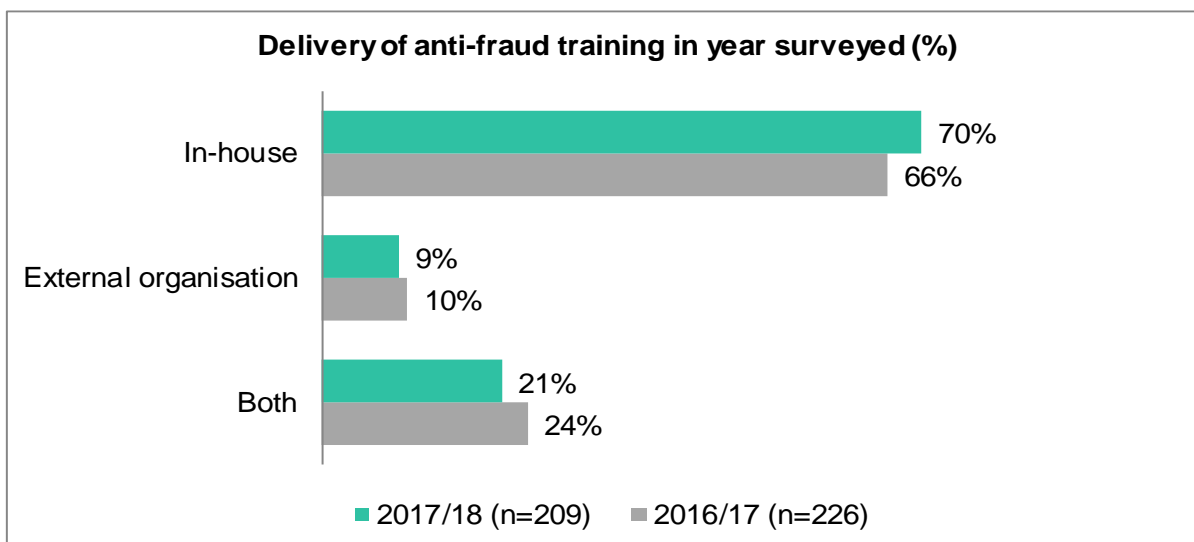
- 4.12 Of the 201 firms that stated either that they were not a victim of fraud or were not sure whether they were a victim of definite cases of fraud, one firm suspected that they had been the victim of fraud in 2017/18 at least once.

Attempted cases

- 4.13 Of the 37 firms (17%) that reported to have stopped any instances of attempted fraud in 2017/18, 17 firms stopped one instance of attempted fraud, 10 stopped two instances, three stopped three instances, and an additional three firms stopped at least five or more instances. Four firms did not know whether they had stopped any instances of attempted fraud.

Anti-fraud training

- 4.14 Of all 212 firms, 193 (91%, the same proportion as in 2016/17) firms in 2017/18 had provided all of their staff with training on anti-fraud measures in 2017/18, whereas 16 (8%) had provided some relevant staff with training.
- 4.15 Of those firms where staff received anti-fraud training, 70% had the training delivered solely in house, compared to two-thirds (66%) of firms in 2016/17. Around one-tenth (9%) of these firms solely used an external organisation. One-fifth (21%) of these firms used a combination of in-house and external training in 2017/18.

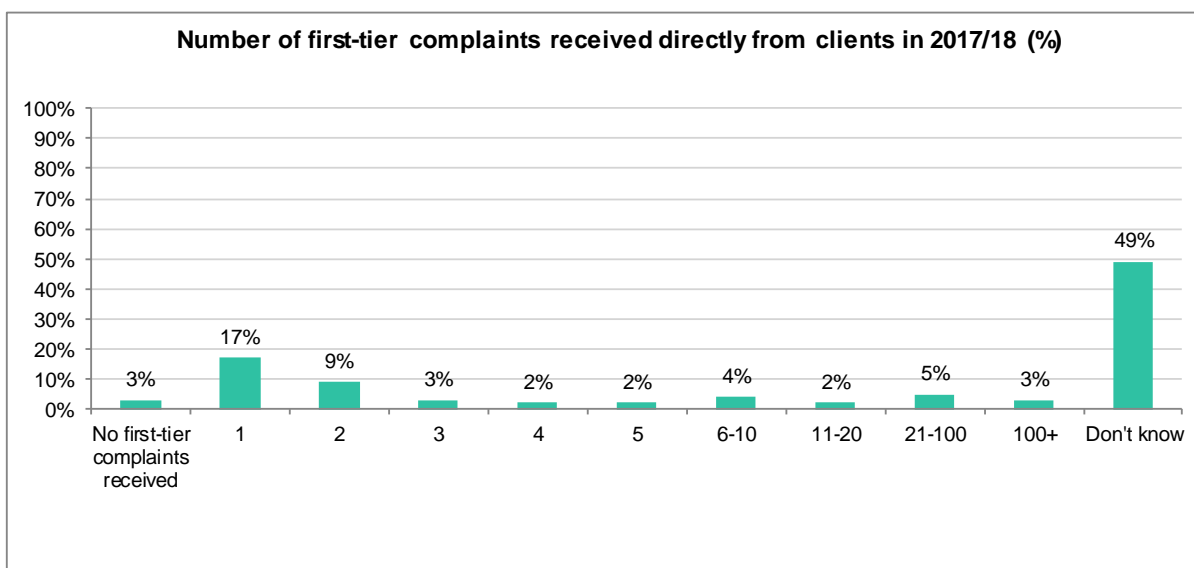


QA44. Was the anti-fraud training delivered in-house or by an external organisation?

First-tier complaints

4.16 Firms were asked to report how many complaints they had received directly from the client in 2017/18. Around half (49%) of firms received at least one first-tier complaint, while the same amount reported not knowing if they had received any.

4.17 Only a few firms reported that they had not received any first-tier complaints (3%; six firms)⁴. Of those firms that had received first-tier complaints, the majority had received one complaint only (17%). Conversely, there was a small number of firms that had reported more than 20 complaints (8%).



QA45. How many first-tier complaints (i.e. those made directly by clients) did your organisation receive in 2017? (n=212)

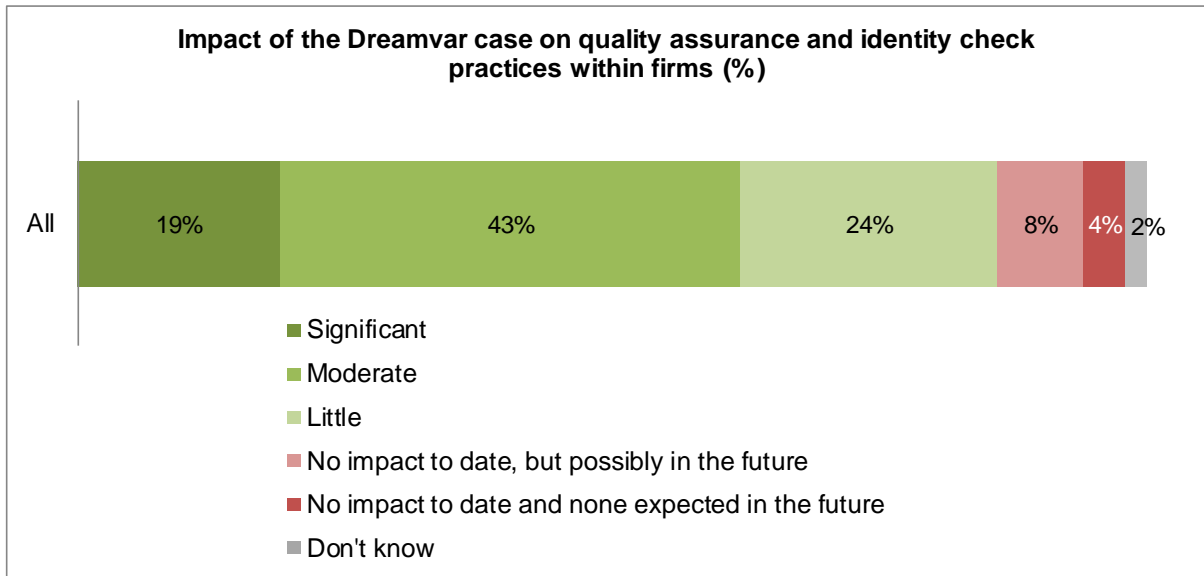
⁴ Unlike the 2017/18 review, the 2016/17 review did not offer a 'Don't Know' response option. It can reasonably be assumed that firms would have selected the 'Don't Know' option in 2016/17, had it been available, but had instead reported that they had not received any first-tier complaints, resulting in 60% reporting as such in 2016/17.

4.18 Less than half (44%) of the firms that received a first-tier complaint had any complaints referred to the Legal Ombudsmen.

