

CLC

The
Specialist
Property
Law
Regulator

Research carried out by:



CLC Annual Regulatory Return 2019

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;
 - Volume of work;
 - Sources of work;
 - Prices charged for services;
 - Changes in client purchasing behaviour;
 - Fraud;
 - Bullying and harassment policy;
 - Anti-money laundering practices;
 - First-tier complaints;
 - Lender panels;
 - Firms' websites; and
 - IT services and use of technology.

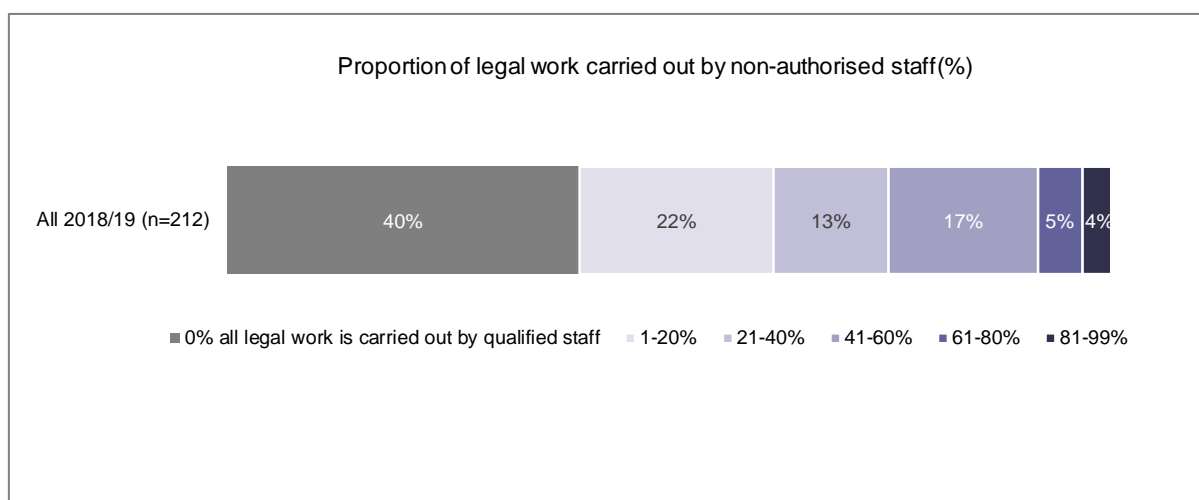
Methodology

- 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 10th June – 19th July 2019.
- 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 2018/19.

Sample and firm characteristics

- 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. 64 firms held Alternative Business Structure status (ABS), while 148 did not.
- 1.7 On average, the firms surveyed employed 4 full-time qualified fee-earners, 6 unauthorised fee-earners and 12 administration and support staff.
- 1.8 Over half of firms (60%) reported that at least some of their legal work is carried out by non-authorised staff. Just over one-third (35%) reported that between 1-40% of their legal work is carried out by non-authorised staff and one-fifth (21%) reported that between 41-80% of their legal work is carried out by non-authorised staff. A minority of firms (4%) reported that over 80% of their work is carried out by non-authorised staff.
- 1.9 Firms with ABS status were more likely to report that over 80% of their legal work is carried out by non-authorised staff (11%) compared to firms without ABS status (1%).

Figure 1.1 Proportion of legal work carried out by non-authorised staff (%)

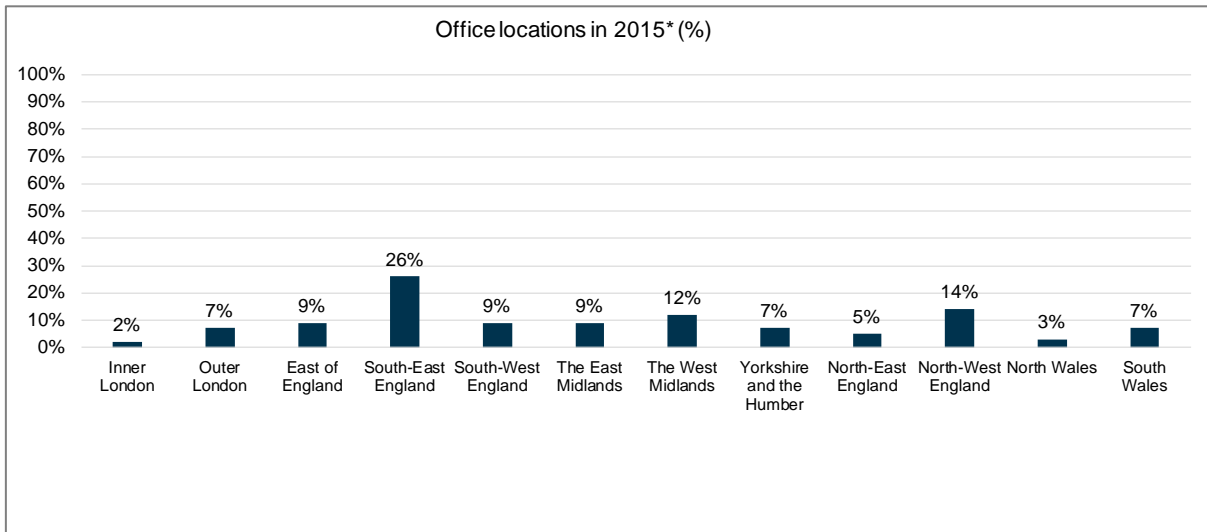


A3 What proportion of your legal work is carried out by non-authorised staff?

- 1.10 A minority of firms (13%) reported that their business structure includes more than one company. Firms with ABS status were more likely to operate through multiple companies (27%) compared to firms without ABS status (7%).
- 1.11 Half (50%)¹ of the firms who operate through more than one company reported that they share staff across the companies. A range of staff were shared: fee-earners (qualified) – 18%; fee-earners (non-authorised) – 11%; administration and support staff – 39%.
- 1.12 The firms surveyed had offices in a range of locations across England and Wales.

¹ Please note that these percentages represent small numbers of firms. In total, 28 firms operated through more than one company – 50% represents 14 firms, 18% represents 5 firms and so on.

Figure 1.2 Office locations in 2015* (%)



*Location data from CLC research in 2015. Location data is available for 144 of the 212 firms surveyed in 2017/18.

A note on analysis

1.13 Comparisons with the 2017/2018 and 2016/17 Annual Return will be made where available. Differences between firm characteristics, for example, ABS status, size² and area of work, are shown only when the difference is statistically significant.

² Size is defined in terms of turnover. Small firms are defined as those with a turnover less than <£200,000, medium terms with a turnover between £200,000 and £499,999, and large firms with a turnover of £500,000 or more. There is some degree of overlap between firm turnover / size and ABS status: 45% of firms with ABS status have a turnover of £500,000 or more.

2 Executive summary

Scope of work

- 2.1 Most firms (98%) dedicated at least some of their time to residential conveyancing (sale or purchase); on average firms spent 82% of their time dedicated to this work area. This was followed by re-mortgaging; 81% of firms dedicated at least some of their time to this area of work (5% of their time, on average).
- 2.2 Around half of firms (55%) dedicated at least some of their time to commercial conveyancing (5% on average), followed by will-writing (32% of firms, 3% on average); equity release (31% of firms, 1% on average) and probate (28% of firms; 4% on average).
- 2.3 Firms who dedicated time to residential conveyancing (sale or purchase) tended to receive most of their income (84% on average) from this area of work. In comparison, the other areas of work brought in significantly less income on average to firms (probate: 15%; commercial conveyancing: 9%; will-writing: 8%; re-mortgaging: 6% and equity release: 2%).

Volume of work

- 2.4 Across all firms, a similar proportion predicted that their volume of work will grow over the next 12 months (45%) as predicted it will stay the same (42%). A minority of firms (13%) expected it to shrink; and most of these firms felt that 'Brexit' affected their response.
- 2.5 When looking ahead, firms identified growth as the main business opportunity over the next 12 months, due to their firm's reputation (16%), another form of business growth or expansion (12%), branching out into new / niche areas of work (11%) and / or growth due to favourable market conditions (10%).
- 2.6 Brexit was identified as the biggest business risk by nearly a third of firms (30%), followed by cybercrime (26%) and fraud or money laundering (25%).

Sources of work

- 2.7 Firms were most likely to source their will-writing (93%), equity release (92%) and probate (91%) work from the local area. This was followed by re-mortgaging (80%) and conveyancing (excluding re-mortgaging) (75%).
- 2.8 Personal recommendation was the most common source of work for all work areas (probate: 47%; will-writing: 45%; equity release: 43%; and conveyancing: 38%).
- 2.9 A direct approach from clients was most likely to be a source of work for firms who conducted probate and will-writing (34% each); and less commonly for equity release (24%) and conveyancing (14%).
- 2.10 Estate agent referrals were more commonly a source of work for firms who conducted conveyancing (25%); and much less commonly for equity release (6%), will-writing (2%) and probate (2%).

Prices charged for legal services

- 2.11 Over one-third (37%) of firms that carry out conveyancing reported an increase in their prices charged for services in 2018/19, followed by re-mortgaging and will-writing (29% each), equity release (26%) and probate (20%).
- 2.12 Just over one-quarter (28%) of all firms reported that they felt pressure to reduce prices charged to clients for their services. On the whole this pressure did not translate into behaviour, as only a minority of firms reported that they decreased the prices charged for their services during the past year (will-writing: 6%; equity release: 5%; conveyancing: 4%; re-mortgaging: 4%; and probate: 3%).
- 2.13 Of the firms who felt pressure to reduce their prices, the majority reported that this pressure came direct from the client or consumer (75%). This was followed by general market forces or the wider environment (44%) and from the referral agency (32%).
- 2.14 When thinking about prices of services over the next 12 months, firms who carry out will-writing and conveyancing were most likely to anticipate an increase in their prices charged for these services over the next 12 months (will-writing: 35%; conveyancing: 34%). Around one-quarter each of firms who conduct equity release (28%), re-mortgaging (26%) and probate (22%) expected to increase their prices charged for these services over the next year.

Changes in client purchasing behaviour

- 2.15 In December 2018 the CLC introduced new transparency rules requiring firms to display prices and service information. Around one-quarter of firms (26%) felt that clients have shopped around more (either a great deal or slightly more) since this was introduced, while the just over half (54%) thought there had been no change. Very few firms (2%) felt that clients had shopped around less since the introduction of the new rules.
- 2.16 Half of firms (51%) who carried out residential and / or commercial conveyancing expected that e-conveyancing will at some point make up the majority of their property sales. One-fifth (19%) of firms expected this to happen within the next 5 years and a further 24% expected it to happen in the next 10 years.

Fraud

- 2.17 A small proportion of firms (6%, 12 firms) reported that they had been the victim of a definite case of fraud in 2018/2019. Most of these firms (9 of them) had experienced 1 case of fraud each, while 3 firms had each experienced 2 cases of fraud. Most of these firms also reported that the instance(s) of fraud did not incur any cost.
- 2.18 One in five firms (20%) had stopped an attempted instance of fraud. The majority of these firms (60%) had stopped one case of fraud each.

Anti-money laundering practices

- 2.19 A minority of firms (14%) had acted for at least one politically exposed person (PEP) within the last year. Around one-quarter of firms (23%) had made at least one general suspicious activity report (SAR) within the past year and around one-tenth of firms (11%) had made at least one Defence Against Money Laundering Suspicious Activity Report (DAML SAR).
- 2.20 Half of firms (49%) had acted for clients in overseas countries – more commonly medium and large firms. A total of 53 countries were identified. Australia (44%) was the most common country where clients were based, followed by France and the United States (both 39%), Spain (38%), China (32%) and the United Arab Emirates (26%).
- 2.21 The majority of firms had acted for one or two clients in each country (Australia and France: 80% with 1-2 clients; Spain: 74%; United States: 71%; China: 67%). Firms who had acted for clients based in China were more likely to have acted for more than 10 clients each (15%). This ranged from 20 to 700 clients.
- 2.22 One-quarter of firms (25%) reported that they had either paid into or received monies from an overseas bank account. Of those who had entered a financial transaction with an overseas bank account, the United States (40%) was most common, followed by Australia (35%). Around one-fifth of firms had paid into / or received monies from an overseas bank account based in each of the following countries: France (21%), Spain (19%), China (19%), and Canada (19%).
- 2.23 Most firms (97%) had not received a single cash payment of more than £5,000 into their client account within the last year. A small proportion of firms (1%, n=2) reported that they had received a cash payment of more than £5,000.

First-tier complaints

- 2.24 Half (50%) of firms received at least one first-tier complaint in 2018/19; this is comparable to 2017/18 (49%). There was a wide variation in the number of complaints received, ranging from 1 (14% of all firms) to 859 complaints (1% of firms, n=1). Despite this, the majority of all firms received between 1-5 complaints (34%).
- 2.25 Most firms who had received at least one first-tier complaint said that at least one of the complaints they had received had been resolved (91%). Less than half of firms who received a complaint had it referred to the Legal Ombudsman (45%). A minority of firms (15%) who received a complaint said that at least one remained unresolved.

Lender panels

- 2.26 Most firms (95%) had access to at least one lender panel. Firms were equally likely to report that gaining access to these panels was very or fairly easy (33% of all firms) as to say it was fairly or very difficult (33% of all firms). Of the firms who had found it fairly or very difficult to gain access to member panels, the majority (67%) had said that they had experienced either 'a great deal' or 'a lot' of difficulties. Small firms were more likely to say access was 'very difficult'.
- 2.27 Firms were most likely to have had difficulty gaining access to Coventry Building Society (39%), followed by Barclays (36%) and Lloyds Banking Group (33%, significantly lower than in 2016/17). Around one-fifth of firms each experienced difficulty gaining access to Virgin Money (21%), Yorkshire Building Society (17%) and Clydesdale Bank plc (17%).

3 Scope of work

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

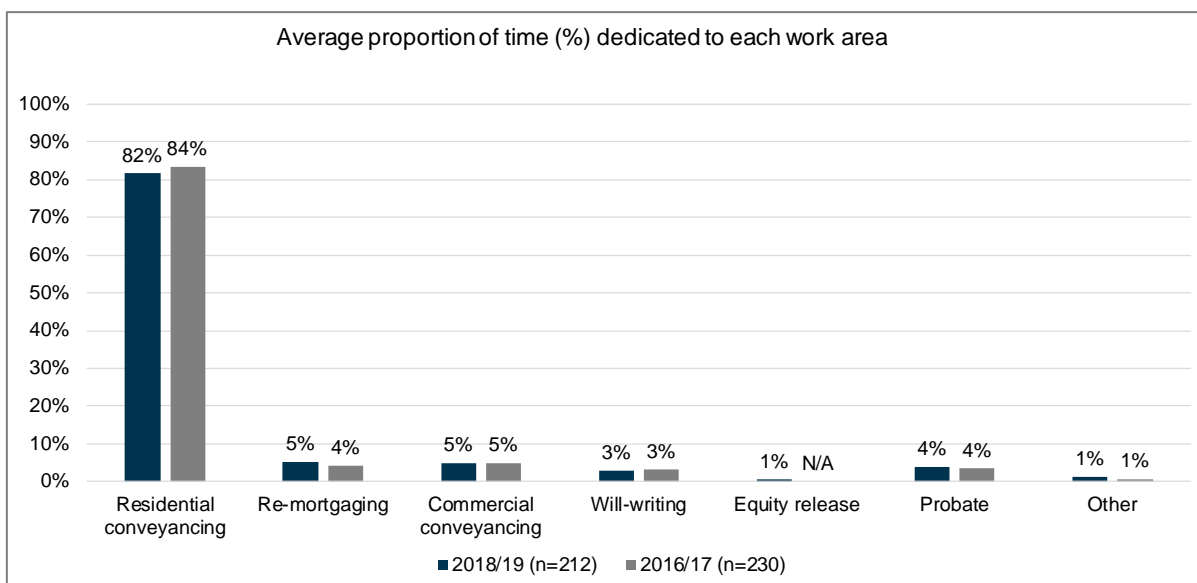
- Residential conveyancing (sale or purchase);
- Re-mortgaging;
- Commercial conveyancing
- Will-writing;
- Equity release;
- Probate; and
- Any other areas of work

Proportion of time dedicated to each work area

- 3.2 Most firms (98%) dedicated at least some of their time to residential conveyancing (sale or purchase); on average firms spent 82% of their time dedicated to this work area in 2018/19. Nearly half of firms (46%) spent between 91% - 100% of their time on residential conveyancing.
- 3.3 The majority of firms (81%) spent some time carrying out re-mortgaging work; on average firms dedicated 5% of their time to this work area. Firms with ABS status were significantly more likely to spend more of their time in this work area (8% of their time on average) compared to firms without ABS status (4% of their time).
- 3.4 Around half of firms (55%) spent at least some of their time dedicated to commercial conveyancing; the average time dedicated was 5%. Small firms tended to dedicate more of their time to commercial conveyancing compared to medium firms (small: 7%; medium: 3%; large: 4%). In addition, firms without ABS status spent more of their time dedicated to commercial conveyancing compared to firms with ABS status (ABS status: 2%; without ABS status: 6%).
- 3.5 Around one-third of firms (32%) spent at least some of their time dedicated to will-writing; the average time dedicated was 3%. Just over a quarter of firms (27%) spent between 1-10% of their time dedicated to this type of work.
- 3.6 A further third of firms (31%) dedicated some of their time to equity release. On average firms dedicated 1% of their time to this work area.
- 3.7 Just over a quarter of firms (28%) spent some time dedicated to probate, with one-fifth of firms (19%) spending between 1-10% of their time in this work area. The average time spent in this work area across all firms is 4%.

