



## **CODE OF CONDUCT CONSULTATION**

**OCTOBER 2023**

### **Introduction**

The Code of Conduct is part of the Handbook that sets out the CLC's requirements of the lawyers and entities that it regulates. The Code of Conduct sits above the other specific Codes, setting out the overarching standards of practice to ensure that the client's best interests are always served and protected.

The current Code of Conduct can be found [here](#). It sets out the Ethical Principles and the outcomes that are relevant to each of them. It should guide CLC lawyers in their daily work. Where another element of the Handbook may require interpretation, the Code of Conduct can be used as the guide.

The CLC is now consulting on a refreshed Code of Conduct. This new version of the Code of Conduct reflects the outcome of a 2022 consultation on updated Ethical Principles for CLC lawyers. The [consultation document](#) and the [record of changes made to the proposals following the 2022 consultation](#) are available [on the CLC's website](#).

Following the consultation on the proposed Ethical Principles, the CLC's Consumer Reference Group and Council reviewed the consequential changes that would be required to the CLC's Code of Conduct. The result of that review is a reorganised, clarified and updated Code of Conduct set out in this document.

### **Responding to this consultation**

Questions are set out in this document and collected together at the end. You can respond to those questions and make any further observations or suggestions by completing our online questionnaire or by writing to us.

[Complete the online questionnaire](#)

### **Written responses can be emailed to:**

[clc@clc-uk.org](mailto:clc@clc-uk.org)

Or posted to

Council for Licensed Conveyancers  
120 Moorgate  
London EC2A 6UR

The consultation will run for eight weeks and will close on Friday, 22<sup>nd</sup> December 2023

## Purpose

The Code of Conduct was last reviewed in 2006. Since then, the environment in which the CLC-regulated community operates has changed enormously. We have also seen very significant changes in communications technology and the rise of social media, which is also relevant to professional conduct.

The CLC has also gained vast additional insight into the challenges and risks in the practice of conveyancing and probate through its assisted compliance approach and the close monitoring and supervision that entails. All of this is reflected in the revised Code.

The Legal Services Act 2007 sets out eight Regulatory Objectives that all legal services regulators should meet. They are:

1. Protecting and promoting the public interest
2. Supporting the constitutional principle of the rule of law
3. Improving access to justice
4. Protecting and promoting the interests of consumers
5. Promoting competition in the provision of services
6. Encouraging an independent, strong, diverse and effective legal profession
7. Increasing public understanding of the citizen's legal rights and duties
8. Promoting and maintaining adherence (by authorised persons) to the professional principles

The Code of Conduct should contribute towards the achievement of each of those, but is especially relevant to;

- Protecting and promoting the public interest
- Supporting the constitutional principle of the rule of law
- Protecting and promoting the interests of consumers
- Encouraging an independent, strong, diverse and effective legal profession
- Promoting and maintaining adherence (by authorised persons) to the professional principles

Meeting these objectives has guided the development of the revised Code of Conduct.

Furthermore, the CLC's Strategic Objectives for the current three-year period feature as the first objective, the promotion of quality in legal services. This objective is broken down into two limbs:

- a. The CLC should promote all aspects of improvement in the practice of conveyancing and probate, whether legislative, process change or IT-driven to improve client outcomes.
- b. Revised ethical standards should underpin work to drive quality and compliance and assist in the disciplinary process.

To achieve the second of those, we now need to put flesh on the bones of the revised Ethical Principles that emerged from the consultation in 2022.

We wish, through this consultation, to ensure that the proposed new Code of Conduct provides the guidance that is appropriate, necessary and proportionate for CLC-regulated specialist providers of conveyancing and probate services.

## **Approach to revision of the Code of Conduct**

The proposed new Code of Conduct is simplified from the current version to improve clarity. Refreshed and updated Ethical Principles replace the Overriding Principles.

The current version of the Code is complicated, with sets of Outcomes, Principles and Specific Requirements appearing under each Overriding Principle.

Many of those Principles and Specific Requirements appear in specific Codes in the [Handbook](#) as recitals. To remove duplication and aid clarity, we are proposing that there should be no duplication between the Code of Conduct and the other individual Codes of the Handbook that govern specific areas such as Management and Supervision.

We propose that, in the interests of clarity, Ethical Principles will be illustrated with Outcomes alone in the new version of the Code.