Quality assurance and identity checks

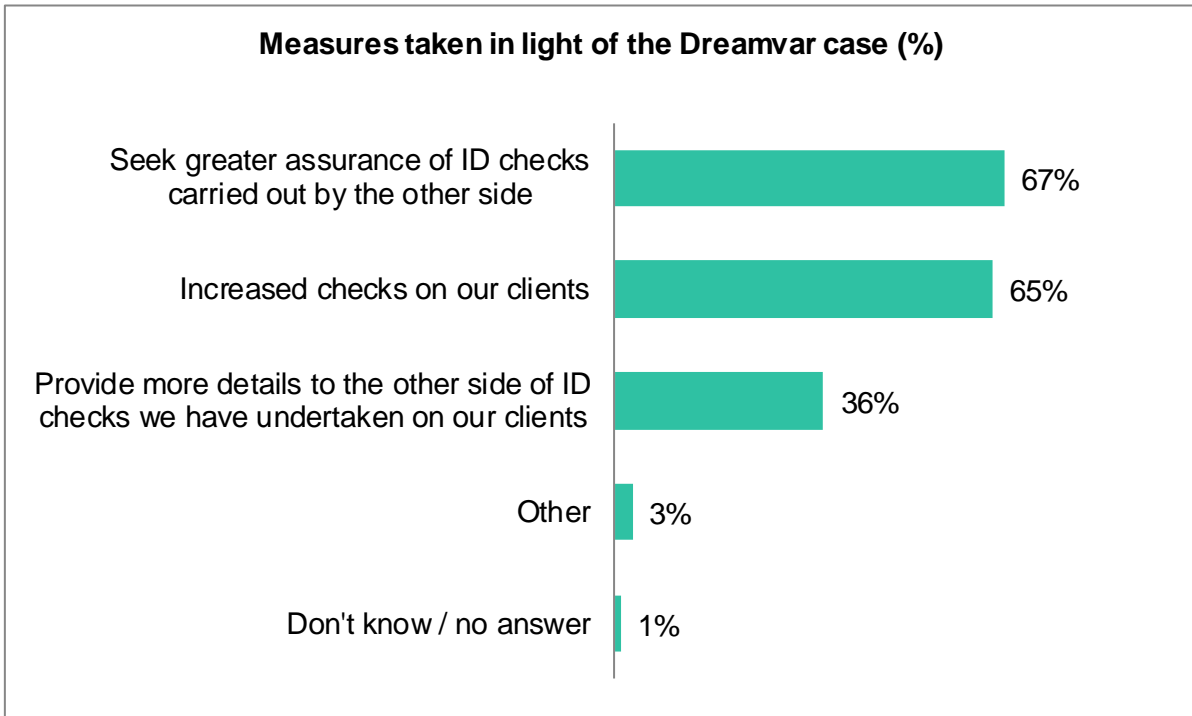
The Dreamvar (UK) Limited v Mischon De Reya case

4.19 For most firms (86%), the Dreamvar case has had at least some impact on their quality assurance and identity check practices.



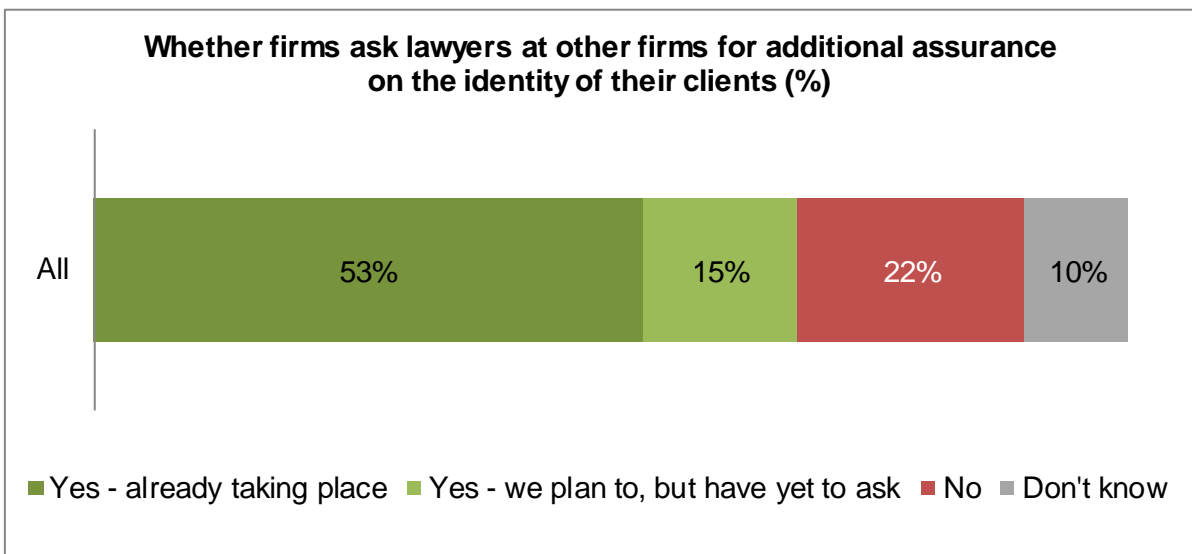
QA56. What impact has the Dreamvar case had on quality assurance and identity check practices within your firm? (n=212)

4.20 Of the firms that were impacted by the case, two-thirds now seek greater assurance that identity checks have been carried out by the other side (67%) and increased checks on clients (65%). Just over a third of firms (36%) reported that they now provide more details to the other side of identity checks performed on clients.



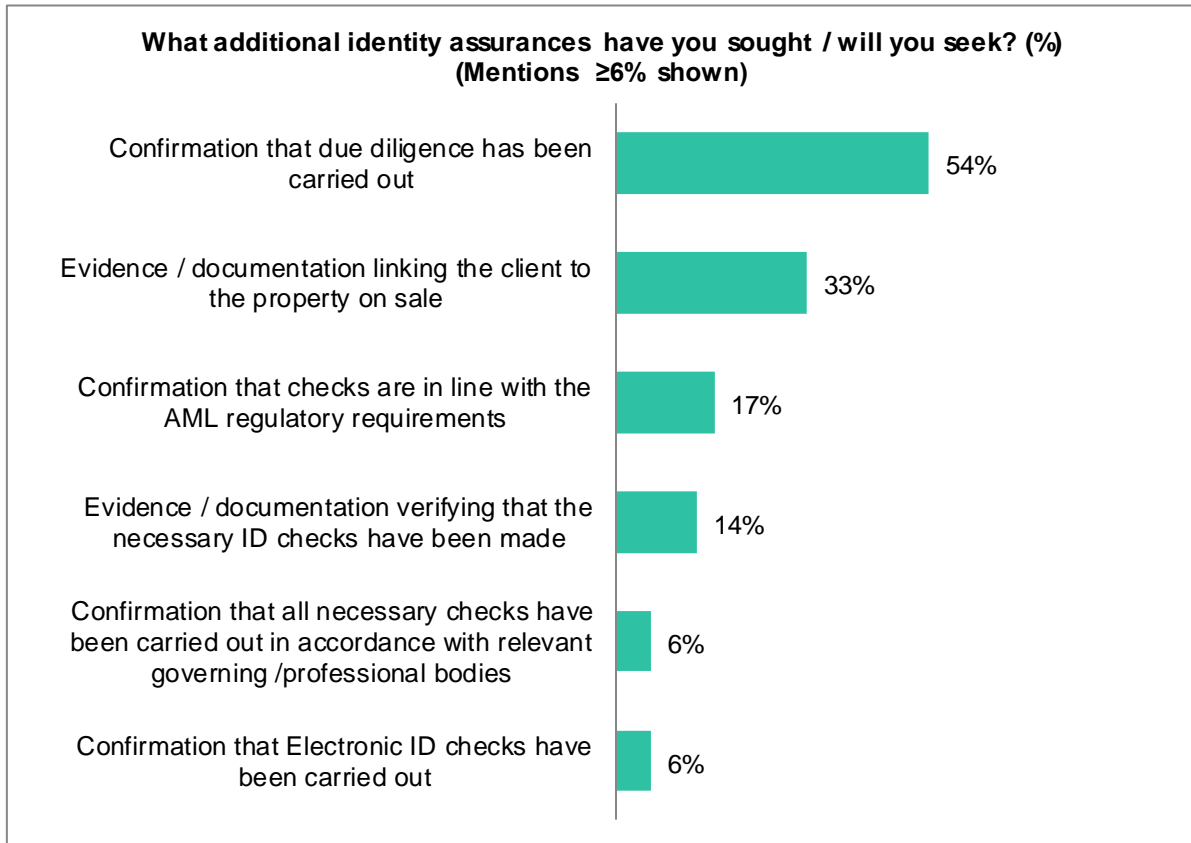
QA57. Which of the following, if any, apply to your firm in light of the Dreamvar case? (n=182)

4.21 Around two-thirds (68%) of firms reported that they already ask lawyers at other firms for additional assurance on the identity of their clients, or that they plan to. Firms who carry out conveyancing were more likely to say that they already ask for additional identity assurances (54%), compared to firms who carry out will-writing (38%) and probate (34%).