3.8 The proportions of time spent in each work area are consistent with the 2016/17 return³.

Figure 3.1 Average proportion of time (%) dedicated to each work area



A6 What proportion of your firm's time is dedicated to the following types of work? Please enter a percentage from 0 to 100% for each type of work, with the total proportion summing to 100%.

3.9 A small number of firms also dedicated some of their time to the following work areas: lasting powers of attorney (6%), transfer of equity (3%), lease extensions (2%), and court of protection (1%). A further 4% of firms said they carry out any 'other' type of work.

Proportion of transactions conducted in each work area

3.10 Firms who dedicated at least some of their time to each work area were asked to report the proportion of transactions that they conducted in each of those areas⁴.

3.11 The majority of firms who dedicated time to residential conveyancing (sale or purchase) reported that 84% of their transactions (on average) were conducted in this area of work. Around half of these firms (47%) reported that 91-100% of their transactions were conducted in residential conveyancing.

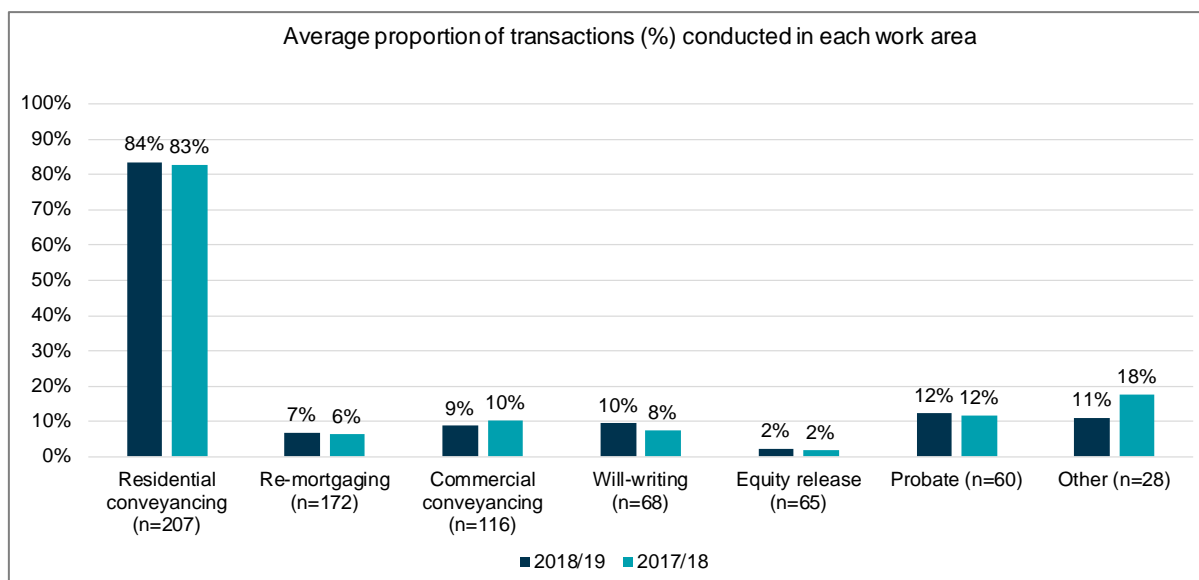
3.12 For firms who carried out re-mortgaging, 7% of their transactions were conducted in this area. Most of these firms (89%) reported that 1-10% of their transactions were in this area. Firms with ABS status conducted a greater proportion of their transactions than those without ABS status (ABS status: 12%; without ABS status: 5%).

³ Firms were not asked to report the proportions of time dedicated to each work area in the 2017/18 return.

⁴ In the 2017/18 return, all firms were asked to report the proportions of transactions which they conducted in each work area. To allow for comparability with 2018/19, the data from 2017/18 has been re-based, so that the proportions of transactions are based on the number of firms who said that they spent time dedicated to each work area.

- 3.13 Of the firms who dedicated some of their time to commercial conveyancing, on average 9% of their transactions were conducted in this work area. The majority of these firms (78%) said that 1-10% of their transactions were conducted in commercial conveyancing.
- 3.14 Will-writing made up 10% of transactions for firms who dedicated time to this area of work. Most of these firms (79%) conducted between 1-10% of their transactions in this work area.
- 3.15 Among firms who carry out equity release, this made up 2% of their transactions. Almost all firms who carried out equity release (98%) said that it made up between 1-10% of their transactions.
- 3.16 Among firms who carry out probate, on average 12% of their transactions were conducted in this work area. Two-thirds (67%) said between 1-10% of their transactions were conducted in this work area.
- 3.17 These findings are consistent with the 2017/18 return.

Figure 3.2 Average proportion of transactions (%) conducted in each work area



A7 What proportion of your firm's transactions are conducted in the following types of work? Please enter a percentage from 0 to 100% for each type of work, with the total proportion summing to 100%

Proportion of income gained from each work area

- 3.18 Firms who said they dedicated at least some of their time to each work area were asked to report the proportion of income that they gain from each of the work areas.⁵
- 3.19 Residential conveyancing was the main source of income for most firms. Around half (49%) of firms that carried out residential conveyancing (sale or purchase), reported that between 91-

⁵ This question was not asked in the 2017/18 return. In the 2016/17 return, all firms were asked to report the proportions of income that they gained from each work area. To allow for comparability with 2018/19, the data from 2016/17 has been re-based, so that the proportions of income are based on the number of firms who said that they spent time dedicated to each work area.

100% of their income was gained from this work area. On average residential conveyancing made up 84% of their income. Firms with ABS status were significantly more likely to report that residential conveyancing made up between 91-100% of their income compared to those firms without ABS status (ABS status: 60%; non-ABS status: 44%).

3.20 Re-mortgaging made up on average 6% of firms' income among those firms who carried out this work. Firms with ABS status reported a greater proportion of income from this type of work than firms without ABS status (ABS status: 11% of their income on average; without ABS status: 4%).

3.21 Firms who carried out commercial conveyancing reported that this work area made up 9% of their income, on average. Three-quarters of these firms (74%) said that it made up between 1-10% of their income. Small firms gained a greater proportion of their income from commercial conveyancing than medium firms (small: 12% of their income on average; medium: 6%; large: 11%).

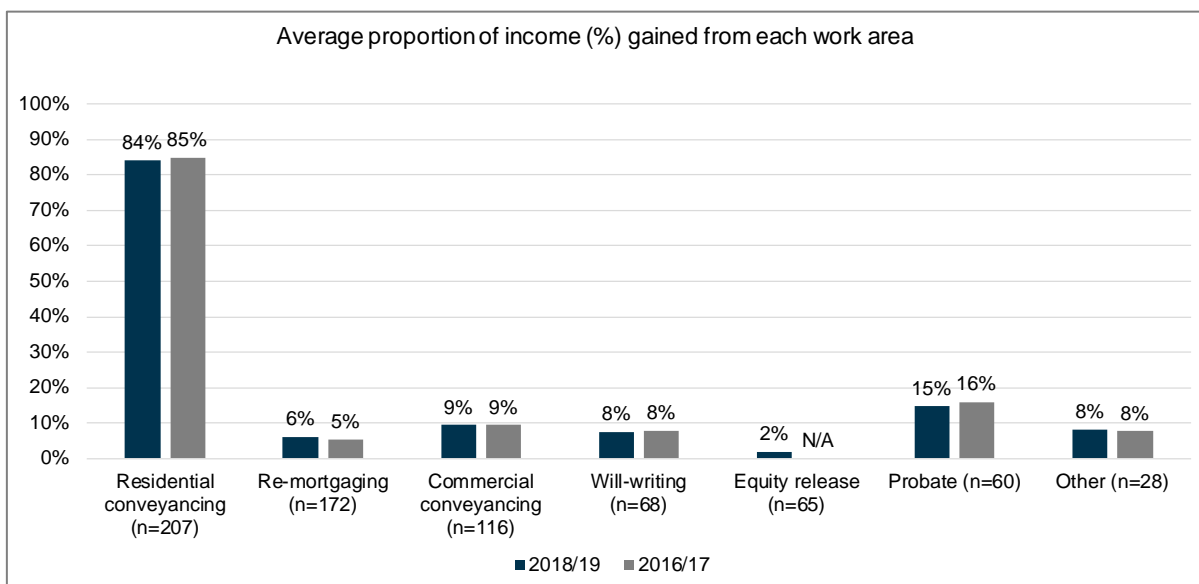
3.22 Will-writing made up on average 8% of firms' income, and for most this tended to be between 1-10% (82%).

3.23 Equity release made up on average 2% of firms' income. Nearly all (97%) said it brought in between 1-10% of their income.

3.24 Probate made up on average 15% of firms' income. Two-thirds of firms (67%) reported that this made up between 1-10% of their income.

3.25 These findings are consistent with 2016/17.

Figure 3.3 Average proportion of income (%) gained from each work area



A8 What proportion of your firm's income is gained from the following types of work? Please enter a percentage from 0 to 100% for each type of work, with the total proportion summing to 100%

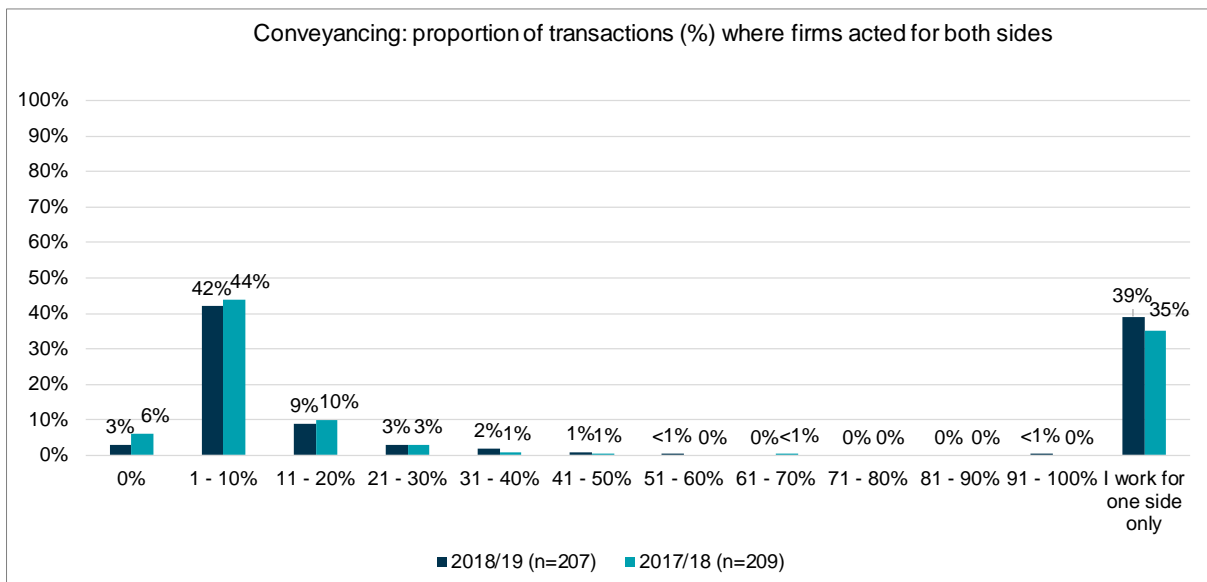
Acting for both sides in a transaction

3.26 Firms that carried out residential and / or commercial conveyancing were asked to report the proportion of transactions where they acted for both sides of the transaction. Three-fifths (58%) of firms said that they had acted for both sides (58%) in at least 1% of transactions and this is consistent with 2017/18 (59%).

3.27 On average, firms acted for both sides in 10% of their conveyancing transactions.

3.28 Two-fifths (39%) of firms said that they only ever act for one side only. Small firms were more likely to work for one side only compared to medium and large firms (small: 65%; medium: 37%; large: 12%). Additionally, firms without ABS status were more likely to work for one side only compared to firms with ABS status (ABS status: 27%; without ABS status: 44%).

Figure 3.4 Conveyancing: proportion of transactions (%) where firms acted for both sides

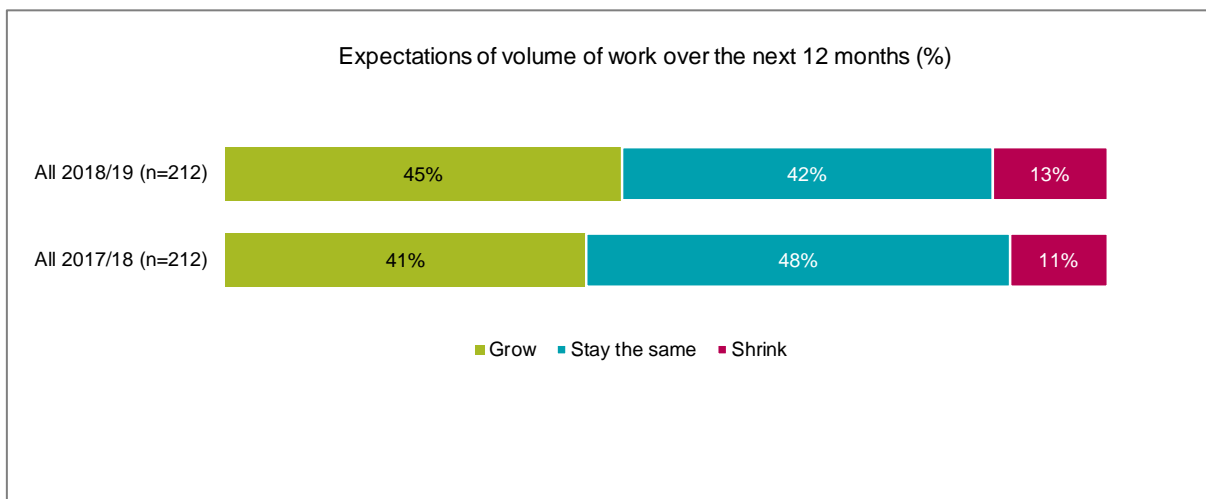


A14 Thinking about your firm's conveyancing work (excluding re-mortgage) undertaken in the year to June 2019, in what proportion of transactions did your organisation act for both sides?

4 Volume of work

- 4.1 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.
- 4.2 Across all firms, a similar proportion predicted that their volume of work will grow over the next 12 months (45%) as predicted it will stay the same (42%). A minority of firms (13%) predicted that their volume of work will shrink over the next 12 months.
- 4.3 Firms who carry out probate were more likely to predict growth (55%) compared to firms who carry out commercial conveyancing (39%).
- 4.4 Firms with ABS status were more likely to predict growth (63%) compared to firms without ABS status (38%).
- 4.5 Firms with PLC status were also more likely to predict growth (54%) compared to sole practitioners (18%).

Figure 4.1 Expectations of volume of work over the next 12 months (%)



A26 Now thinking about your firm's volume of work overall in the next 12 months, do you expect that it will grow, shrink or stay the same?

- 4.6 The majority of firms who predicted a growth in the volume of their work were not affected by 'Brexit' in their response (75%). However, the majority of firms who expected their volume of work to shrink did attribute this to 'Brexit' (81%)⁶ and this tended to be a negative effect – 65% of firms who expected their work to shrink and had a view on Brexit, said that it had a negative impact on their answer. This pattern of response was also observed in the 2017/2018 return.

⁶ Please note that the base size is 27 for those who expected their volume of work to shrink. 81% = 22 firms.

Business risks and opportunities

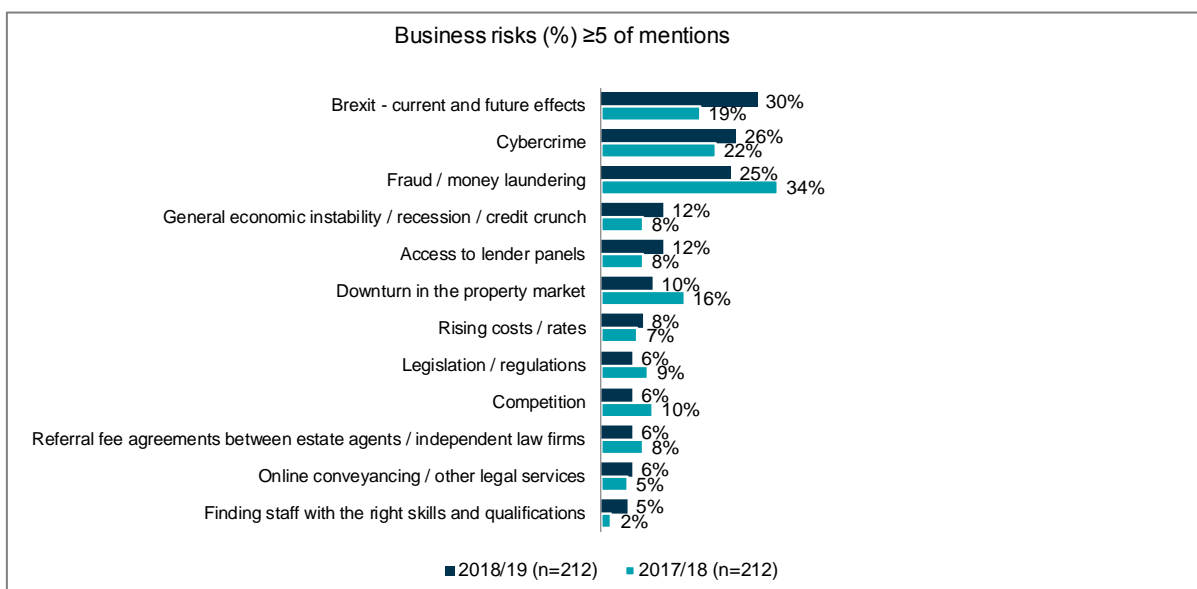
4.7 Firms were asked to identify the biggest perceived risks and greatest opportunities that they anticipate over the next 12 months.