## **The process for revising the Code of Conduct**

To develop the revised Code of Conduct, the staff of the CLC took all of the existing Outcomes, Principles and Specific Requirements and reorganised them under the new Ethical Principles. We did not remove anything at this stage.

We then created a [Destinations Table](#) to show where each element of the existing Code of Conduct would in future appear. Outcomes, Principles and Specific Requirements from the current Code might remain as part of that Code or be more effective if situated in another part of the CLC's Handbook. In some cases, they already appear in other parts of the Handbook and so might be able to be removed from the Code of Conduct because they sit more appropriately as specific requirements outside the Code of Conduct.

Some new Outcomes were added where necessary to ensure that a particular Ethical Principle is fully and clearly explained and illustrated.

Up to this point the work had been carried out by the staff team, taking input from each part of the CLC. Following that, the Consumer Reference Group was consulted, resulting in further amendments and additions. Finally, the Council of the CLC reviewed the draft that had emerged and finalised the version that is set out in this document for consultation.

## **The Draft Revised Code of Conduct**

We set out below the draft Code of Conduct for review. Given the way that it has been amended, it is not practical to show a marked-up version as a basis for comparison with the current Code. Instead, the Destinations Table tracks how provisions of the former Code will be used within the new Code of Conduct or elsewhere in the CLC's Handbook.

You are asked to consider the draft Code of Conduct presented here on its own merits. As set out above, we wish, through this consultation, to ensure that the Code provides the guidance that is appropriate, necessary and proportionate for CLC-regulated specialist providers of conveyancing and

probate services. This consultation will test, among other things, whether the revised Code of Conduct can stand alone or needs further explanation or development to achieve that.

Although each Ethical Principle has already been the subject of consultation, we are happy to take any further comments on those as well as on the illustrative Outcomes.

The proposed Code of Conduct is set out below in full. At the appendix we set out the Code of Conduct with questions inserted at the appropriate point for ease of reference and response.

## **QUESTIONS**

When you have reviewed the proposed Code of Conduct, we will be asking you to reply to the following questions:

### **Overarching questions**

1. Do you agree that clarity of the Code of Conduct is improved by simplifying its structure so that it consists of the Ethical Principles and illustrative Outcomes? If not, do you have suggestions for an alternative approach?
2. Do you have any comments on the Ethical Principles themselves?
3. Do you agree that these Ethical Principles should apply to the conduct of a CLC-regulated lawyer outside the carrying out of their business in order to maintain the reputation of the legal sector and trust in the profession and legal services?
4. Does the revised Code of Conduct provide a clear overarching framework for all CLC-regulated lawyers?

### **Questions in relation to each Ethical Principle**

- Are the Outcomes illustrating this Ethical Principle:
  - clear?
  - sufficient?
- Do you have any suggestions for amendments to any of the proposed Outcomes?
- Do you have any suggestions for additional Outcomes for this Ethical Principle?

## **THE PROPOSED NEW CODE OF CONDUCT**

### **Introduction**

This Code of Conduct is made in accordance with s.20 of the Administration of Justice Act 1985; s.53 of the Courts and Legal Services Act 1990; and s.83 of the Legal Services Act 2007. The current version of the Code is based around the six Ethical Principles listed below.

All individuals and bodies regulated by the CLC must comply with this Code and its associated regulatory arrangements. In this Code “you” refers to individuals and bodies (and the employees and managers within them) regulated by the CLC. You must not permit anyone else to act or fail to act in such a way as to amount to a breach of this Code.

The Code comprises Ethical Principles, under each of which sit Outcomes, which taken together deliver positive legal standard service standards for your Clients and the profession.

To effectively secure the protection of, and the provision of choice for, the consumer of legal services, you must at all times comply with the following Ethical Principles:

1. Act with integrity, honesty, and independence
2. Know each customer, treat them fairly, keep their money safe, and act in their best interests
3. Uphold the rule of law and public trust in the profession and legal services
4. Maintain high standards of professional and personal conduct
5. Collaborate openly and truthfully with regulators, ombudsman, and other legal professionals
6. Promote and support equality, diversity and inclusion in practice and service delivery

These are underpinned by Outcomes which must be complied with in order that the Ethical Principles are supported and delivered.

Disciplinary proceedings may be taken against you if the CLC believes there has been a breach of this Code or any of the specific Codes, meaning that clients do not receive the standard of legal services they should reasonably expect to receive. The CLC’s response will be informed by the CLC’s Regulatory and Enforcement Policies.