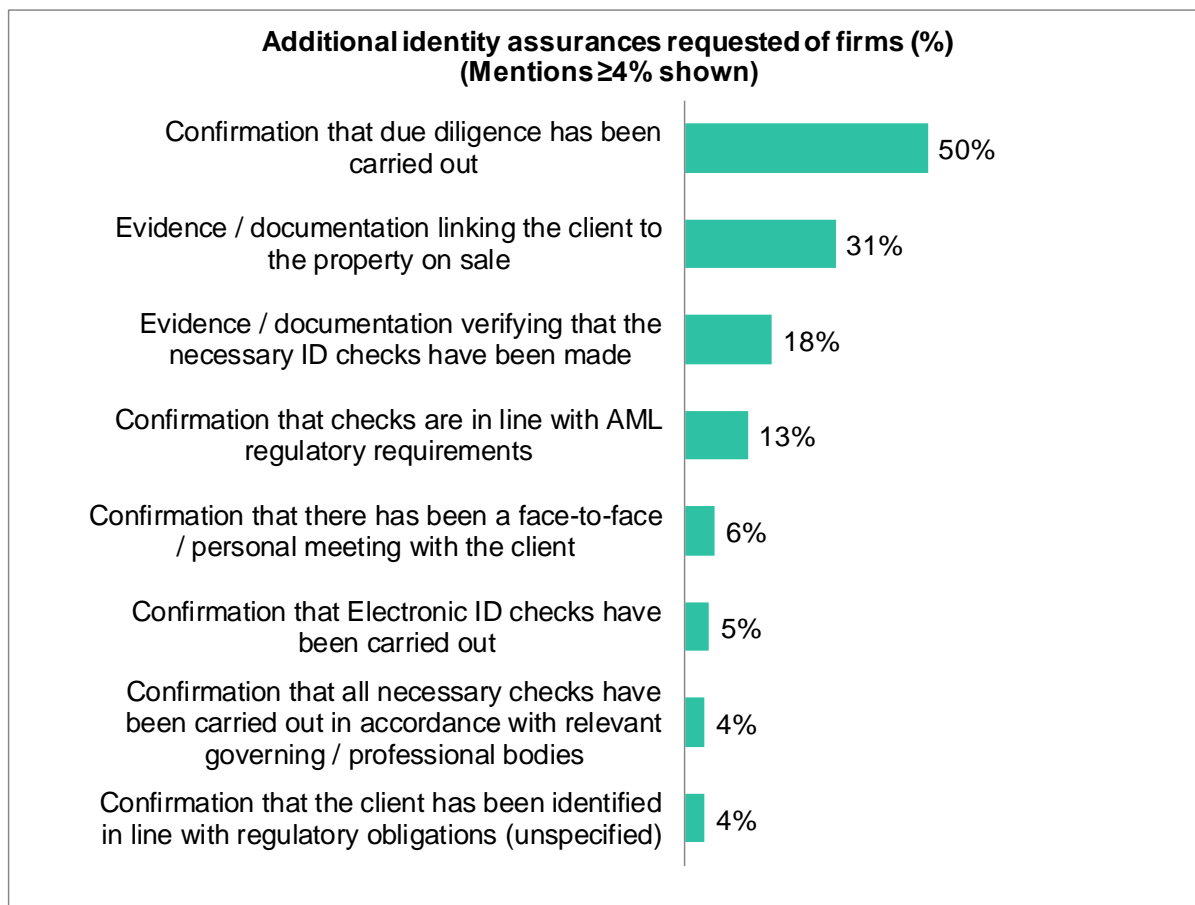
QA58. Do you or will you ask lawyers at other firms for additional assurance on the identity of their clients? (n=212)

4.22 Of the firms that have asked or plan to ask for additional assurances, just over half (54%) reported that they have or plan to ask for confirmation that due diligence has been carried out. A further third (33%) of these firms reported that they have / plan to ask for evidence or documentation linking the client to the property on sale.



QA59. What additional identity assurances have you sought/will you seek? (n=144)

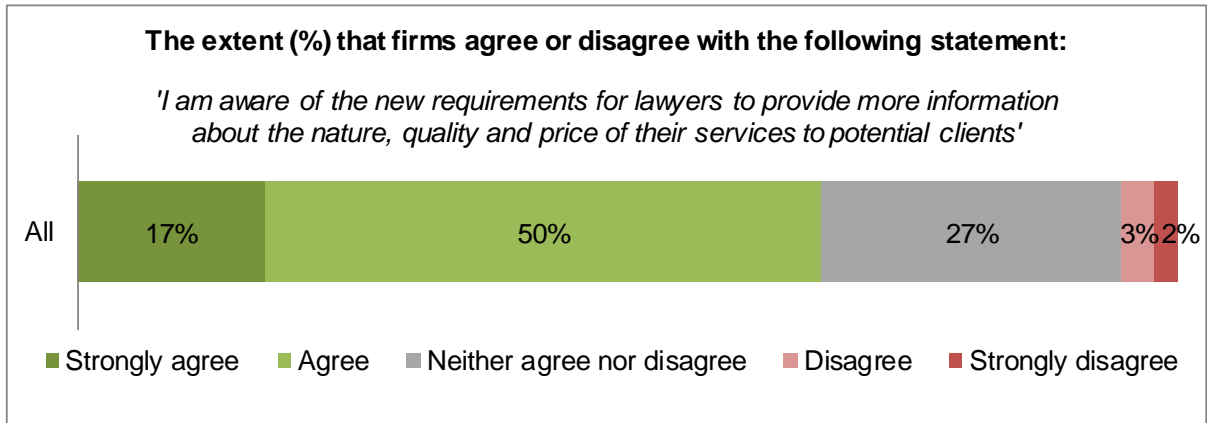
4.23 The majority of firms reported that they have been asked by other firms to provide additional assurance on the identity of their clients (85%). Half of these firms (50%) have been asked to provide confirmation that due diligence has been carried out, while around a third (31%) have been asked to provide evidence or documentation linking the client to the property on sale. Around one-fifth (18%) have been asked to provide evidence or documentation verifying that the necessary ID checks have been made.



QA61. What additional identity assurances have lawyers at other firms asked you to provide? (n=180)

4.24 The majority of firms that have been asked to provide additional assurances have complied with some or all requests (82%). Two-fifths of firms have complied with all requests (40%).

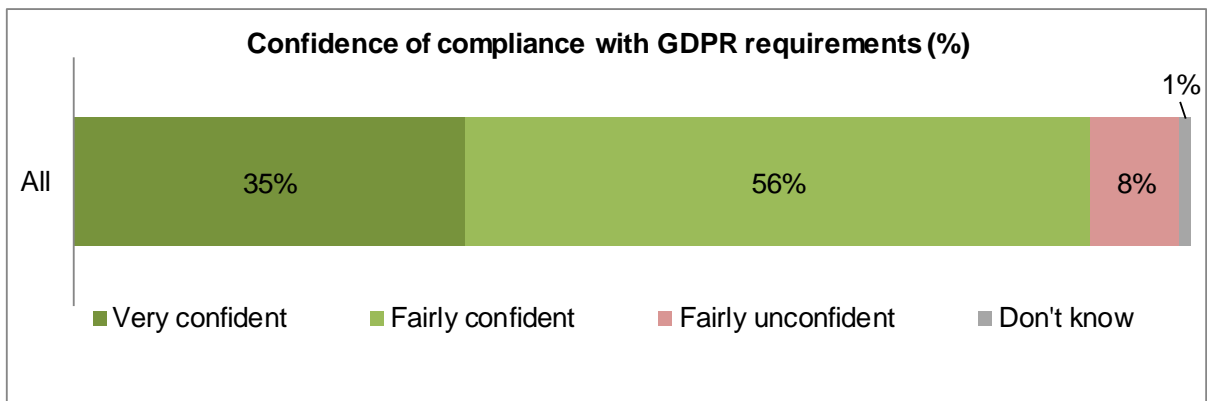
4.25 Around two-thirds of firms (67%) reported agreeing to the statement: 'I am aware of the new requirements for lawyers to provide more information about the nature, quality and price of their services to potential clients'.



A61b. To what extent do you agree or disagree with the following statement: I am aware of the new requirements for lawyers to provide more information about the nature, quality and price of their services to potential clients (n=212)

GDPR regulation

4.26 Most firms reported feeling fairly to very confident of their compliance with the requirements of GDPR, which came into effect in May 2018 (91%).

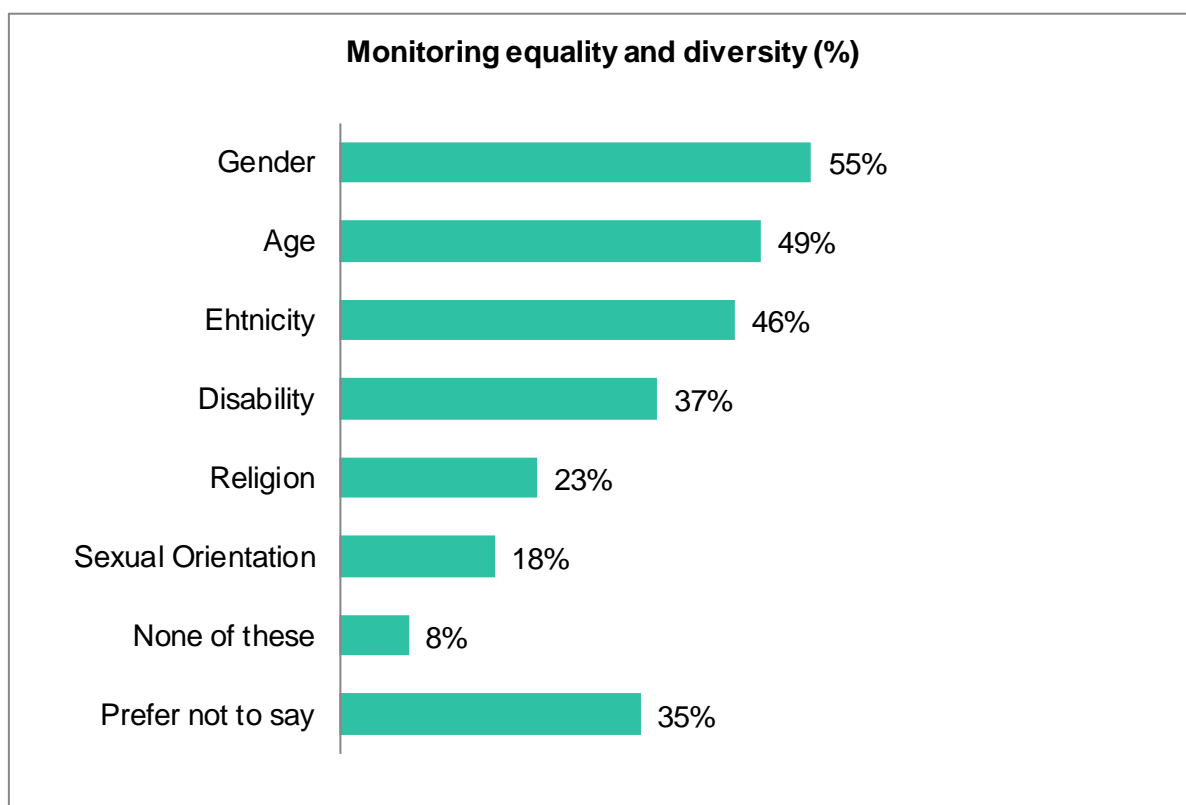


A61a. How confident are you that your organisation is compliant with the requirements of GDPR? (n=212)