Biggest risks

4.8 Brexit, and its current and / or future effects, was most commonly cited as the greatest risk (30%) that firms anticipated (that said, a minority, 7%, identified Brexit as an opportunity – see below). This was followed by cybercrime (26%) and fraud / money laundering (25%).

4.9 Fewer firms anticipated fraud or money laundering being a ‘biggest risk’ in 2018/19 (25%) compared to 2017/18 (34%).

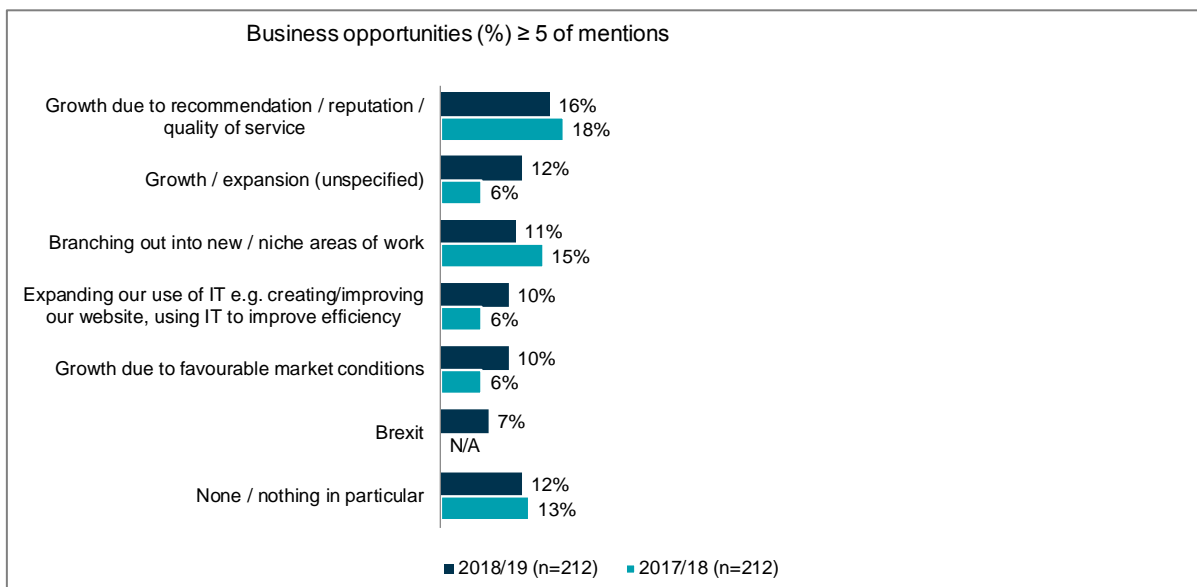
Figure 4.2 Business risks (%) (≥5 of mentions)



A65 Thinking about your firm overall, what are the greatest risks confronting your organisation over the next 12 months?

Greatest opportunities

4.10 Firms identified a range of anticipated opportunities. They commonly mentioned growth; due to their firm’s reputation (16%), another form of business growth or expansion (12%), branching out into new / niche areas of work (11%) and / or growth due to favourable market conditions (10%).

Figure 4.3 Business opportunities (%) ≥5 of mentions

A66 And what are the greatest opportunities open to your firm over the next 12 months?

5 Sources of work

5.1 Firms were asked to report the proportion of work that they gained from the local area compared to nationally, for each work area that they dedicated at least some of their time to. The local area was defined as within a 20 mile radius of firms' office location(s).

Proportion of work gained locally vs. nationally

5.2 On average, will-writing (93%), equity release (92%) and probate (91%) were most likely to be sourced from the local area.

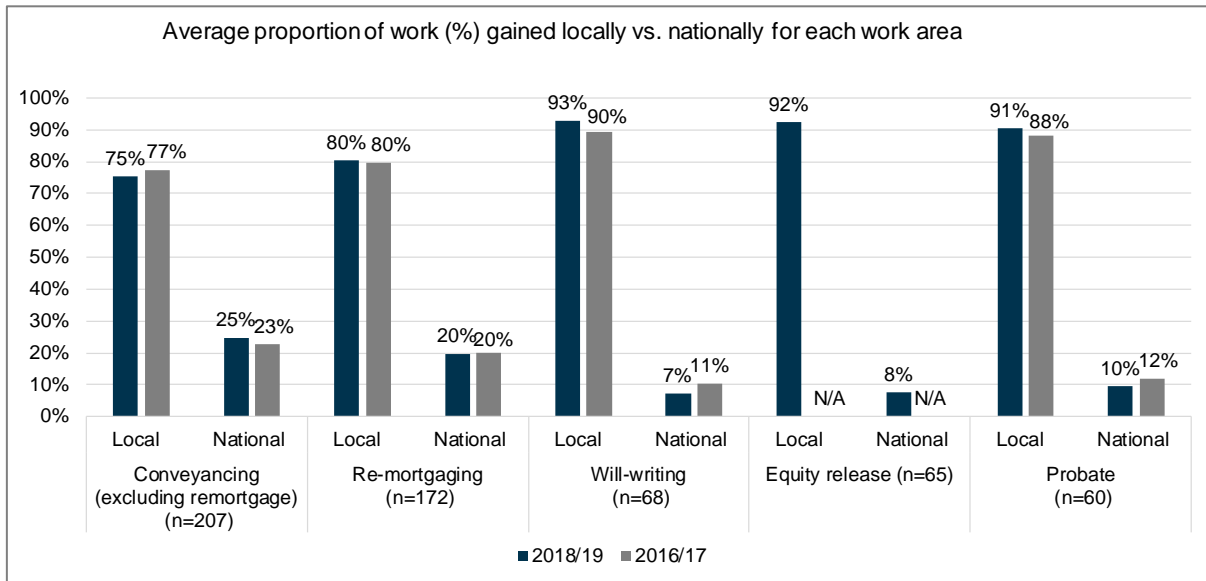
5.3 Among firms who carried out will-writing and/or equity release, 82% each reported that between 91-100% of these work areas were sourced from the local area. Among firms who carried out probate, 78% reported that between 91-100% of their work is sourced from the local area.

5.4 Firms who conducted re-mortgaging reported that 80% of their work was gained within the local area, while firms who conducted any conveyancing (excluding re-mortgage) gained three-quarters (75%) of their work from the local area.

5.5 Small and medium sized firms were more likely to source any conveyancing work (excluding re-mortgage) from the local area, compared to large firms (small: 78%; medium: 80%; large: 66%). Additionally, firms with without ABS status were more likely to source any conveyancing work from the local area compared to firms with ABS status (ABS status: 60%; without ABS status: 82%).

5.6 Medium sized firms were more likely to source re-mortgaging work from the local area compared to large firms (medium: 87%; large: 70%) as were firms without ABS status compared to firms with ABS status (ABS status: 64%; without ABS status: 87%).

5.7 This pattern of response is consistent with 2016/17.

Figure 5.1 Average proportion of work (%) gained locally vs. nationally for each work area

A9 Thinking about your firm's [work area], 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 work: channels

5.8 Firms were asked to report what proportions of their work was sourced from the following channels, for each type of work carried out:

- Personal recommendation;
- Website enquiry;
- Telephone enquiry;
- Direct approach from client;
- Estate agent referral;
- Other referral (e.g. from mortgage lenders);
- Comparison websites and;
- Any other source.

Sources of work: conveyancing

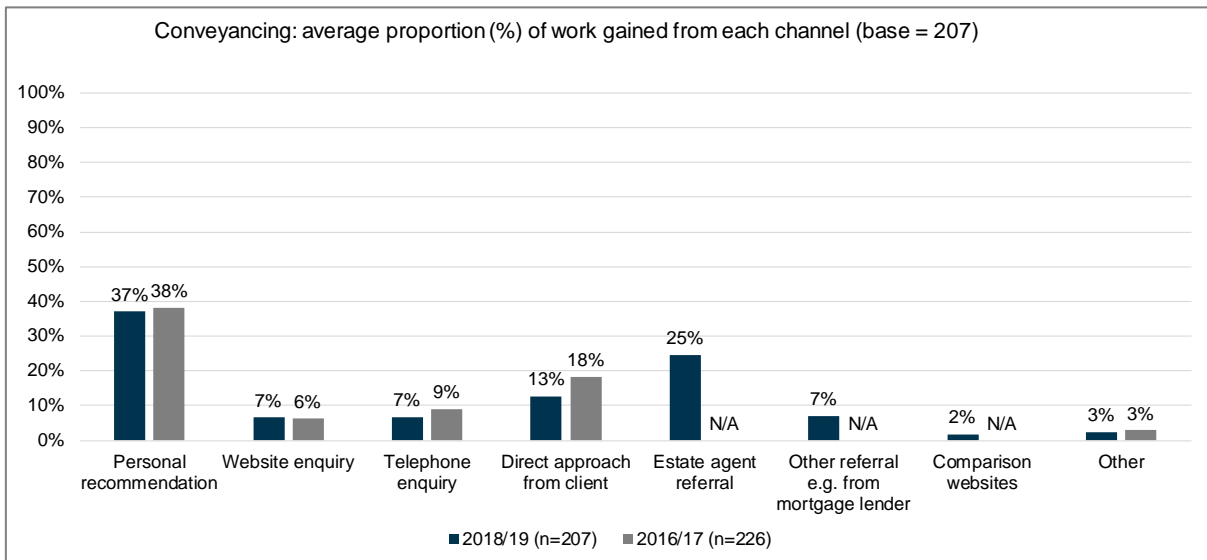
5.9 Most firms (97%) who carried out residential and / or commercial conveyancing gained at least some of their work through personal recommendation; on average, firms gained 37% of their work through this source.

5.10 Small and medium firms were more likely to source their conveyancing work through personal recommendation compared to large firms (small: 49%; medium: 37%; large: 25%). Firms without ABS status reported that a greater proportion of their conveyancing work is sourced through personal recommendation (45%) compared to firms with ABS status (20%).

5.11 Estate agent referrals was the second most common source of conveyancing work (25%), followed by direct approach from clients (13%).

5.12 Firms with ABS status were more likely to source their conveyancing work through estate agent referrals (39%) compared to firms without ABS status (19%).

Figure 5.2 Conveyancing: average proportion (%) of work gained from each channel (base = 207)



A15 Thinking about your firm's [work area], what proportion is gained through the following channels?

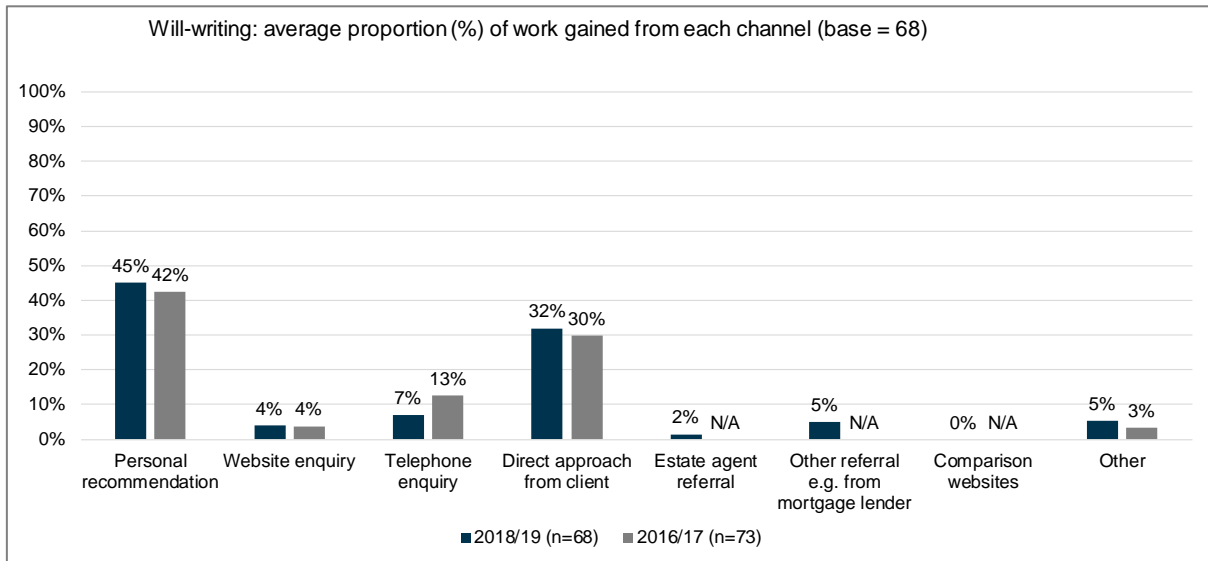
Sources of work: will-writing

5.13 Among firms who conducted will-writing, most (94%) sourced at least some of their work through personal recommendation. On average around these firms sourced around half (45%) of their will-writing work through this channel.

5.14 Following this, around one-third (32%) of will-writing work was sourced through direct client approach; 7% through telephone enquiry and 5% through another referral such as a mortgage lender. A small proportion of work came from website enquiry (4%).

5.15 These findings are in line with 2016/17.

Figure 5.3 Will-writing: average proportion (%) of work gained from each channel (base = 68)



A15 Thinking about your firm's [work area], what proportion is gained through the following channels?

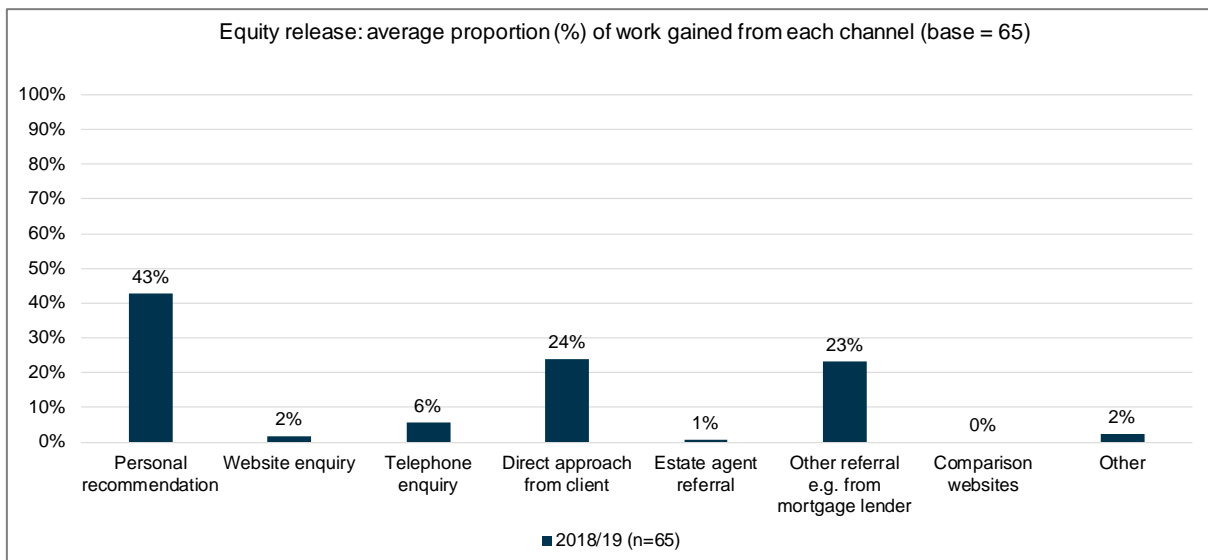
Sources of work: equity release

5.16 Among firms who carried out work in equity release, personal recommendation was the most common source of work (accounting for 43%). For around one-quarter of these firms (26%) between 91-100% of their equity release work was sourced through personal recommendation.

5.17 This was followed by direct approach from the client (24% of this work, on average) and another referral such as a mortgage lender (23% on average).

5.18 Firms reported that they gained a minority of their work through the following channels, on average: telephone enquiry (6%); estate agency referral (6%) and website enquiry (2%).

Figure 5.4 Equity release: average proportion (%) of work gained from each channel (base = 65)



A15 Thinking about your firm's [work area], what proportion is gained through the following channels?