Equality and diversity

Monitoring

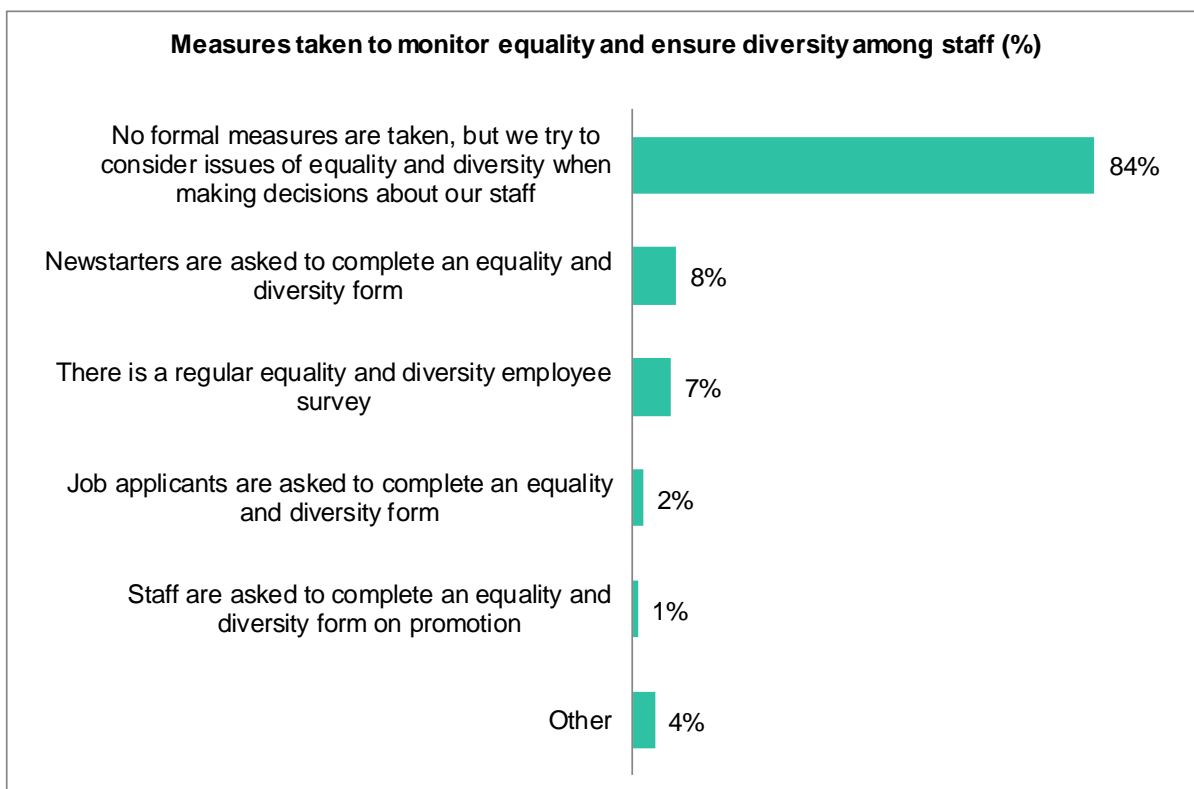
- 4.27 Over half of all firms reported that they monitor the diversity characteristics of their workforce (52%). Among these firms, gender (55%), age (49%), and ethnicity (46%) were the characteristics most likely to be monitored. Just over a third (37%) of firms monitored disability while around a quarter (23%) and one-fifth (18%) of these firms monitored religion and sexual orientation, respectively.
- 4.28 A further third (35%) of these firms, that reported that they do monitor equality characteristics, preferred not to report which characteristics they monitored.



QA48. Which characteristics does your organisation monitor? (n=110)

Measures taken

- 4.29 Firms who said they monitored characteristics of their workforce were asked what measures they took to ensure inclusion of all groups. The majority (84%) reported that they did not take any formal measures, but that they tried to consider issues of equality and diversity when making decisions about their staff. In the 2016/17 Annual Return, all firms were asked whether they took any measures to ensure equality and monitor diversity among staff. The majority (73%) said that they did not take any formal measures, but they tried to consider issues of equality and diversity when making decisions about staff.

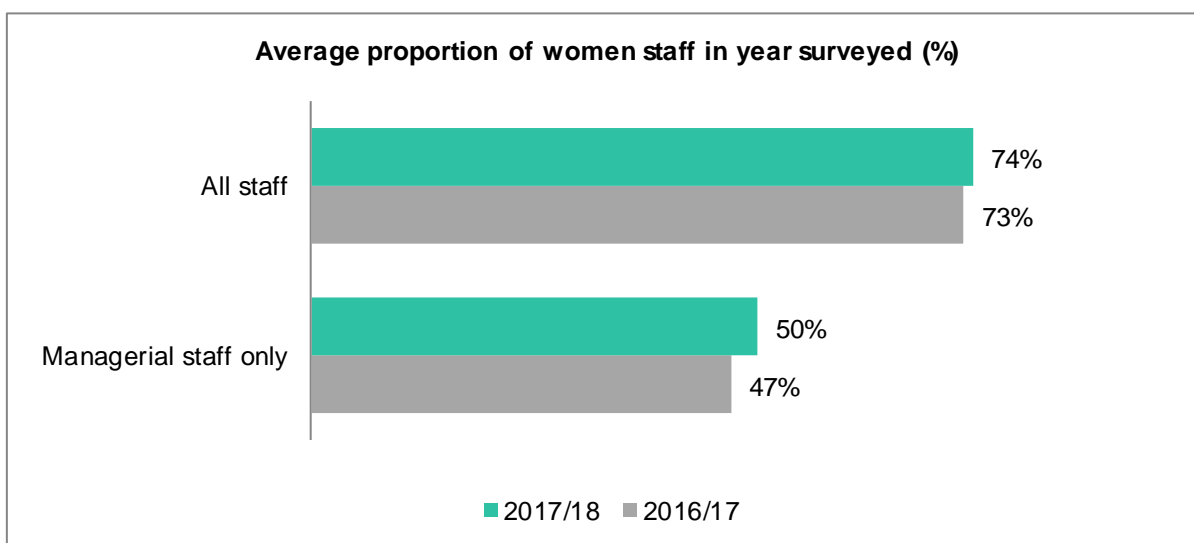


QA49. What measures did your organisation take to ensure equality and monitor diversity among its staff during the year? (n=110)

4.30 Of the 84 firms that do not monitor equality, diversity and inclusion, one quarter said that they would find it helpful if the CLC provided a template survey to capture this information (25%).

Women staff

4.31 Of firms that are not sole practitioners, the average proportion of women staff was close to three-quarters (74%) and the average proportion of managerial staff who were women was exactly half (50%). This pattern is consistent with 2016/17.

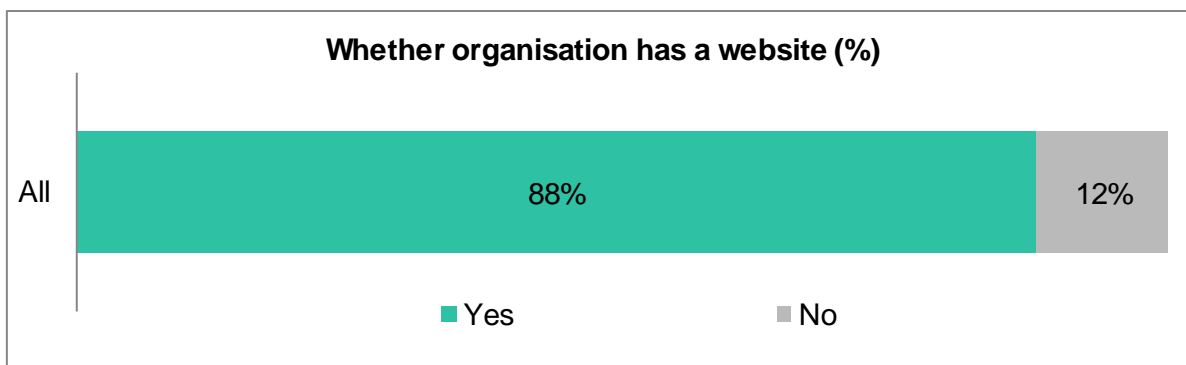


QA51. Approximately what proportion of all your staff were women in 2017? (n=212)