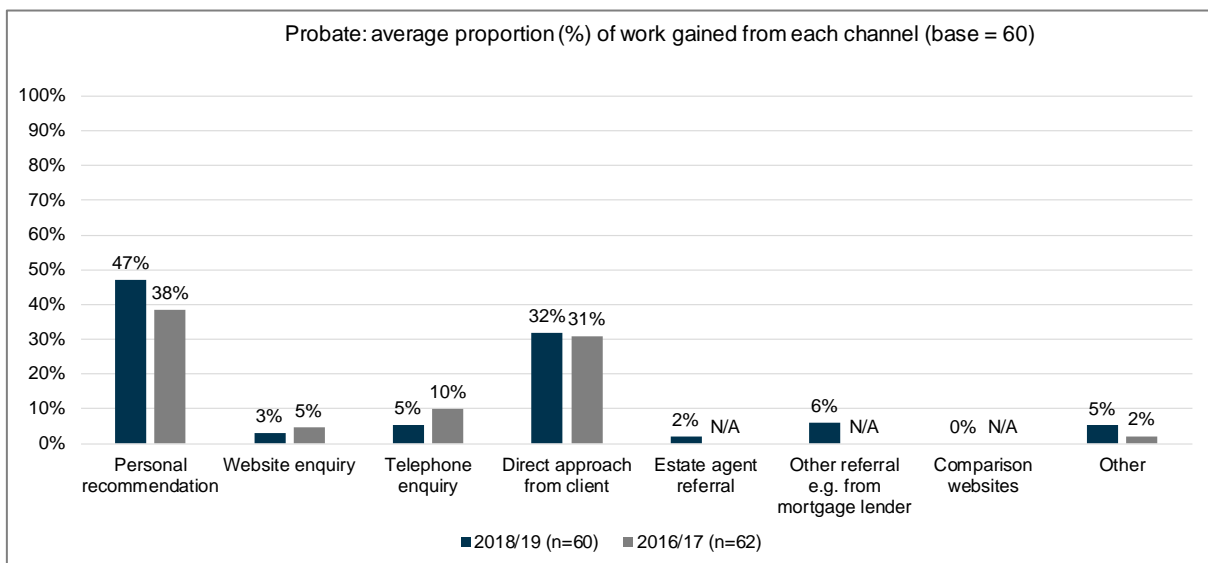
Sources of work: probate

5.19 Among firms who carry out probate, around half of their work (47%) is sourced through personal recommendation and around one-third (32%) is sourced through direct client approach. Around one-fifth (18%) of firms who carried out probate reported that between 91-100% of their probate work is sourced through personal recommendation.

5.20 Firms reported that they sourced smaller proportions of their work through the following channels, on average: other referral: 6%; telephone enquiry: 5%; website enquiry: 3%; estate agent referral: 2%.

5.21 These findings are consistent with 2016/17.

Figure 5.5 Probate: average proportion (%) of work gained from each channel (base = 60)



A15 Thinking about your firm's [work area], what proportion is gained through the following channels?

6 Prices charged for legal services

6.1 Firms were asked to provide an average estimate of fees 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

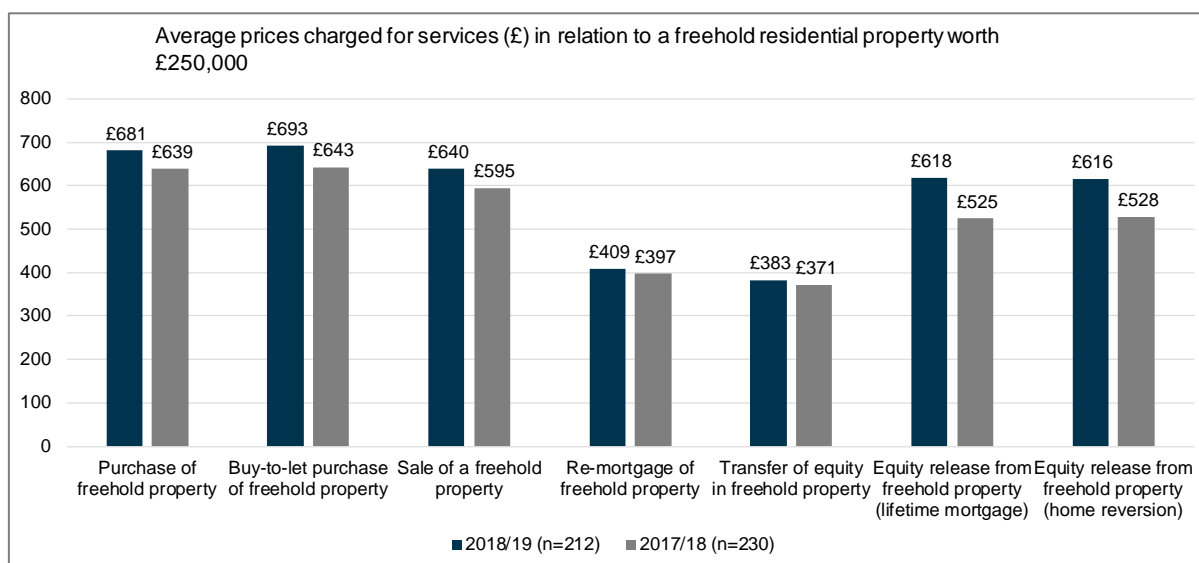
6.2 Firms charged, on average, £681 for the purchase of a freehold residential property and they also charged a similar rate for a buy-to-let purchase, £693.

6.3 For the sale of a freehold residential property firms charged on average £640, while for the re-mortgage the average price was £409.

6.4 For the release of equity from a freehold residential property (lifetime mortgage) the average price was £618 and this was comparable to the price for equity release from a freehold property (home reversion) at £616.

6.5 In comparison to 2016/17, firms charged slightly more on average for each of their services in relation to a freehold residential property worth £250,000. The biggest increases were in relation to equity release – an average increase of £93 for equity release from a freehold property lifetime mortgage and an increase of £88 for equity release from a freehold property home reversion.

Figure 6.1 Average prices charged for services (£) in relation to a freehold residential property worth £250,000

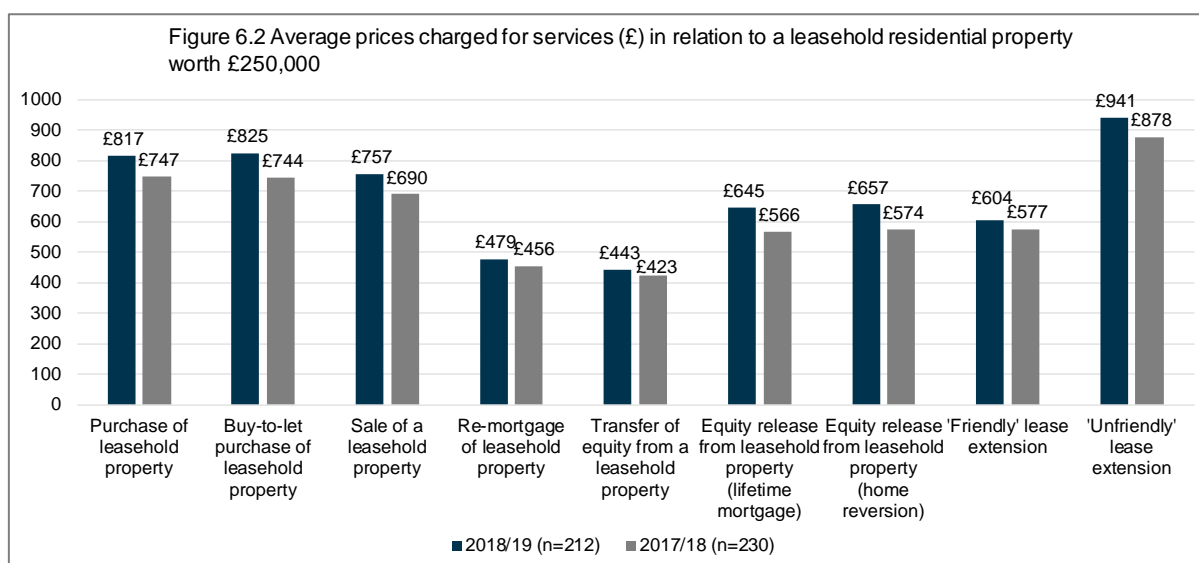


A16 Thinking about a freehold residential property worth £250,000, approximately how much would you have charged on average for each of the following services over the last year?

Leasehold residential property worth £250, 000

- 6.6 Firms charged on average £817 for the purchase of a leasehold residential property and £825 for the buy-to-let purchase, whereas for the sale for a leasehold property the average price was £757.
- 6.7 Firms with ABS status charged a higher rate for the purchase of a leasehold residential property compared to firms without ABS status (ABS status: £891; without ABS status: £787). This was also the case in regards to the buy-to-let purchase (ABS status: £903; without ABS status: £794) and for the sale of this property type (ABS status: £806; without ABS status: £736).
- 6.8 For the re-mortgage of a leasehold property firms charged £479 on average.
- 6.9 Transfer of equity from a leasehold residential freehold property was £443, on average.
- 6.10 Equity release from a lifetime mortgage was £645 and £657 for a home reversion.
- 6.11 For a 'friendly' lease extension, firms charged £604 on average. The highest fee charged in relation to a leasehold residential property was for an 'unfriendly' lease extension (£941 on average).

Figure 6.2 Average prices charged for services (£) in relation to a leasehold residential property worth £250,000



A17 Thinking about a leasehold residential property worth £250,000, approximately how much would you have charged on average for each of the following services over the last year?

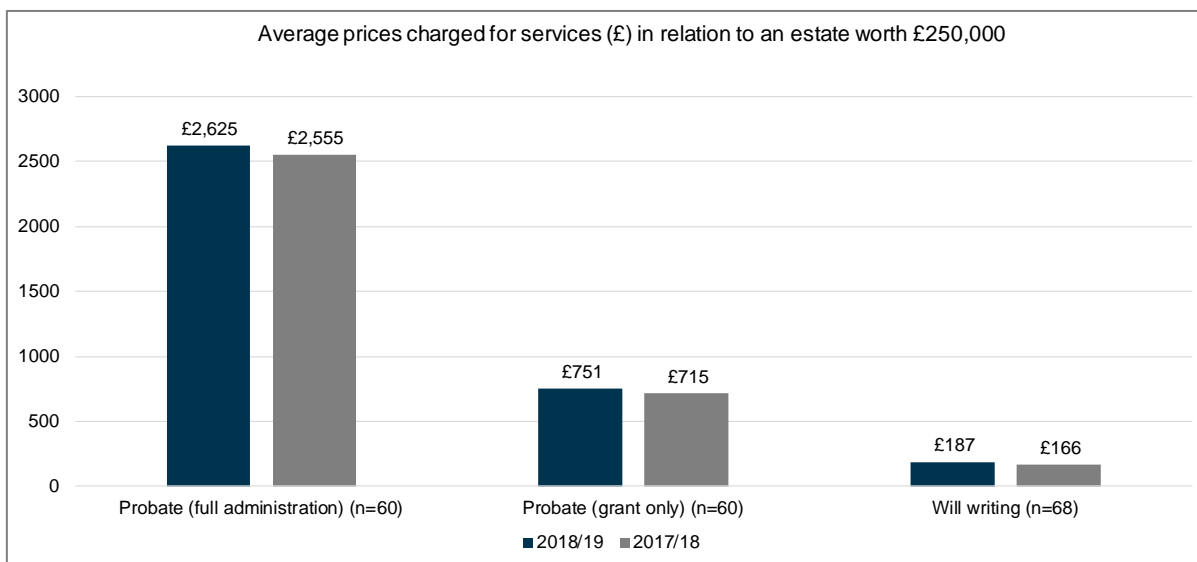
An estate worth £250, 000

- 6.12 Firms who conducted probate and / or will-writing were asked to specify the prices they would approximately charge for these services in relation to an estate worth £250, 000.
- 6.13 On average, firms charged £2,625 for full administration probate and £751 for grant only probate.

6.14 For firms who conduct will-writing, the average price for this service was £187.

6.15 These prices are slightly higher than those reported in 2016/17.

Figure 6.3 Average prices charged for services (£) in relation to an estate worth £250,000



A18 Thinking about an estate worth £250,000, approximately how much would you have charged on average for each of the following services last year?

Prices charged for services during 2018/19

6.16 Firms were asked to report whether the prices charged for their services during 2018/19 had increased, decreased, or stayed the same, compared to the preceding year.

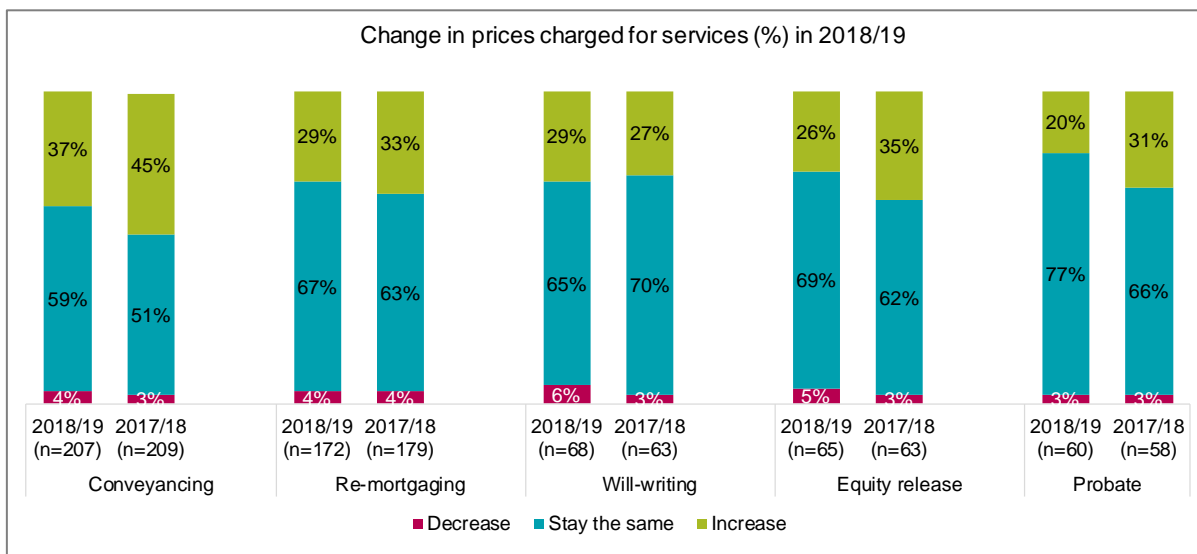
6.17 Over a third (37%) of firms who carried out conveyancing said their prices charged for this type of work increased compared to last year while the majority of firms (59%) said that their prices stayed the same. Just 4% of firms said that their prices charged for conveyancing decreased over the past year.

6.18 Just under one-third each of firms who conduct will-writing and re-mortgaging (29% each) said that their prices charged for these services increased over the past year, while around two-thirds said that prices remained the same (will-writing: 65%; re-mortgaging: 67%). A minority of these firms said that they decreased the prices charged for these services (will-writing: 6%; re-mortgaging: 4%).

6.19 Around one-quarter (26%) of firms who carried out equity release said that the price charged for this service increased compared to the preceding year, while for the majority the price charged for this service remained the same (69%). Only 5% of firms said they decreased the price charged for equity release over the last year.

6.20 One-fifth (20%) of firms who conducted probate said that they increased the price charged for this service compared to the previous year, while for the majority their price charged remained the same (77%). A small proportion of firms (3%) reported that they decreased the price charged for probate work.

6.21 There were no statistically significant differences with data provided in 2017/18.

Figure 6.4 Change in prices charged for services (%) in 2018/19

A19. Now thinking about the prices your firm charged for all its services during 2018/19, did they increase, decrease, or stay the same, compared to the preceding year?

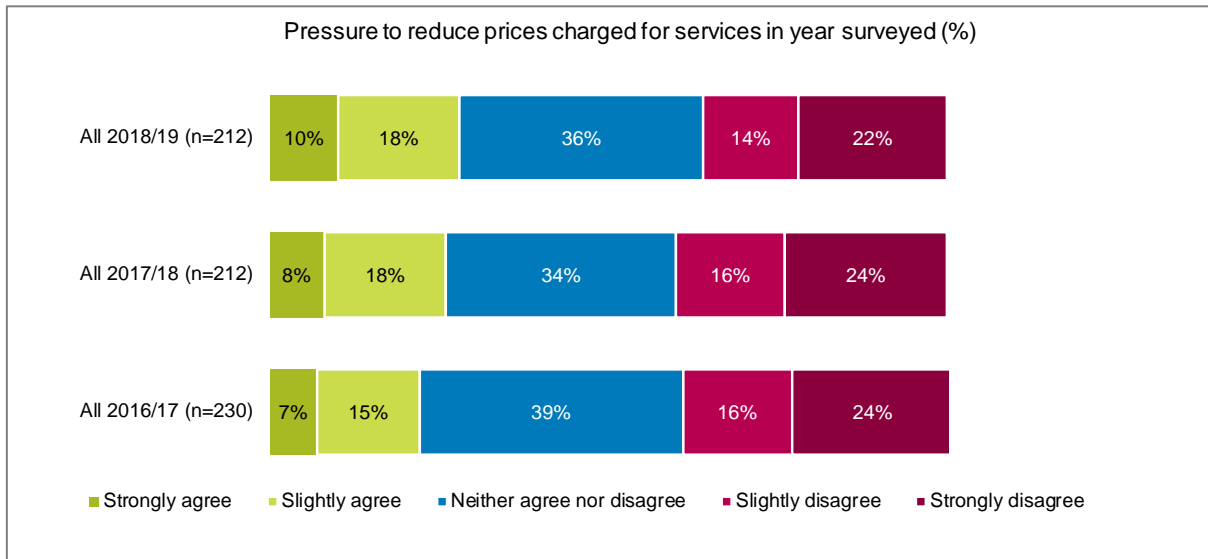
Pressure to reduce prices charged for services

6.22 Firms were asked to report whether they felt pressure to reduce the prices they charged to clients during 2018/19.

6.23 Over one-quarter (28%) of all firms reported that they felt pressure to reduce prices charged to clients for their services. On the whole this pressure did not translate to behaviour, as very few firms reported that they decreased the prices charged for their services during the past year (conveyancing: 4%; will-writing: 6%; re-mortgaging: 4%; equity release: 5%; probate: 3%).