Firms' website and usage of online review platforms

Functionality

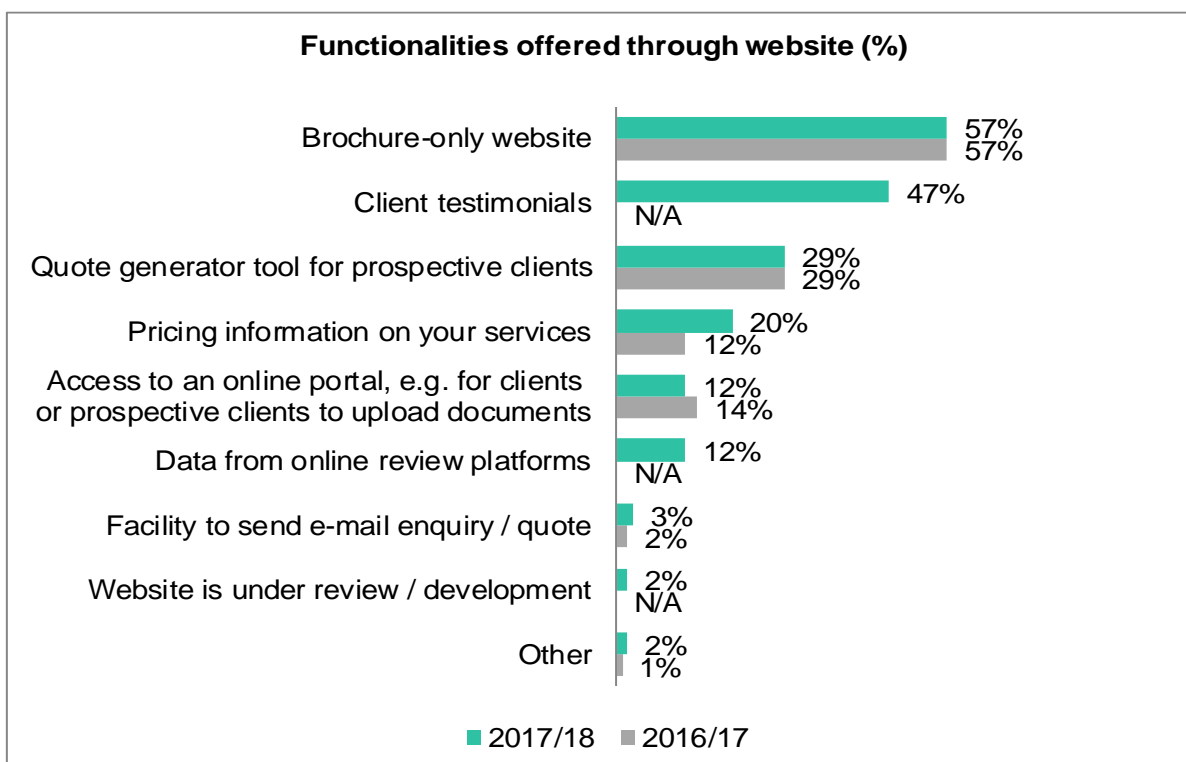
4.32 The vast majority of firms reported in 2017/18 that they had a website for their organisation (88%). This is consistent with 2016/17 (also 88%).



QA32. Does your organisation have a website? (n=212)

4.33 Of these firms, just over half (57%) had a brochure only website with no additional functionality. Just under half of firms (47%) provided client testimonials, while 3 in 10 (29%) offered a quote generator tool on their website. One-fifth of firms (20%) offered pricing information on their services, while around one in ten each (12%) offered access to an online portal (e.g. for clients or prospective clients to upload documents) and data from online review platforms (12% each). Very few firms offered an e-mail enquiry or quote request service (3%; five firms).

4.34 Firms were significantly more likely to offer pricing information through their website in 2017/18 (20%) than in 2016/17 (12%).

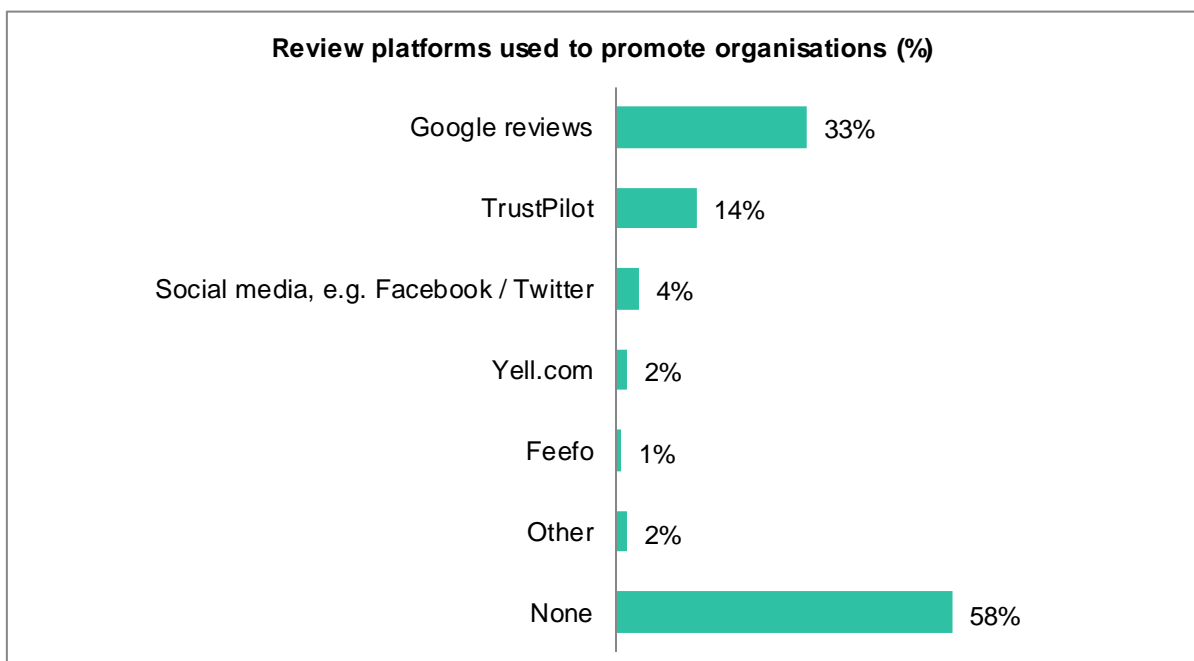


QA33. Which level(s) of functionality does your organisation's website offer? 2017/18 (n=187); 2016/17 (n=203)

4.35 Firms with ABS status were significantly more likely to offer access to an online portal via their website, compared to non-ABS firms (ABS: 29%; non-ABS: 5%). They were also significantly more likely to have data from online review platforms such as TrustPilot or Feefo with client feedback about our service (ABS: 24%; non-ABS: 6%).

Review platforms

4.36 All firms were asked whether they used online review platforms to promote their firm. Google Reviews was most commonly used (33%), followed by 14% of firms using TrustPilot. A small number of firms (4%) reported using social media, e.g. Facebook or Twitter. The majority of firms, however, reported using no online review platforms to promote their organisation (58%).

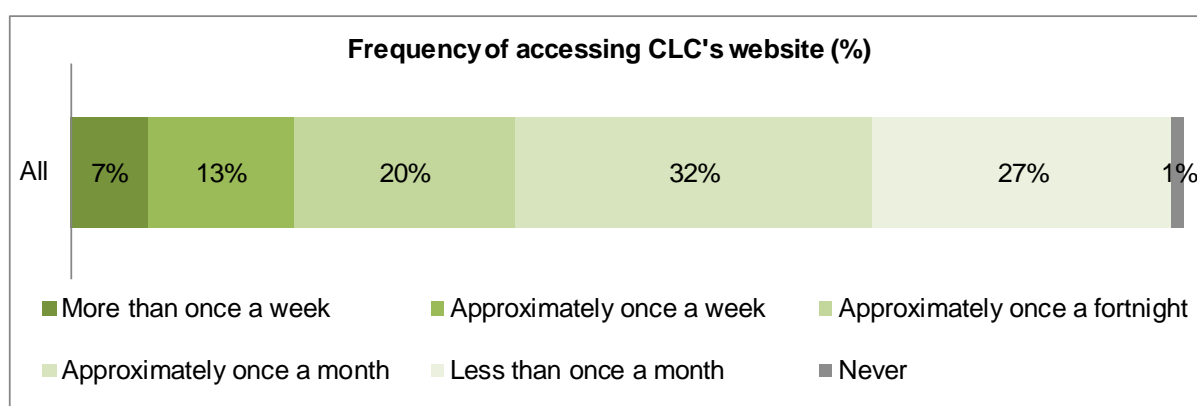


Q34a. Do you make use of an independent online review platform more generally to promote your organisation? (n=212)