6.24 This finding is consistent with 2017/18; 26% of firms agreed strongly or slightly that they felt pressure to reduce the prices charged for their services. There were no statistically significant differences between the proportion who felt pressure in 2016/17 (21%) and those who felt pressure in 2018/19 (28%).

Figure 6.5 Pressure to reduce prices charged for services in year surveyed (%)

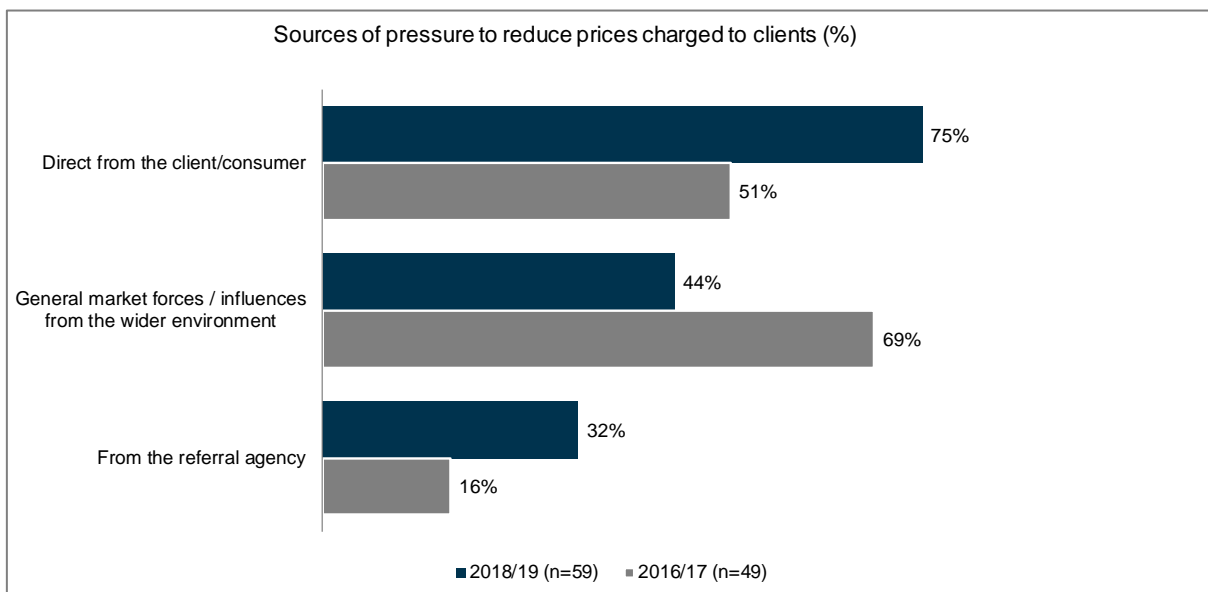


A21 To what extent do you agree or disagree with the following statement: "During 2018/19, my firm felt pressure to reduce prices charged to clients for its services".

6.25 Of the firms who experienced pressure to reduce the prices charged for their services, the majority experienced this pressure direct from the client or consumer (75%). This was followed by general market forces or the wider environment (44%) and from the referral agency (32%).

6.26 A greater proportion of firms experienced pressure direct from the client in 2018/19 (75%) than in 2016/17 (51%), while in 2016/17 a greater proportion of firms reported pressure due to general market forces or the wider environment: 2016/17: 69%; 2018/19: 44%).

Figure 6.6 Sources of pressure to reduce prices charged to clients (%)

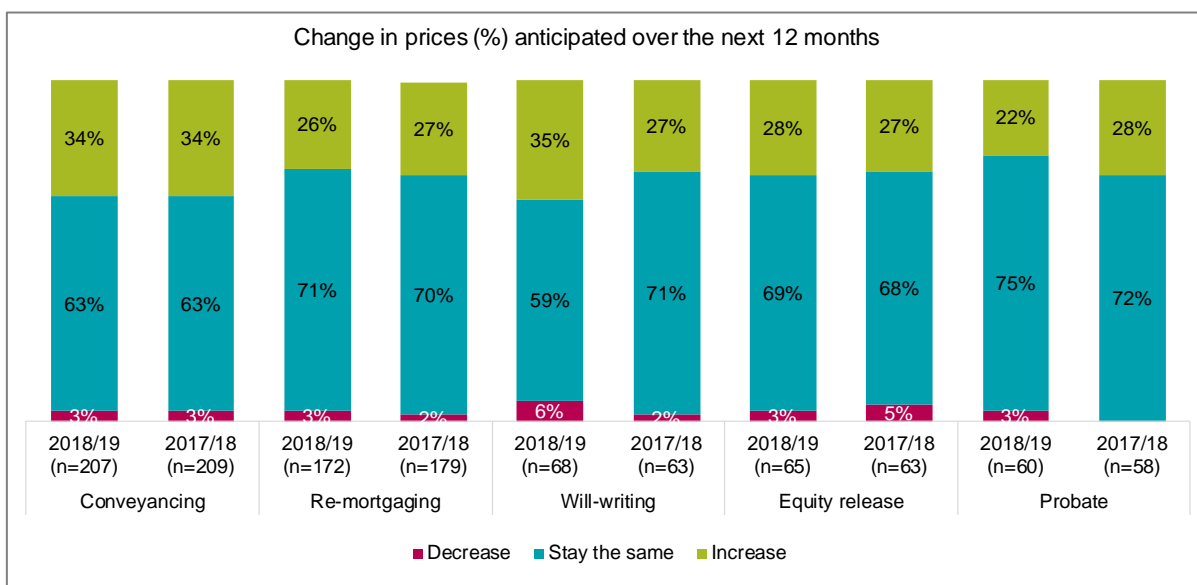


A22 You mentioned that your firm has felt pressure to reduce its prices. Where did this pressure come from?

Prices over the next 12 months

- 6.27 Firms were asked to report whether they expected the prices charged for their services will increase, decrease or stay the same over the next 12 months.
- 6.28 Firms who carry out will-writing and conveyancing were most likely to anticipate an increase in their prices charged for these services over the next 12 months (will-writing: 35%; conveyancing: 34%).
- 6.29 Around one-quarter each of firms who conduct equity release (28%), re-mortgaging (26%) and probate (22%) expected to increase the prices for these services over the next year.
- 6.30 These findings are consistent with 2017/18.

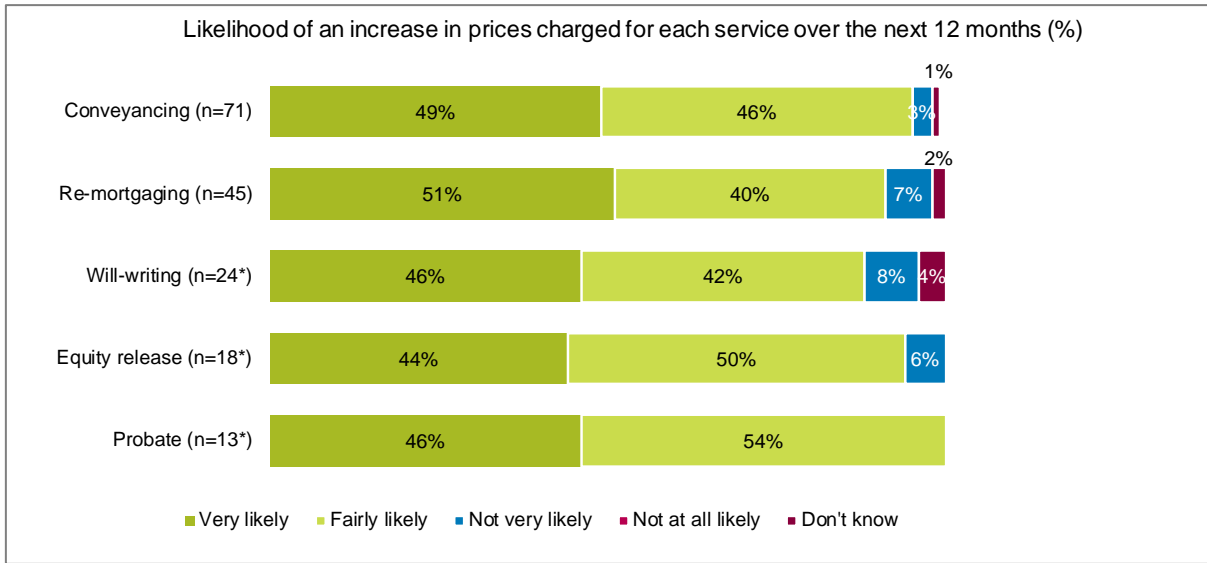
Figure 6.7 Change in prices (%) anticipated over the next 12 months



A23 Now thinking about the next 12 months, do you think that your firm will increase or decrease the prices of its services, or will they stay the same? Please specify by the type of work listed below.

- 6.31 Among those firms who anticipated an increase in their prices for conveyancing and / or re-mortgaging work, most anticipated that this increase was very or fairly likely to take effect (conveyancing: 96%; re-mortgaging: 91%). Although the number of firms who predicted an increase in prices for their will-writing, equity release and probate work was too low to draw firm conclusions, there is an indication that the majority of these firms also expected the increase to be very or fairly likely to take place.
- 6.32 Only a handful of firms (n=6 or less) each predicted a decrease in the prices charged for their work over the next 12 months.
- 6.33 These findings are consistent with 2017/18.

Figure 6.8 Likelihood of an increase in prices charged for each service over the next 12 months (%)



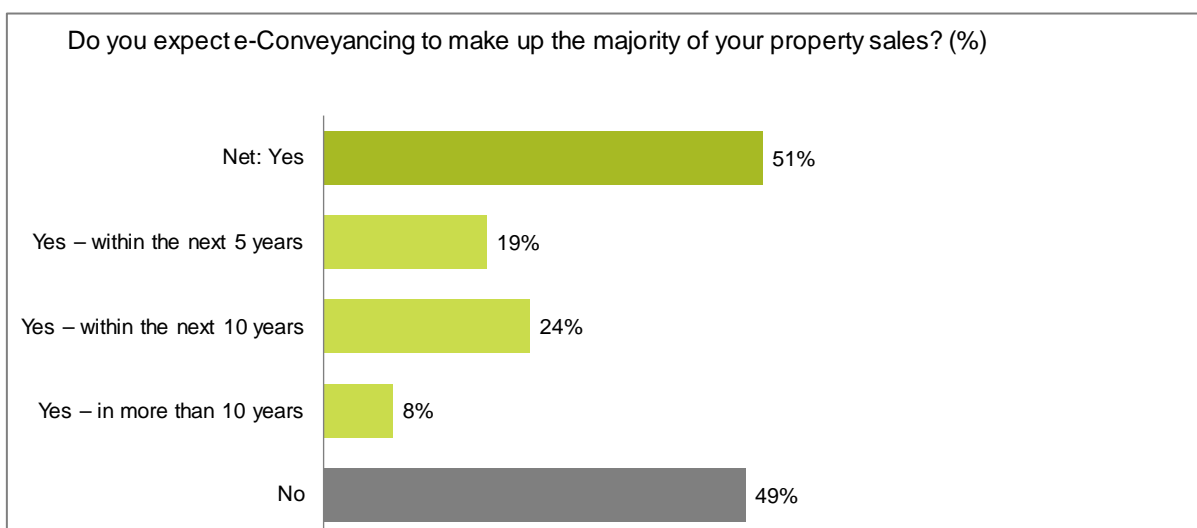
A24 You mentioned that you think your firm will increase its prices in the next 12 months. How likely do you think that your firm will increase its costs? *Caution: low base – data is indicative only.

7 Changes in client purchasing behaviour

Expectation of e-Conveyancing and sales

- 7.3 Firms who carry out residential and/or commercial conveyancing were asked if they expected e-conveyancing to make up the majority of their property sales within 5, 10 or more than 10 years' time.
- 7.4 Half of firms (51%) believed that e-conveyancing will at some point make up the majority of their property sales. One-fifth (19%) of firms expected this to happen within the next 5 years and a further 24% expected it to happen in the next 10 years.
- 7.5 Firms with ABS status were more likely to expect e-conveyancing to make up the majority of sales within the next 5 years (32%) compared to firms without ABS status (14%).
- 7.6 An additional 8% of firms expected e-conveyancing will make up the majority of their property sales in more than 10 years' time.

Figure 7.1 Do you expect e-Conveyancing to make up the majority of your property sales? (%)

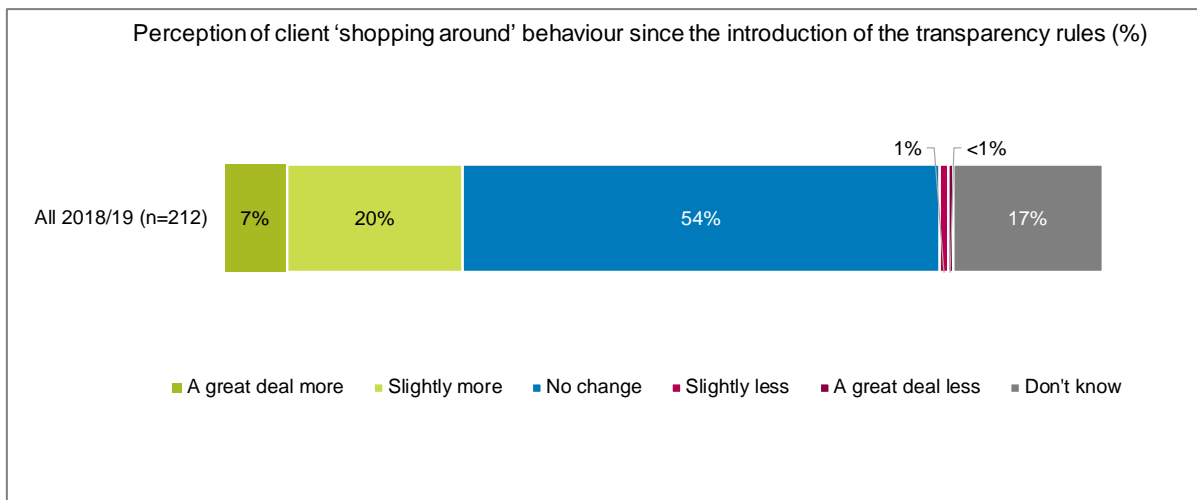


A19B Thinking ahead, do you expect e-Conveyancing to make up the majority of your property sales? By e-Conveyancing we mean the purchase and sale of property conducted solely on-line. All who carry out residential and / or commercial conveyancing 2018/19 (n=207).

Impact of new transparency rules on client behaviour

- 7.7 In December 2018 the CLC introduced new transparency rules requiring firms to display prices and service information. Firms were asked to report the extent to which they felt that their clients have been shopping around more or less when choosing a legal service provider since the introduction of the new transparency rules.
- 7.7.1 Around one-quarter of firms (26%) felt that clients have shopped around either a great deal or slightly more, while just over half (54%) thought there had been no change.
- 7.7.2 Very few firms (2%) felt that clients had shopped around a great deal or slightly less since the introduction of the new rules. A further 17% of firms said that they did not know.

Figure 7.2 Perception of client 'shopping around' behaviour since the introduction of the transparency rules (%)



A20 In December 2018 the Council for Licensed Conveyancers (CLC) introduced new transparency rules requiring firms to display prices and service information. Since the introduction of the transparency rules, do you feel that your clients are shopping around more or less when choosing a legal services provider?

8 Fraud

8.1 Firms were asked to report whether or not they had experienced any definite, suspected and/or attempted cases of fraud and any financial impact this has had on the business.

Definite cases

8.2 A small proportion of firms (6%, 12 firms) reported that they had been the victim of a definite case of fraud in 2018/2019. Most of these firms (n=9) had experienced 1 case of fraud each, while 3 firms had each experienced 2 cases of fraud.

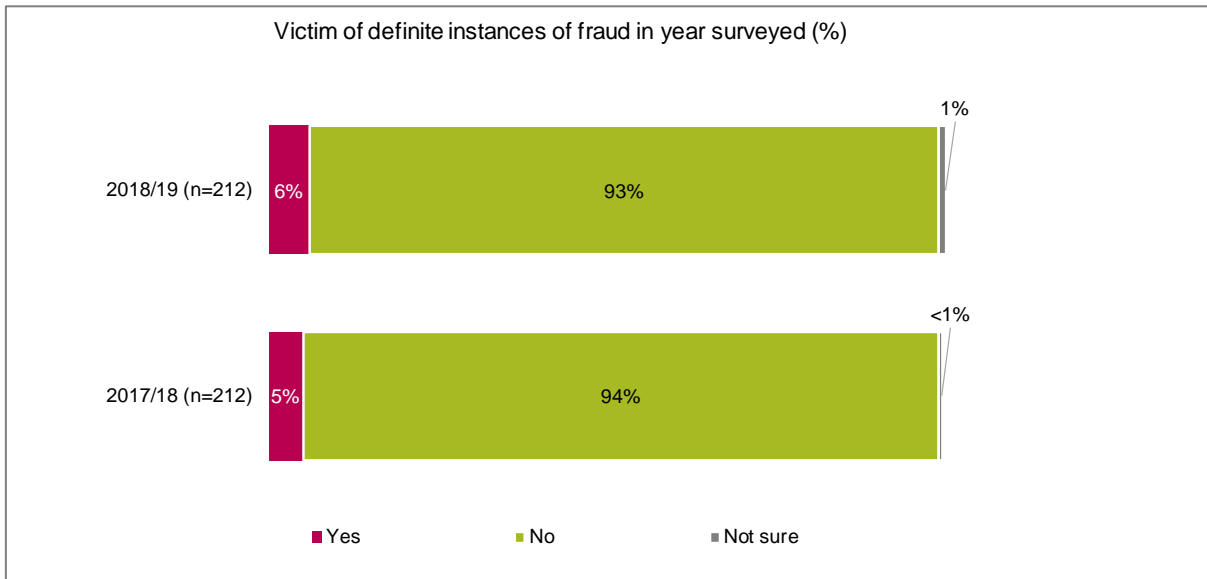
8.3 Most of these firms (n=9) reported that the instance(s) of fraud did not incur any cost. One firm incurred a cost of £1,200 and another incurred a cost of £15,000 as a result of fraud.