5 Perceptions of the CLC

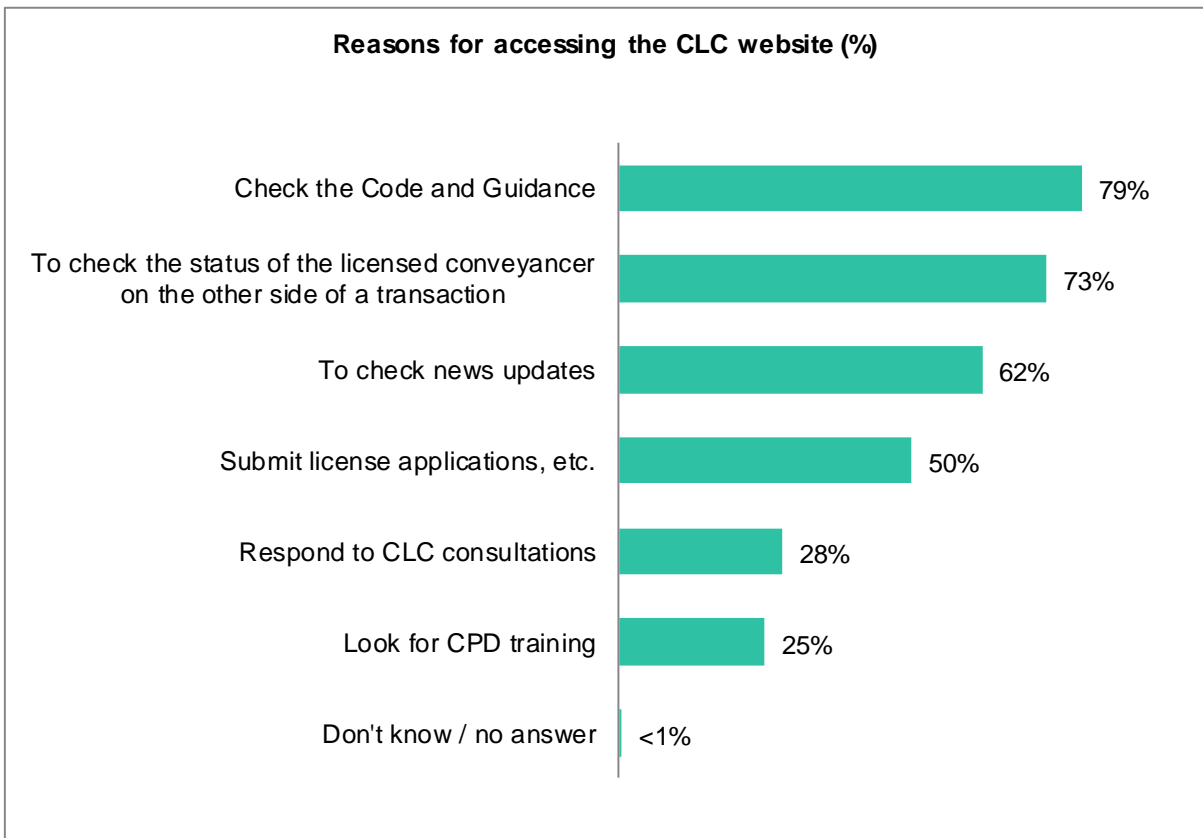
CLC's website

- 5.1 Firms were asked to report the frequency with which they visit the CLC's website, the reason(s) for accessing the website and their overall rating of it.
- 5.2 Nearly all firms (99%) had visited the CLC's website, with the majority (58%) reporting that they visit the CLC's website once a month or less frequently. Two-fifths of firms (40%) reported that they visit the CLC's website at least once a fortnight.
- 5.3 Firms with ABS status were more likely to report that they visit the CLC's website at least once a month, compared to firms without ABS status (ABS: 55%; non-ABS: 34%).



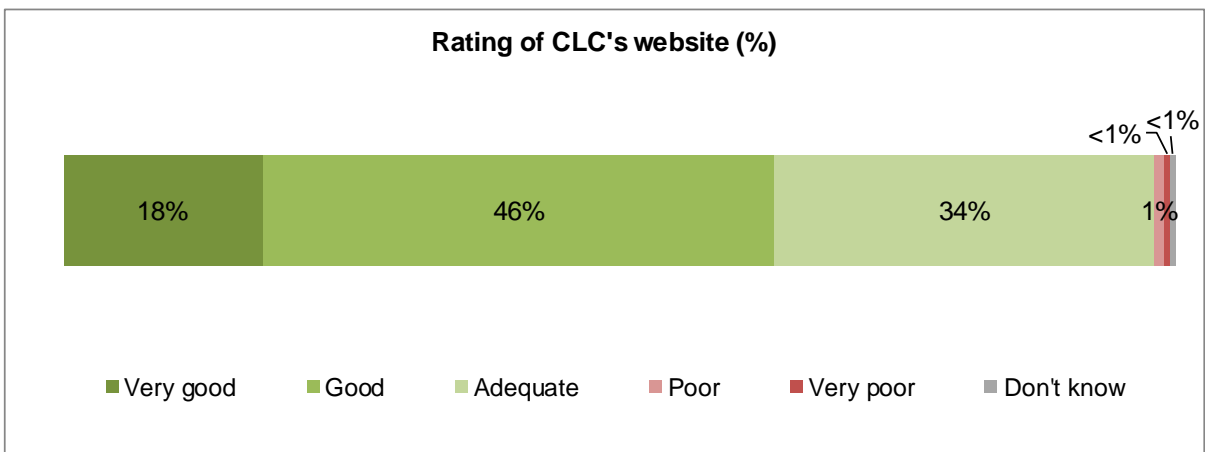
QA14. How often do you visit the CLC website? (n=212)

- 5.4 The most common reason for accessing the CLC's website was to check the Code and Guidance (79%), followed by checking the status of the licensed conveyancer on the other side of a transaction (73%). More than half of firms reported that they used the CLC website to check news updates (62%), while one-half (50%) used the CLC's website to submit license applications. A smaller proportion of firms reported that they used the CLC's website to respond to CLC consultations (28%) and to look for CPD training (25%).
- 5.5 Firms without ABS status were more likely to visit the CLC's website to submit license applications compared to firms with ABS (non-ABS: 57%; ABS: 34%).
- 5.6 There were no differences in CLC website usage by work area.



QA15. What do you use the website for? (n=209)

5.7 Nearly two-thirds (64%) of firms that have visited the CLC’s website rated it as either very good or good. Around one-third (34%) rated the CLC’s website as ‘adequate’ and only 2 firms (1%) rated it as either very poor or poor, significantly fewer than in the 2016 Stakeholder Perceptions Audit (13% rating as very poor / poor).

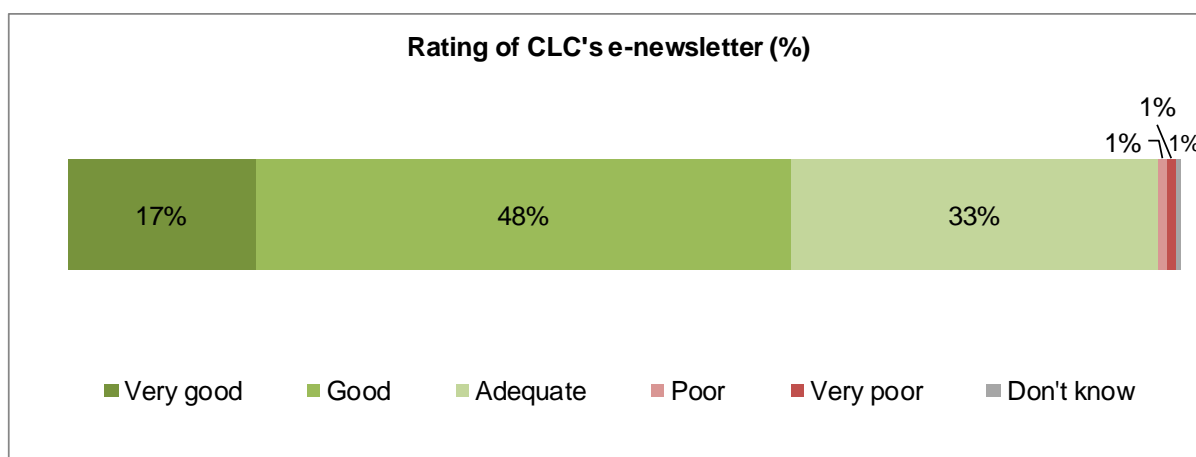


QA16. How would you rate the CLC's website overall? (n=209)

CLC's e-newsletter

5.8 Firms were asked to report whether or not they read the CLC's newsletter.

5.9 Most firms reported they do read the newsletter (89%) and there were no differences by work area. Around two-thirds of firms (65%) rated the CLC newsletter as either very good or good, comparable with the 2016 Stakeholder Perceptions Audit (64%)⁵. A further third (33%) rated the newsletter as adequate and only 2% rated it as either very poor or poor, significantly fewer than in the 2016 Stakeholder Perceptions Audit (8%).



QA18. And how would you rate the CLC's e-newsletter overall? (n=189)

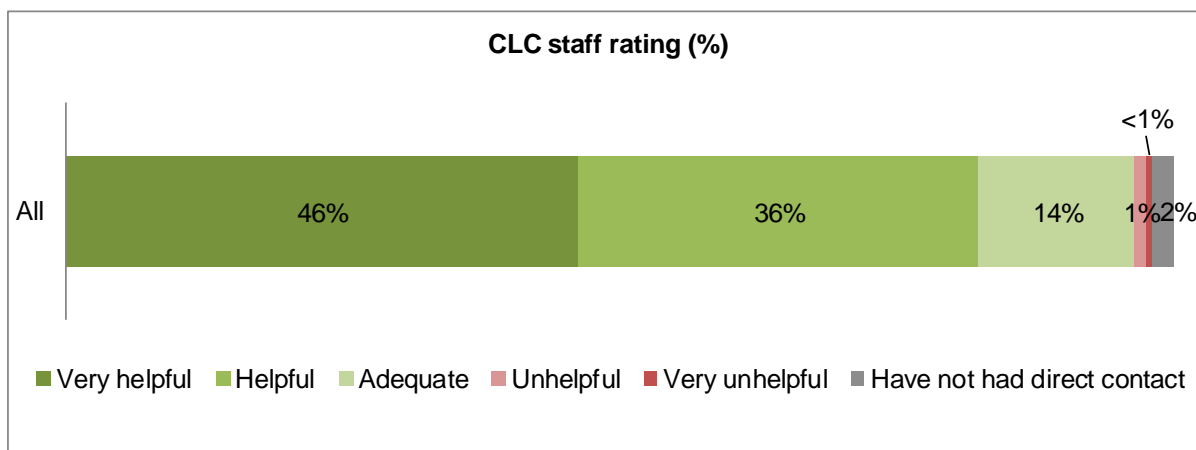
CLC's staff

5.10 Firms were asked to report their perceptions of the CLC's staff.

5.11 Nearly all firms had had direct contact with CLC staff, with only a small number (2%) reporting they had not. This finding mirrored the 2016 Stakeholder Perception Audit (2%).