8.4 Only two of the 12 firms who experienced a confirmed instance of fraud made an insurance claim. One of these firms reported that their insurer paid out the insurance claim in full whereas the other firm reported that they did not receive a pay out.

8.5 None of the firms reported that they had been the victim of a suspected case of fraud.

8.6 These findings are consistent with 2017/18.

Figure 8.1 Victim of definite instances of fraud in year surveyed (%)

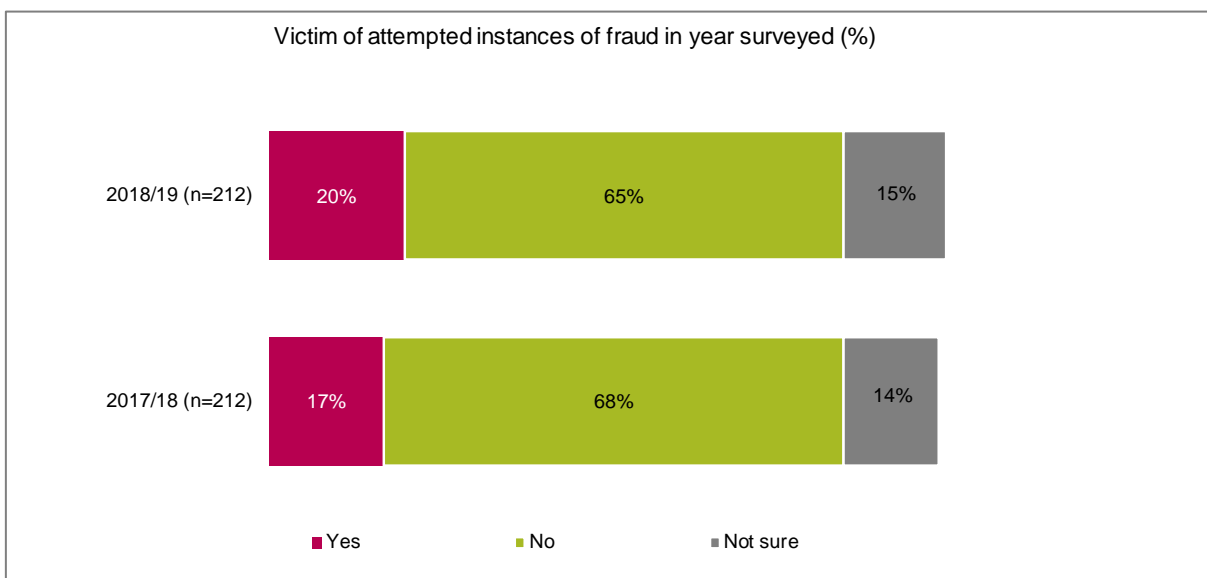


A31 Has your firm been the victim of fraud in 2018? (Please tell us about definite cases of fraud, not suspicions).

Attempted cases

8.7 One in five firms (20%) had stopped an attempted instance of fraud. Firms with ABS status were more likely to have stopped an instance of attempted fraud compared to firms without ABS status (ABS status: 33%; without ABS status: 15%). The majority of these firms (60%) had stopped one attempted case of fraud each.

Figure 8.2 Victim of attempted instances of fraud in year surveyed (%)

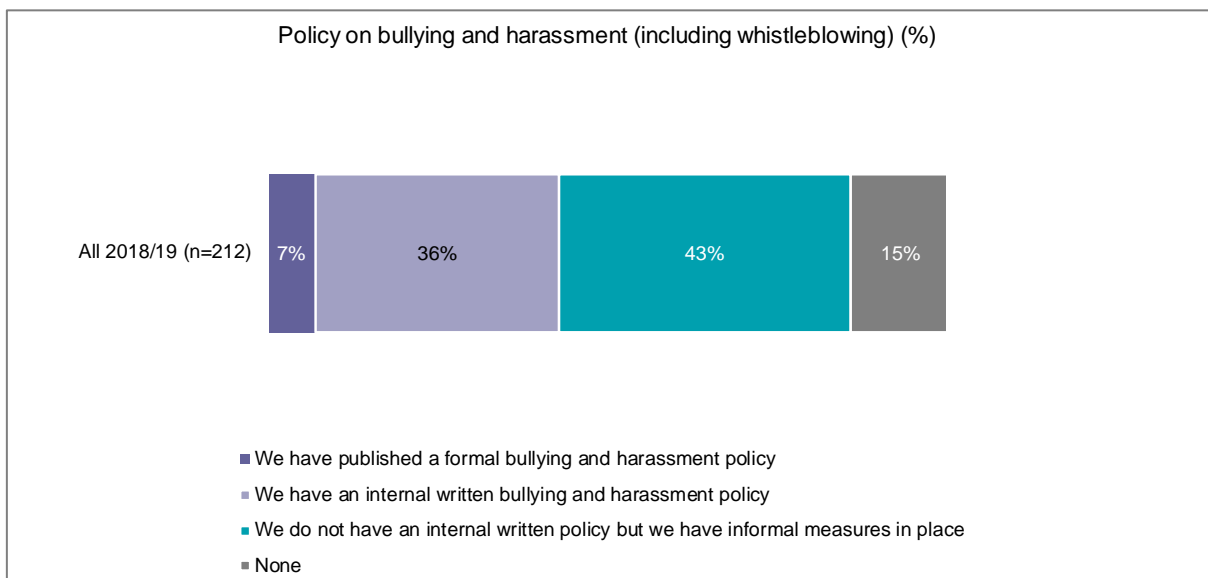


A39A Has your firm stopped any instances of attempted fraud in 2018?

9 Bullying and harassment

- 9.1 Firms were asked to report whether or not they had a bullying and harassment policy, including whistleblowing, in place.
- 9.2 Most firms (85%) had at least some measures in place as regards to bullying and harassment.
- 9.3 A small proportion of firms (7%) had a published formal bullying and harassment policy, while 36% of firms reported an internal written bullying and harassment policy.
- 9.4 Two-fifths (43%) of firms reported that they do not have an internal written policy but have informal measures in place.
- 9.5 Firms with ABS status were more likely to have a published formal policy (16%) compared to firms without ABS status (3%), in addition they were also more likely to have an internal written policy (ABS status: 56%; without ABS status: 27%).
- 9.6 Small firms were more likely to not have any measures in place (25%) compared to large firms (5%).

Figure 9.1 Policy on bullying and harassment (including whistleblowing) (%)



A39C Does your firm have a policy towards bullying and harassment, including whistleblowing?

10 Anti-money laundering practices

10.1 Firms were asked to report whether they had acted for any high-risk persons and whether they had raised any Suspicious Activity Reports (including defence against money laundering) over the past year.

Politically Exposed Persons (PEPs)

10.2 A minority of firms (14%) had acted for at least one politically exposed persons (PEP) within the last year. Firms reported a range from between 1 – 100 PEPs, on average firms acted for 1 PEP.

10.3 Small firms were less likely to have acted for PEPs compared to medium and large firms (small: 6%; medium: 16%; large: 22%).

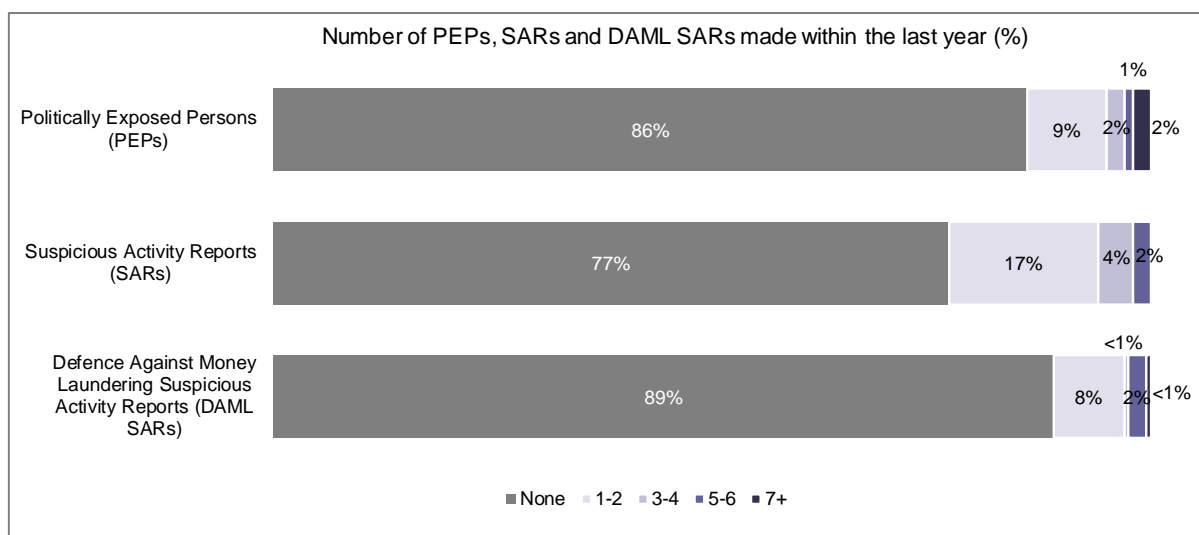
Suspicious Activity Reports (SARs)

10.4 Around one-quarter of firms (23%) had made at least one general suspicious activity report (SAR) within the past year. Firms reported a range from 1 to 11 SARs; although most of these firms made 1-2 SARs (17% of all firms).

Defence Against Money Laundering Suspicious Activity Reports (DAML SARs)

10.5 Around one-tenth of firms (11%) had made at least one Defence Against Money Laundering Suspicious Activity Report (DAML SAR). Firms reported that they had made between 1 and 23 DAML SARs, with firms most commonly making between 1-2 DAML SARs (8% of all firms).

Figure 10.1 Number of PEPs, SARs and DAML SARs made within the last year (%)



A40 How many Politically Exposed Persons (PEPs) has your firm acted for in the last year? This includes domestic and international PEPs / A41 In total within the last year, how many general Suspicious Activity Reports (SARs) has your firm made? / A42 In total within the last year, how many Defence Against Money Laundering Suspicious Activity Reports (DAML SARs) has your firm made?

Acting for clients in overseas countries

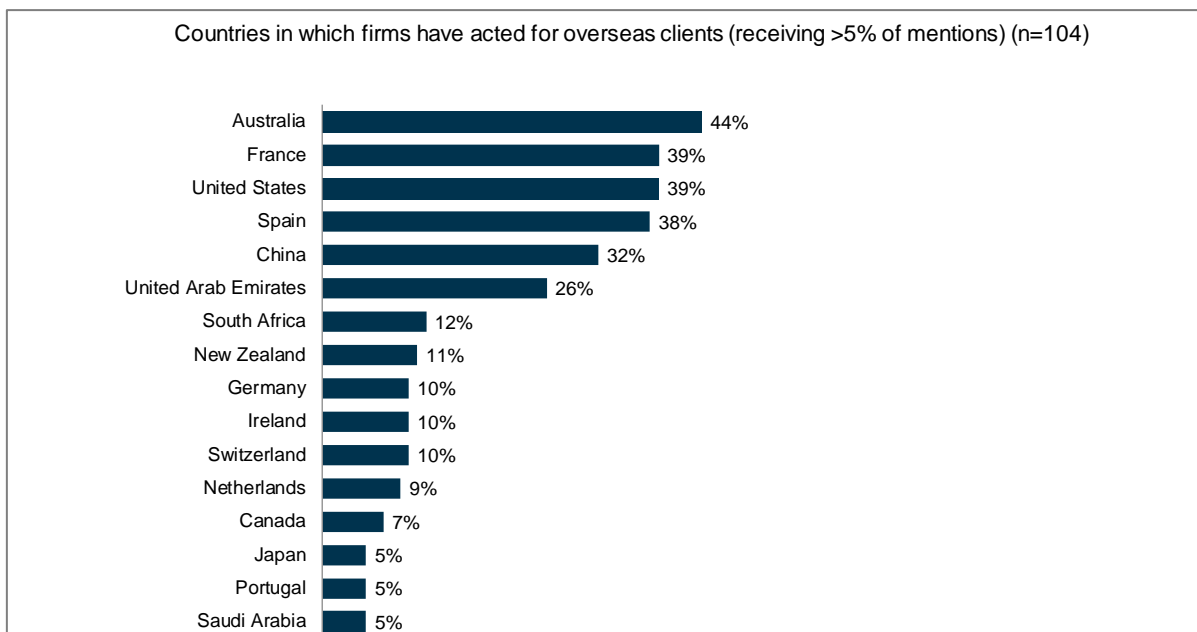
10.6 Firms were asked to report whether they had acted for clients in overseas countries within the last 12 months, followed by the number of clients they had acted for in each country.⁷

10.7 Half of firms (49%) had acted for clients in overseas countries.

10.8 Medium and large firms were more likely to have acted for clients in overseas countries compared to small firms (small: 28%; medium: 52%; large: 70%). Firms with ABS status were also more likely to have acted for clients overseas (ABS: 59%; without ABS status: 45%).

10.9 Of the firms who had acted for clients in overseas countries, 53 countries were identified in total. Australia (44%) was the most common country where clients were based, followed by France and the United States (both 39%), Spain (38%), China (32%) and the United Arab Emirates (26%).

Figure 10.2 Countries in which firms have acted for overseas clients (receiving >5% of mentions) (n=104)

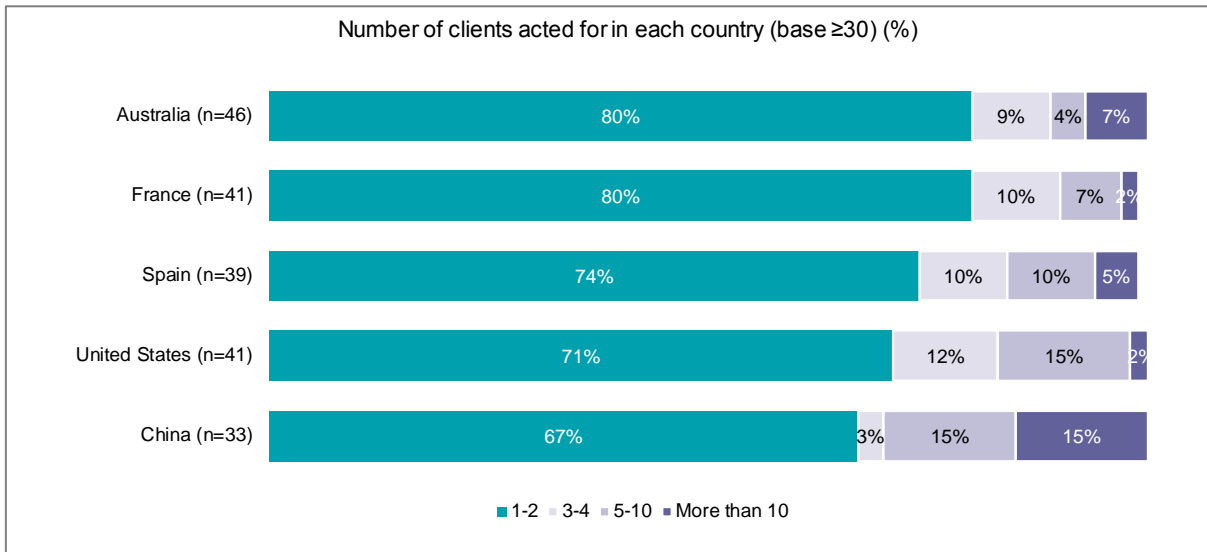


A43 Within the last 12 months, has your firm acted for clients based in overseas countries? If your firm has international offices, please just consider the work carried out from its UK office(s) / A44 In which overseas countries were these clients based?

10.10 Firms who had acted for clients based in overseas countries were asked to specify the number of clients they had acted for in each country. The majority of firms had acted for one or two clients in each country (Australia: 80%; France; 80%; Spain: 74%; United States: 71%; China: 67%). Firms who had acted for clients based in China were more likely to have acted for more than 10 clients each (15%). This ranged from 20 to 700 clients.

⁷ Firms were asked to identify up to 15 countries in which they had acted for overseas clients.

Figure 10.3 Number of clients acted for in each country (base ≥30) (%)



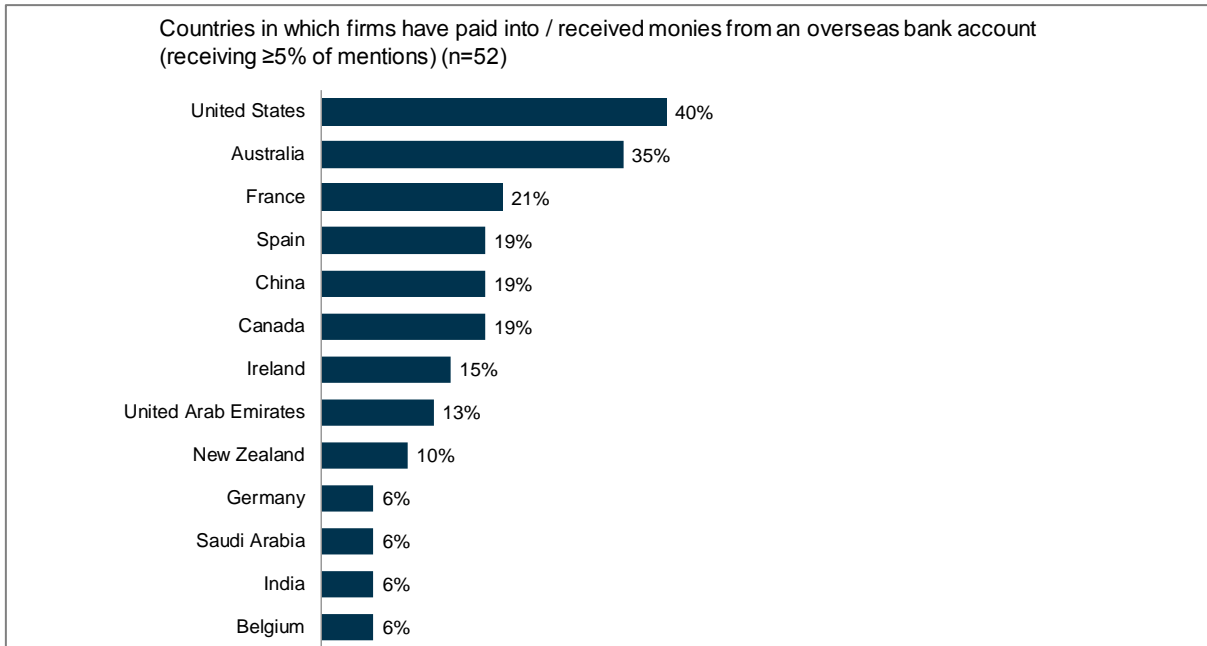
A45 How many clients have you acted for in each?

Paying into / receiving money from an overseas bank account

10.11 One-quarter of firms (25%) reported that they had either paid into or received monies from an overseas bank account. Medium and large firms were more likely to have paid into / received monies from an overseas bank account compared to small firms (small: 11%; medium: 25%; large: 40%).

10.12 Of those who had entered a financial transaction with an overseas bank account, the United States (40%) was most common, followed by Australia (35%). Around one-fifth of firms had paid into / or received monies from an overseas bank account based in each of the following countries: France (21%), Spain (19%), China (19%), and Canada (19%).

Figure 10.4 Countries in which firms have paid into / received monies from an overseas bank account (receiving ≥5% of mentions) (n=52)



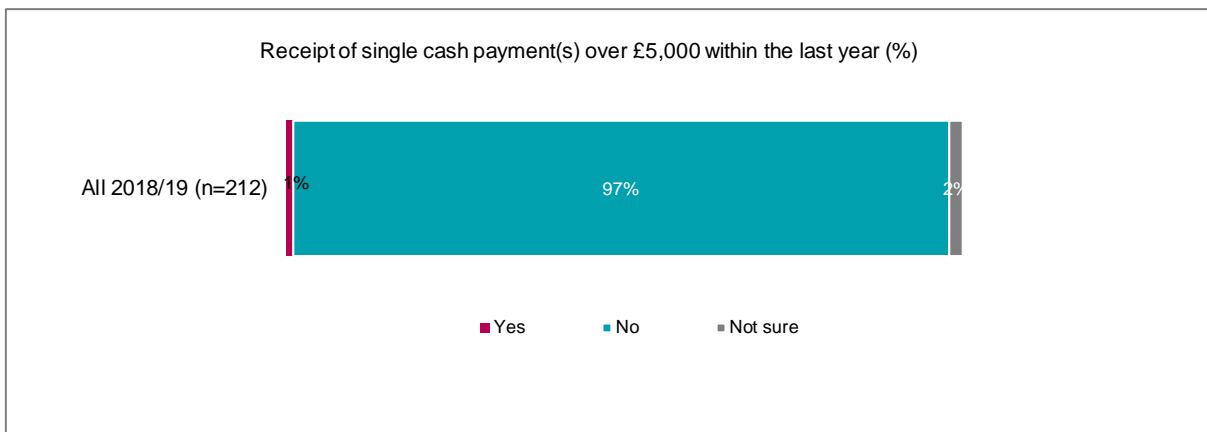
A47 In which overseas countries has your firm paid in or received monies from an overseas bank account?

10.13 Most firms reported that they had paid into and/or or received monies from overseas clients on 1 or 2 occasions. Please see Table 16.1 in the Appendix for a full list of these countries.

Receipt of single cash payments of over £5,000

10.14 Most firms (97%) had not received a single cash payment of more than £5,000 into their client account within the last year. A small number of firms (1%, n=2) reported that they had received a cash payment of more than £5,000. A further 2% of firms said that they were not sure.

Figure 10.5 Receipt of single cash payment(s) over £5,000 within the last year (%)

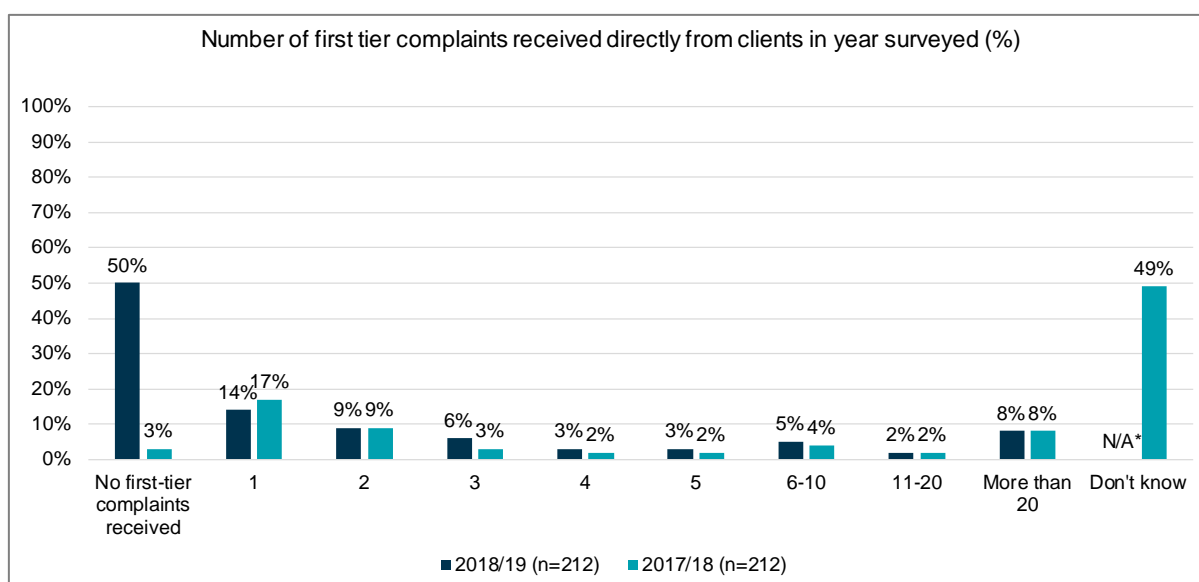


A49 Has your firm received any single payments of over £5,000 made in cash into its client account within the last year?

11 First-tier complaints

- 11.1 Firms were asked to report how many complaints they had received directly from the client in 2018. Half (50%) of firms received at least one first-tier complaint; this is comparable to 2017/18 (49%).
- 11.2 There was a wide variation in the number of complaints received, ranging from 1 (14% of all firms) to 859 complaints (1% of firms, n=1). Firms most commonly received between 1-5 complaints (34%). Half of firms reported that they had received no first-tier complaints⁸.
- 11.3 Large firms were more likely to have received over 20 complaints compared to small and medium firms (small: 1%; medium: 2%; large: 23%) as were firms with ABS status (25%) compared to those without ABS status (1%).

Figure 11.1 Number of first tier complaints received directly from clients in year surveyed (%)



A50 How many first-tier complaints (i.e. those made directly by clients) did your firm receive in 2018?

- 11.4 Most firms who had received at least one first-tier complaint said that at least one of the complaints they had received had been resolved (91%). Less than half of firms who received a complaint had it referred to the Legal Ombudsman (45%). This is consistent with the 2017/18 return (44%).
- 11.5 A minority of firms (15%) who received a complaint said that at least one remained unresolved.

⁸ In the 2018/19 return, firms were not given the option to say that they 'don't know' how many first-tier complaints they had received. Based on the pattern of response in 2017/18 (don't know: 49%) it can be assumed that most of those who answered 'No first-tier complaints received' in 2018/19 would have answered 'don't know' if that option was available to them.

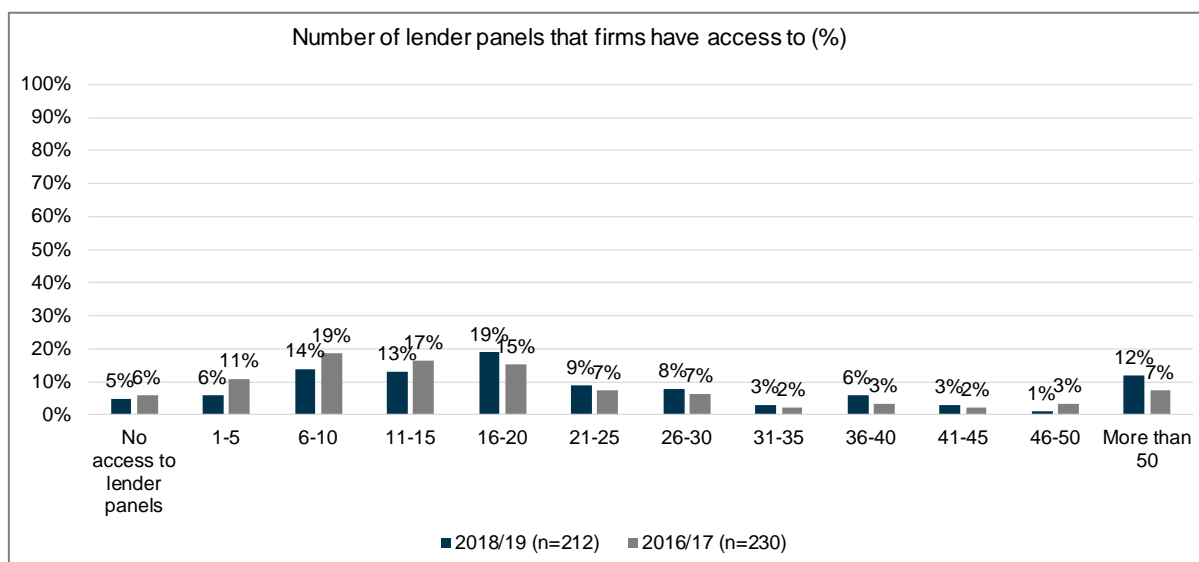
12 Lender panels

12.1 Firms were asked to report whether or not they had had access to lender panels and the ease or difficulty in gaining access. Among those who had experienced difficulty, firms were asked to specify the specific lender panels in which they had experienced difficulty. Following this, firms were asked to report whether they had their access to a lender panel cancelled, and if so, they were asked to identify these panels.

Access to lender panels

12.2 Most firms (95%) had had access to at least one lender panel. Firms reported a range of panels that they had had access to, ranging from 1 to 100 panels, however on average firms had had access to 25 lender panels. This is comparable with 2016 / 17 (22 panels on average).

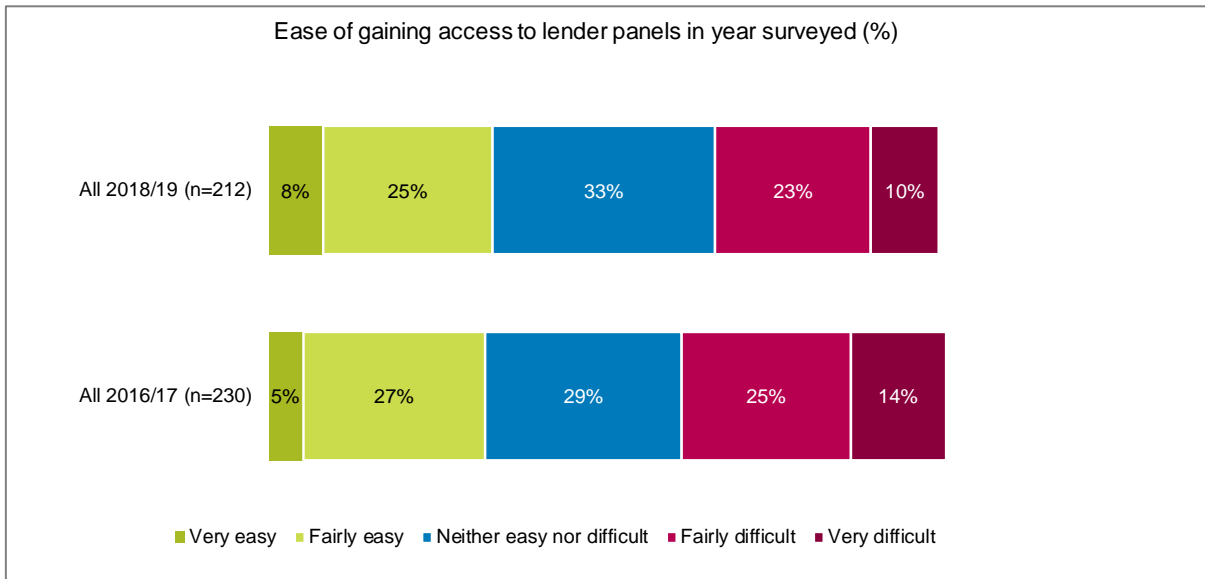
Figure 12.1 Number of lender panels that firms have access to (%)



A52 How many lender panels does your firm have access to?

12.3 One-third (33%) of all firms said they found it very or fairly easy to gain access to lender panels in 2018/19, whereas the same proportion also said they found it fairly or very difficult (33%).

12.4 Small firms were more likely to say that they found gaining access to lender panels 'very difficult' compared to medium and large firms (small: 18%; medium: 7%; large: 5%).

Figure 12.2 Ease of gaining access to lender panels in year surveyed (%)

A53 How easy or difficult has it been for your firm to get access to lender panels in 2018?

12.5 Firms who had had difficulties in gaining access to lender panels were asked to specify the extent to which they experienced difficulty. The majority of these firms (67%) had said that they had experienced either 'a great deal' or 'quite a lot' of difficulties.

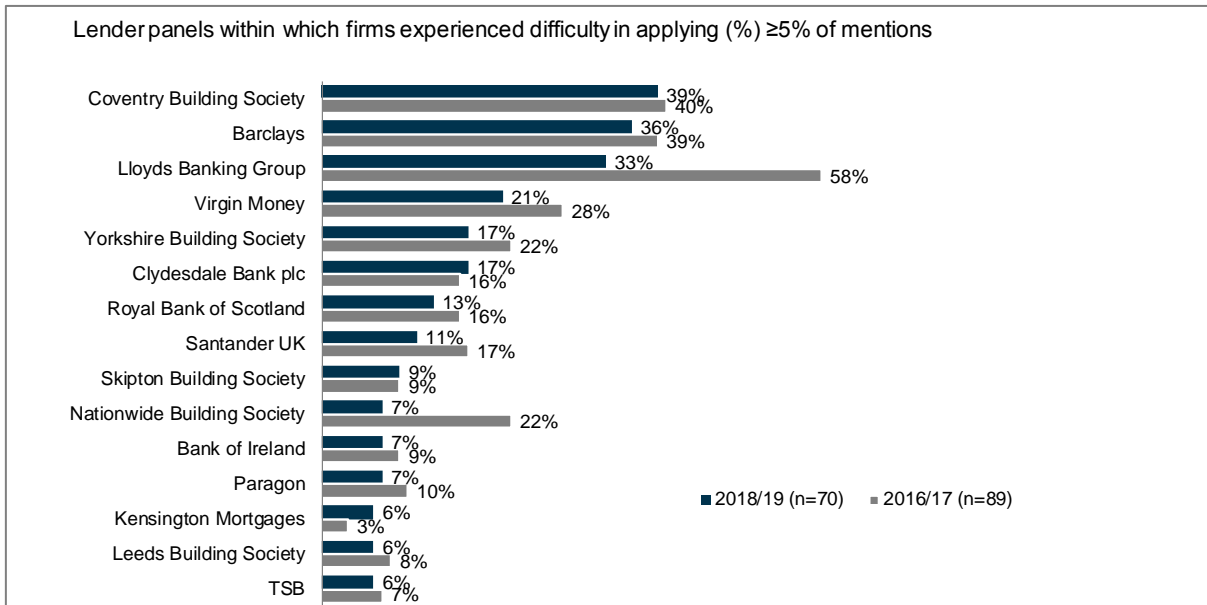
12.6 These findings are consistent with the 2016/17 return.

Difficulty gaining access to specific lender panels

12.7 Firms were most likely to have had difficulty gaining access to Coventry Building Society (39%), followed by Barclays (36%) and Lloyds Banking Group (33%). Around one-fifth of firms each experienced difficulty gaining access to Virgin Money (21%), Yorkshire Building Society (17%) and Clydesdale Bank plc (17%).

12.8 Significantly fewer firms had difficulties gaining access to Lloyds Banking Group in 2018/19 (33%) compared to 2016/17 (58%). This was also the case for Nationwide Building Society (2018/19: 7%; 2016/17: 22%).