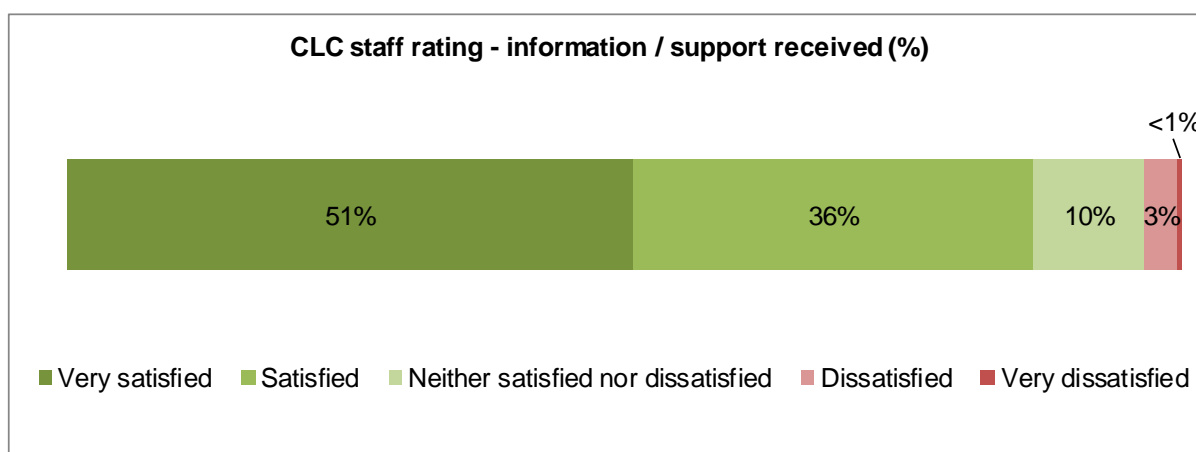
5.12 Most firms reported the CLC staff to be either very helpful or helpful (82%), while a minority (14%) found them to be adequate. Just a small number of firms (1%) found the CLC staff to be either very unhelpful or unhelpful. This pattern was comparable with the 2016 Stakeholder Perception Audit (86% rating the CLC staff as very helpful or helpful).

⁵ Unlike in the 2017/18 Annual Return, managers of CLC-regulated firms were not asked whether they had read the CLC newsletter before being asked for their rating.



QA19. How helpful do you find the CLC's staff? (n=212)

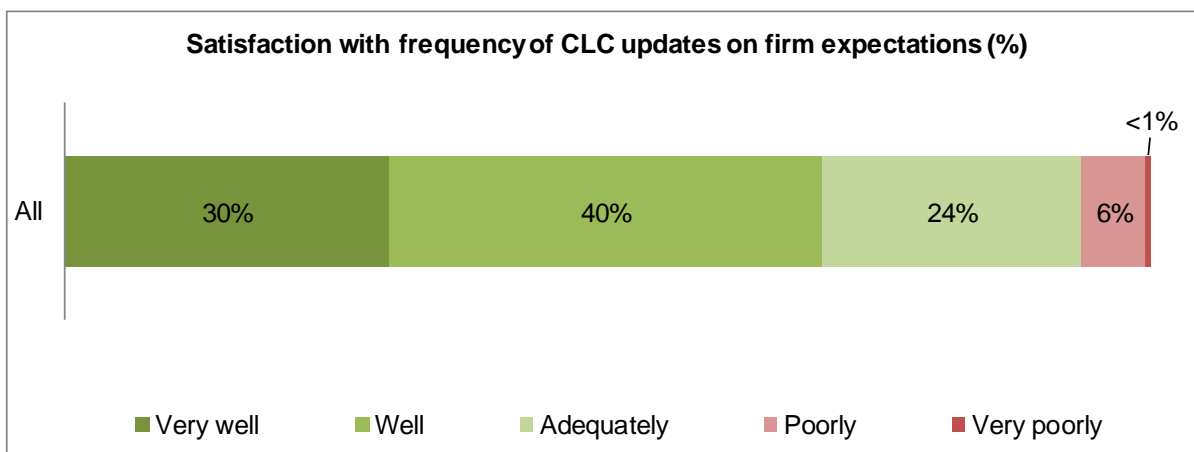
5.13 The majority of firms (87%) reported that they were either very satisfied or satisfied with the information / support received when they last had direct contact with CLC staff, this was comparable with the 2016 Stakeholder Perceptions Audit (83%). A further tenth (10%) reported that they were neither satisfied nor dissatisfied. A small number of firms (3%) reported that they were very dissatisfied or dissatisfied with the information or support they had received following their last direct contact with the CLC's staff.



QA20. Thinking about the last time you had direct contact (e-mail, phone or in person) with CLC staff, how satisfied were you with the information or support that you received? (n=207)

5.14 The majority of firms (70%) rated the CLC as either very well or well in keeping them up to date with what's expected of them as a regulated business / individual, comparable with the 2016 Stakeholder Perceptions Audit (68%). Around one-quarter (24%) said the CLC was adequate in keeping them up to date, while a minority (6%) said the CLC was poor or very poor in keeping them up to date with what is expected of them.

5.15 There were no differences by work area or ABS status.



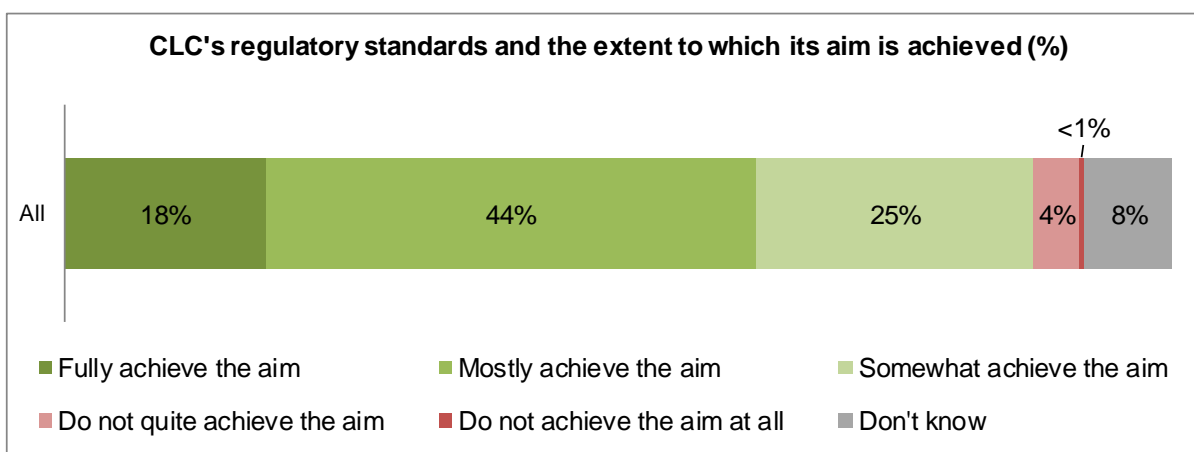
QA21. Overall, how well do you feel the CLC keeps you up to date with what's expected of you as a regulated individual / business? (n=212)

CLC's regulatory standards

5.16 Firms were asked to state the degree to which they felt that the regulatory standards set by the CLC achieve their aim of promoting innovation and growth of legal business, while also protecting the consumer.

5.17 The majority (62%) felt that the CLC either fully or mostly achieves the aim, while a further quarter (25%) felt that the CLC somewhat achieves the aim. A small number of firms (4%) felt that the CLC does not quite achieve the aim or does not achieve it at all. This pattern was comparable with the 2016 Stakeholder Perception Audit (66% felt the CLC fully or mostly achieved the aim).

5.18 Firms conducting equity release were less likely to say that the CLC fully or mostly achieve the aim, compared to the average of all firms (Equity release: 51%; overall: 62%).



QA25. To what degree do you feel that the regulatory standards set by the CLC achieve their aim of promoting innovation and growth of legal business while also protecting the consumer? (n=212)

5.19 Firms that perceive the CLC to fully or mostly achieve its aim of promoting innovation and growth of legal business while also protecting the consumer were asked to state why they felt this way.

5.20 From the response options available, there were no differences in the proportion of firms that selected each response. Just under half (47%) stated that the CLC’s regulatory standards are tailored to their area of practice (47%), followed by allowing flexibility of practice and they are outcomes focused and not rule based (both 45%). Four-tenths of firms (42%) said that the CLC’s guidance enables them to see how to achieve what they want to achieve.

5.21 Firms with ABS status were more likely to state that the CLC allows flexibility of practice, compared to firms without ABS status (ABS: 66%; non-ABS: 36%).



QA26. Why do you feel that that the regulatory standards set by the CLC achieve their aim of promoting innovation and growth of legal business while also protecting the consumer? (n=132)

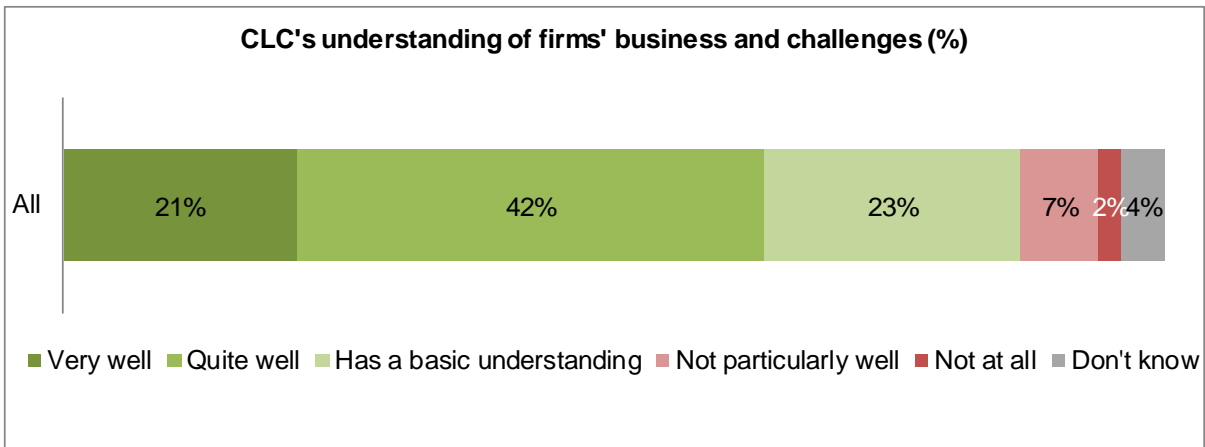
5.22 There were only a handful of firms that perceived that the CLC does not quite achieve the aim or does not achieve it at all (n=9). Most of these firms said that the guidance from the CLC does not make clear what they need to achieve (n=6).

CLC’s understanding of firms

5.23 The majority of firms (64%) felt that the CLC understands their business and the challenges they face, either very well or quite well. Around one-quarter (23%) of firms felt that the CLC had a basic understanding of their business. Only a small number of firms (9%) said that the CLC does not understand their business particularly well or at all.

5.24 In the 2016 Stakeholder Perceptions Audits, more firms felt that the CLC understood their business and associated challenges (76%; 2017/18 Annual Return: 64%), although this difference was not statistically significant given the different samples for each survey.

5.25 Firms that carry out either residential and / or commercial conveyancing were more likely to say that the CLC understands their business and the challenges they face compared to firms that carry out equity release (conveyancing: 64%; equity release: 46%⁶).



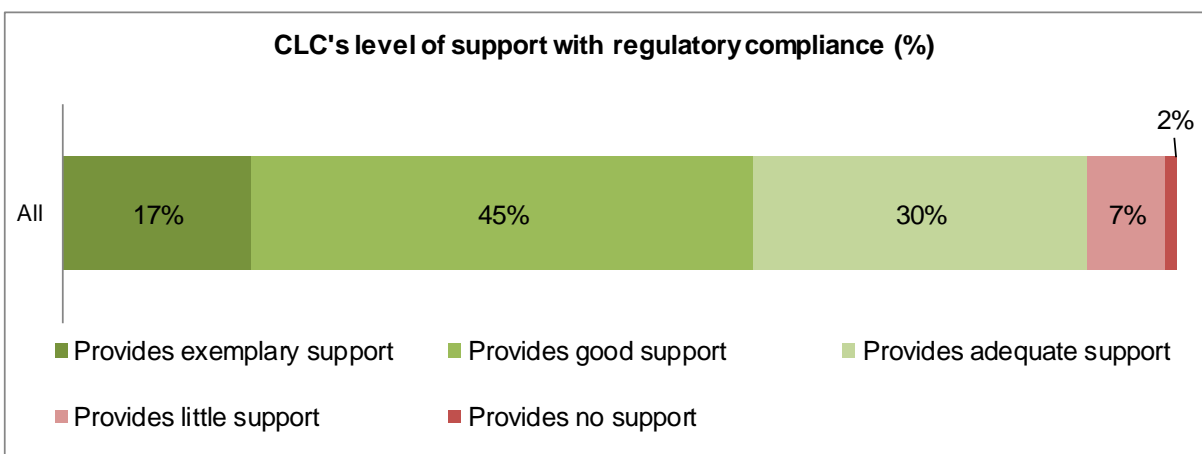
QA22. How well do you feel that the CLC understands your business and the challenges you face? (n=212)

Support with regulatory compliance

5.26 Firms were asked to state the level of support they perceive the CLC to provide in helping them to achieve compliance with regulation. The majority of firms perceived the CLC to provide either exemplary or good support (61%), while nearly a third (30%) perceived the CLC's support to be adequate. Only a small minority (8%) perceived the CLC to offer them either little or no support in achieving compliance with regulation.

5.27 In the 2016 Stakeholder Perceptions Audits, more firms felt that the CLC provided exemplary or good support with regulatory compliance (69%; 2017/18 Annual Return: 61%), although this difference was not statistically significant.

5.28 Three-quarters of firms with ABS-status (75%) perceived the CLC to provide either exemplary or good support, compared to only 56% of firms without ABS status.

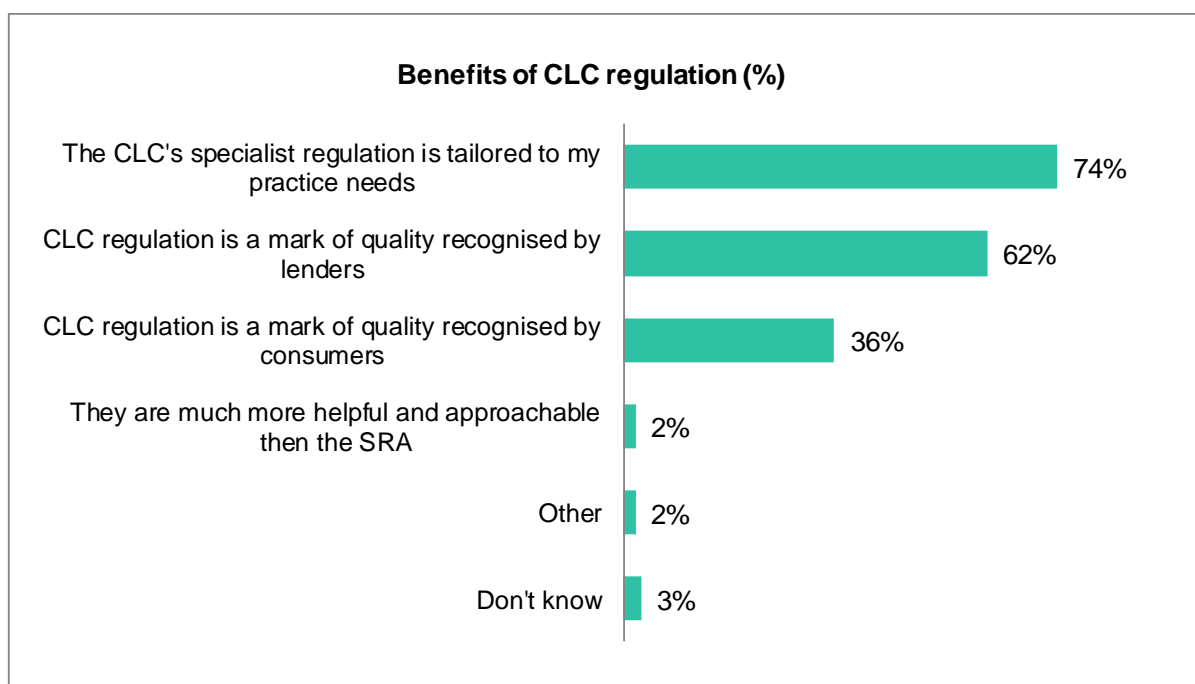


QA23. What level of support does the CLC provide you in achieving compliance with regulation? (n=212)

⁶ This represents 29 of the 63 firms that carry out equity release.

Benefit of CLC regulation

- 5.29 Firms were asked how beneficial they feel CLC regulation is to their firm. Most firms (80%) felt the CLC to be either extremely or mostly beneficial, and a further 12% felt CLC regulation to be of some benefit. A small minority (6%) felt regulation by the CLC to be of little or no benefit. This pattern is consistent with the 2016 Stakeholder Perception Audit (80% also perceiving CLC regulation as beneficial).
- 5.30 There were no differences in perceived benefit by work area or ABS status.
- 5.31 Of those that feel that regulation by the CLC is beneficial to their firm, firms most commonly said that the CLC's specialist regulation is tailored to their practice needs (74%), followed by CLC regulation is a mark of quality recognised by lenders (62%). Just over a third of firms (36%) felt CLC regulation beneficial because it is a mark of quality recognised by consumers.
- 5.32 This order of importance was also consistent with the 2016 Stakeholder Perception Audit. Although not statistically significant because of the different samples, more firms felt that the CLC's specialist regulation is tailored to their practice needs (84%) than they did in the 2017/18 return (74%).
- 5.33 Firms without ABS status were more likely to find regulation by the CLC beneficial because it is a mark of quality recognised by lenders, compared to firms with ABS status (non-ABS: 68%; ABS: 48%).



QA30. Why do you feel that being regulated by the CLC is of benefit to you / your business? (n=171)

- 5.34 Towards the end of the return, firms were asked whether they had any suggestions as to how the CLC might improve the way in which it exercises its regulatory functions. While the majority (64%) did not offer any suggestions, one in ten (10%) asked for more or clearer guidance, and 7% asked for more training or CPD opportunities.

“

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