Figure 12.3 Lender panels within which firms experienced difficulty in applying (%) ≥5% of mentions



A55 You mentioned that you have experienced difficulties in gaining access to lender panels. Please select the panels that you experienced difficulties in applying for.

Cases of firms having their access to panels cancelled

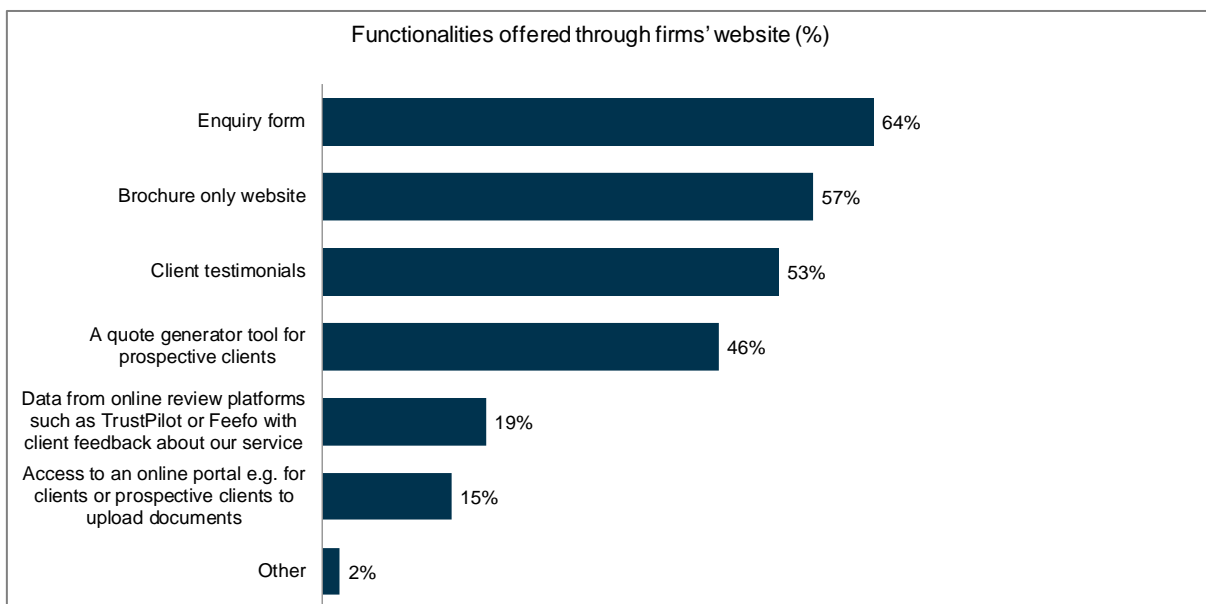
12.9 A minority of all firms (12%) reported that they had had their access to a lender panel cancelled. This is consistent with 2016/17 (15%). Across the firms who had had their access cancelled, 21 lender panels were identified. Leeds Banking Society was mentioned most (15%)⁹, followed by Virgin Money, Skipton Building society and TSB (12% each).

⁹ Please note that these percentages represent a small number of firms, 15% = 4 firms; 12% = 3 firms.

13 Firms' websites

- 13.1 Most firms (87%) reported that they have a website (2017/18: 88%).
- 13.2 All firms with ABS status reported that they had a website (100%) compared to 81% of firms without ABS status.
- 13.3 Around two-thirds of firms (64%) with a website offered an enquiry form and around half each displayed client testimonials (53%) and provided a quote generator tool for prospective clients (46%). Around one-fifth of firms (19%) displayed data from online review platforms such as TrustPilot or Feefo and 15% provided access to an online portal, for example for clients or prospective clients to upload documents.
- 13.4 Large firms were more likely to include data from online review platforms compared to small and medium firms (small: 8%; medium: 14%; large: 36%) as were firms with ABS status compared to those without ABS status (ABS status: 36%; without ABS status: 10%).
- 13.5 Similarly, large firms were more likely to offer access to an online portal compared to small and medium firms (small: 8%; medium: 8%; large: 29%), as were firms with ABS status compared to those without ABS status (ABS status: 34%; without ABS status: 4%).

Figure 13.1 Functionalities offered through firms' websites (%)



A30 Which level(s) of functionality does your firm's website offer?

14 IT services and use of technology

14.1 Firms were asked how IT services were delivered within their organisation in 2018/19 – 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.

14.2 Firms were also asked to report the accountancy, case-management and any other technology packages they had used in 2018/2019.

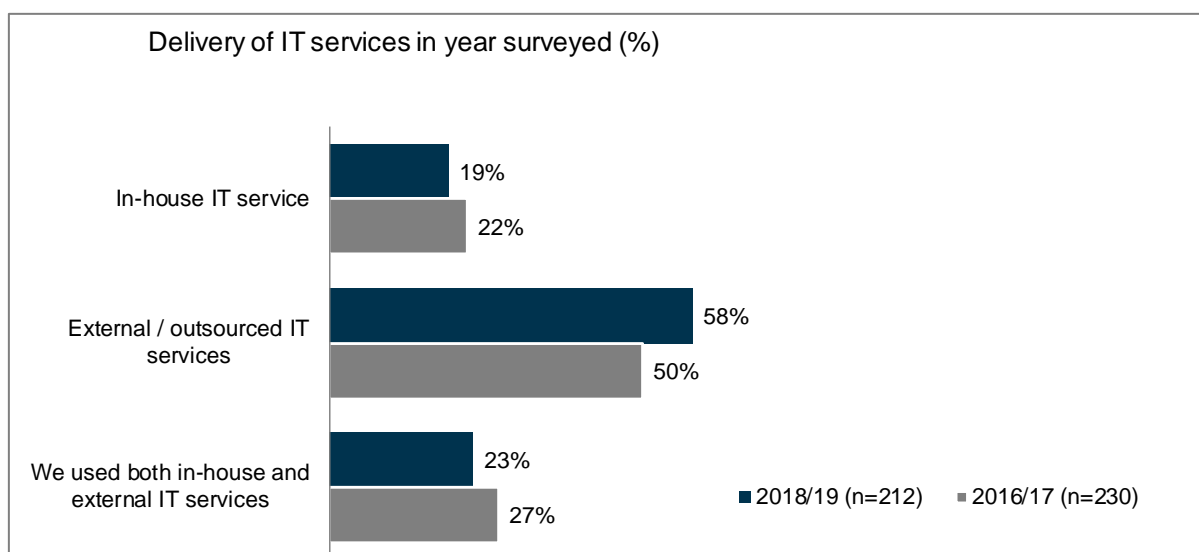
Delivery of IT services and plans to outsource

14.3 Over half of firms (58%) exclusively used external or outsourced IT services, while one-fifth (19%) used in-house IT services only. Nearly one-quarter (23%) used both in-house and external IT services.

14.4 Firms with ABS status were more likely to use both in-house and external IT services compared to firms without (ABS status: 36%; without ABS status: 17%).

14.5 These findings are comparable to 2016/17.

Figure 14.1 Delivery of IT services in year surveyed (%)



A58 How were IT services delivered within your firm in 2018?

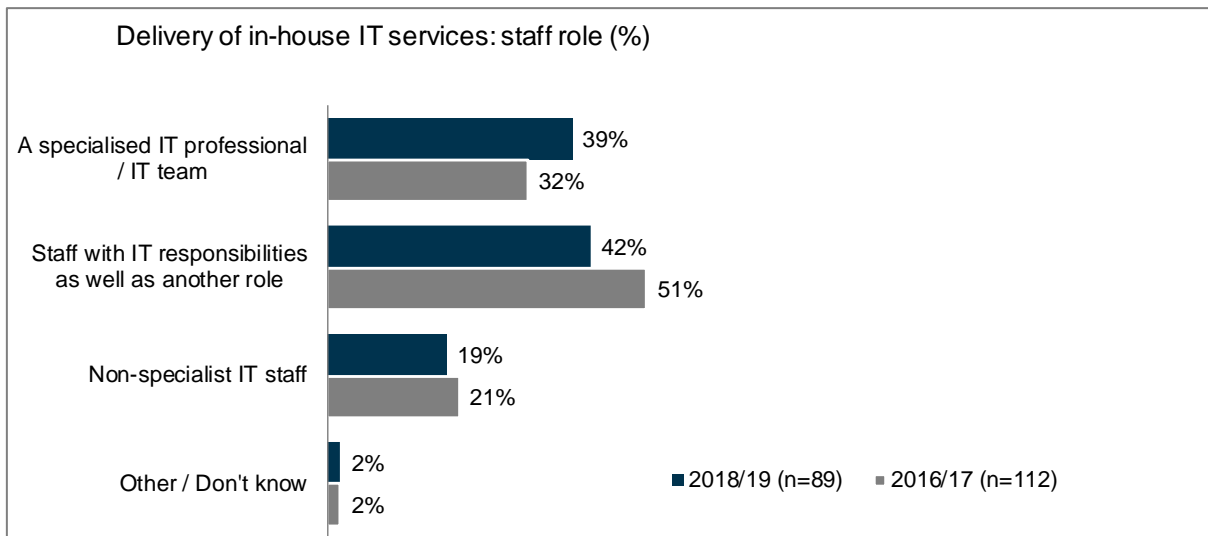
14.6 Among those firms who use in-house IT services, similar proportions of firms reported that they have a specialised IT professional / IT team (39%) to those who said they have staff with IT responsibilities in addition to another role (42%).

15 Around one-fifth of firms who use in-house IT services (19%) said that non-specialist IT staff deliver their IT services.

15.1 Firms with ABS status (64%) were more likely to have an in-house specialised IT professional or team compared to firms without ABS status (25%).

15.2 The findings are comparable with 2016/17.

Figure 15.1 Delivery of in-house IT services: staff role (%)

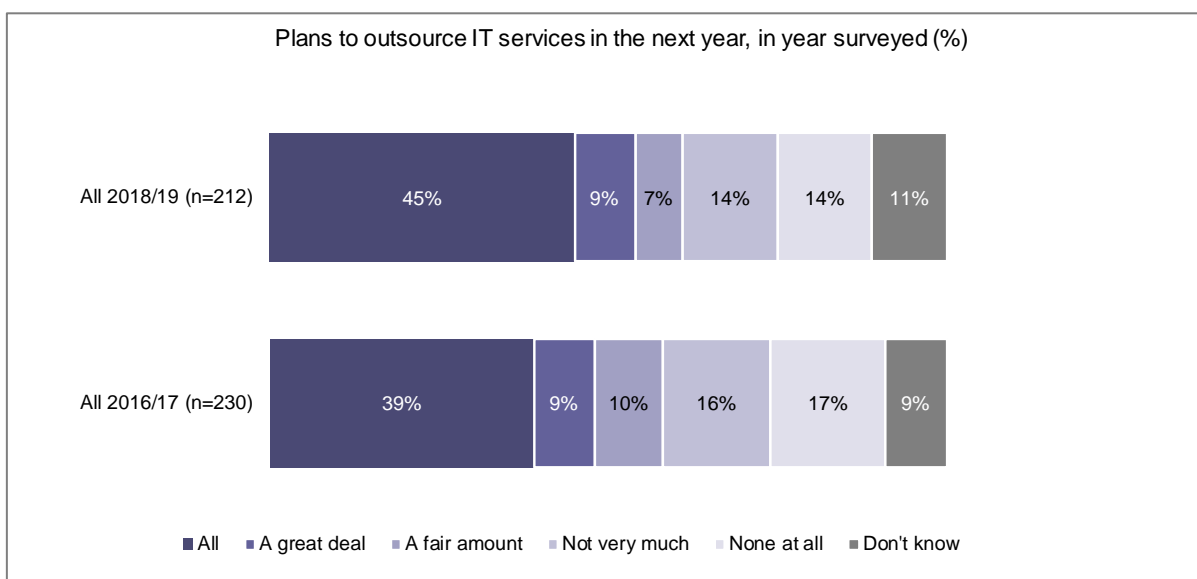


A59 You mentioned that your firm used in-house IT services in 2018. Which staff delivered IT services within your organisation?

15.3 Firms who reported that they used external / outsourced companies to deliver their IT services were asked to specify the companies they had used. In all, these firms specified 161 external IT companies and each company was used by a very small number of firms (1% on average).

15.4 Around half of firms (45%) reported that they had planned to outsource all of their IT services next year. Firms without ABS status were less likely to have said they will outsource all of their IT services next year compared to firms with ABS status (ABS status: 52%; without ABS status: 30%).

15.5 Smaller proportions of firms each said that they will outsource either a great deal (9%) or a fair amount (7%) of their IT services next year. Just over a quarter of firms (27%) said that they will outsource either not very much or none of their IT services next year.

Figure 15.2 Plans to outsource IT services in the next year, in year surveyed (%)

A62 How much of your firm's IT services do you plan to outsource next year?

Use of accountancy and case-management software

15.6 Most firms (94%) had used accountancy software packages in 2018. Leap (25%) was most commonly used, followed by Xero (21%) and Quill Pinpoint (16%).

15.7 The majority of firms (78%) had also used case-management software in 2018. Leap (15%) was most common, followed by Redbrick Solutions and Easy Convey CASA (both 11%).

15.8 Small firms were more likely to have not used any case-management software compared to large firms (small: 37%; medium: 22%; large: 5%). Similarly, firms without ABS status were more likely to have not used any case management software (28%) compared to firms with ABS status (8%).

Use of other technology packages

15.9 Firms were also asked to report whether they had used any other technology packages in 2018/19, or whether they were not currently using but intending to use these in future.

15.10 Around a quarter (27%) of firms each said they had used an account management software in 2018 and/or were currently using it in 2019. A further 3% said they were not currently using it but had intended to use it in future.

15.11 A minority of firms had used a client portal in 2018 (13%) and /or 2019 (18%). A minority of firms (7%) said that they were not currently using a client portal but intended to use it in future.

15.12 A minority of firms also said they had used any other technology package in 2018 (8%) and / or 2019 (9%). A small proportion of firms (3%) said that they were not currently using any other technology package but they were intending to do so in future.

16 Appendix

Table 16.1 Number of times firms paid into / received monies from overseas bank account - by country

| | Number of times firms paid into / received monies from overseas bank account - by country | | | | | | |
|------------------|---|---|---|---|---|-------------|------------|
| | 1 | 2 | 3 | 4 | 5 | More than 5 | Don't know |
| Australia (n=18) | 9 | 1 | - | - | - | 1 | 7 |
| Austria (n=1) | - | - | - | 1 | - | - | - |
| Barbados (n=1) | 1 | - | - | - | - | - | - |
| Belgium (n=3) | 1 | - | - | - | - | - | 2 |
| Canada (n=10) | 4 | 1 | - | 1 | - | 2 | 2 |
| China (n=10) | 6 | 1 | - | - | - | - | 3 |
| Croatia (n=1) | 1 | - | - | - | - | - | - |
| Cyprus (n=2) | 1 | 1 | - | - | - | - | - |
| Finland (n=1) | - | - | - | - | - | - | 1 |
| France (n=11) | 4 | 3 | - | - | - | - | 4 |
| Germany (n=3) | 1 | - | 1 | - | - | - | 1 |

| | | | | | | | |
|-------------------|---|---|---|---|---|---|---|
| Greece (n=1) | 1 | - | - | - | - | - | - |
| Hungary (n=1) | 1 | - | - | - | - | - | - |
| India (n=3) | 2 | - | - | - | - | - | 1 |
| Indonesia (n=1) | 1 | - | - | - | - | - | - |
| Ireland (n=8) | 1 | 1 | - | 1 | 1 | - | 4 |
| Israel (n=2) | - | - | - | - | - | - | 2 |
| Italy (n=2) | 1 | - | - | - | - | - | 1 |
| Japan (n=1) | - | - | - | - | - | - | 1 |
| Kenya (n=1) | - | - | - | - | - | - | 1 |
| Liberia (n=1) | 1 | - | - | - | - | - | - |
| Malaysia (n=2) | - | 1 | - | - | - | - | 1 |
| Mauritius (n=1) | - | - | - | - | - | - | 1 |
| Netherlands (n=2) | - | - | - | - | - | - | 2 |
| New Zealand (n=5) | 2 | 1 | - | - | - | - | 2 |
| Norway (n=1) | - | 1 | - | - | - | - | - |
| Poland (n=2) | 1 | 1 | - | - | - | - | - |

| | | | | | | | |
|----------------------------------|---|---|---|---|---|---|----|
| Portugal (n=2) | - | - | - | - | 1 | - | 1 |
| Saudi Arabia (n=3) | 1 | - | - | - | 1 | 1 | - |
| Singapore (n=2) | - | 1 | - | - | - | - | 1 |
| South Africa (n=2) | - | - | - | - | - | - | 2 |
| Spain (n=10) | 4 | 2 | 1 | - | - | - | 3 |
| Sri Lanka (n=1) | - | - | - | - | - | - | 1 |
| Sweden (n=1) | - | - | - | - | - | - | 1 |
| Switzerland (n=2) | 1 | - | 1 | - | - | - | |
| Taiwan (n=1) | - | - | - | - | - | - | 1 |
| United Arab Emirates (n=7) | 4 | 1 | - | - | - | - | 2 |
| United States (n=21) | 4 | 4 | - | 1 | - | 1 | 11 |
| Other (n=2) | 1 | - | - | - | - | - | 1 |

“

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