In exceptional circumstances the CLC may waive a provision, or provisions, of the regulatory arrangements for an individual, body or circumstance for a particular purpose, or purposes, and with the conditions specified in the waiver.

### **Ethical Principle 1**

#### **Act with integrity, honesty, and independence**

You must deliver the following Outcomes:

- 1.1 Clients receive good quality information, representation and advice
- 1.2 Clients receive a professional, honest, and lawful service
- 1.3 You maintain your independence

## **Ethical Principle 2**

### **Know each customer, treat them fairly, keep their money safe, communicate openly and truthfully with them and act in their best interests**

You must deliver the following Outcomes:

- 2.1 Each Client's best interests are served (within legal and regulatory bounds)
- 2.2 Clients receive advice appropriate to their circumstances
- 2.3 Clients have the accurate, appropriate and useful information they need to make informed decisions
- 2.4 Clients are aware of any limitation or any condition resulting from your relationship with another party
- 2.5 Clients' affairs are treated confidentially (except as required or permitted by law or with the Client's consent)
- 2.6 You consult Clients on key decisions in a timely way
- 2.7 You only recommend a particular person, business or product when it is in the best interests of the Client
- 2.8 Your accounting and banking arrangements keep client money secure
- 2.9 Services are delivered in accordance with timetables reasonably agreed with the Client
- 2.10 You accept responsibility where the service you provide is not of the expected standard and provide appropriate redress for the Client where necessary
- 2.11 Handling of complaints takes proper account of Clients' individual needs, including those who are vulnerable
- 2.12 Complaints are dealt with impartially and comprehensively

## **Ethical Principle 3**

### **Uphold the rule of law and public trust in the profession and legal services**

You must deliver the following Outcomes:

- 3.1 You act in the interests of justice;
- 3.2 You act in good faith towards Clients;
- 3.3 You assist any Court or Tribunal or the CLC's Adjudication Panel honestly and openly as required and comply with any of their findings;
- 3.4 You refer clients to qualified lawyers for advice outside your areas of expertise.
- 3.5 You do not conduct yourself in a manner which may result in a breach of the law nor in any other manner which may bring the legal profession into disrepute.

## **Ethical Principle 4**

### **Maintain high standards of professional and personal conduct**

You must deliver the following Outcomes:

- 4.1 Clients are provided with a good standard of legal services;
- 4.2 Client matters are dealt with using care, skill and diligence;
- 4.3 Appropriate arrangements, resources, procedures, skills and commitment; are in place to ensure Clients always receive a high standard of service;
- 4.4 Your skills and knowledge are up to date.

## **Ethical Principle 5**

### **Collaborate openly and truthfully to comply with regulators, ombudsman, and other legal professionals**

You must deliver the following Outcomes:

- 5.1 You act in accordance with your legal and regulatory responsibilities
- 5.2 You are open and truthful in all your dealings with the CLC and other regulators, the Legal Ombudsman, HM Land Registry, the Probate Registry, HM Revenue and Customs, Lenders and other legal professionals, suppliers
- 5.3 You comply promptly and fully with a CLC direction or request
- 5.4 You comply promptly with any authorisation, permission or condition endorsed on your licence, Recognised Body Certificate or Licensed Body Licence
- 5.5 You co-operate promptly with any CLC investigation
- 5.6 You co-operate fully with any Legal Ombudsman investigation and comply promptly with any requests, requirements or findings they issue
- 5.7 You co-operate fully with other regulators and ombudsmen and comply promptly with any requests, requirements or findings they issue
- 5.8 As a CLC licensee operating in an entity regulated by another regulator you must comply with that regulator's regulations at all times.

## **Ethical Principle 6**

### **Promote and support equality, diversity and inclusion in practice, service delivery and dealings with clients.**

You must deliver the following Outcomes:

- 6.1 The service is accessible and responsive to the needs of individual Clients, including those who are vulnerable<sup>1</sup>
- 6.2 No-one - Client, employee, colleague, job applicant, trainee or other party - you deal with feels discriminated<sup>2</sup> against (whether directly or indirectly), victimised or harassed
- 6.3 You promote and support diversity and inclusion in management and legal service delivery

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<sup>1</sup> A Client may be vulnerable because of a range of characteristics, including (but not limited to): basic skills: literacy and numeracy; complexity and confusion: difficulty of accessing and understanding large amounts of information; disability or other impairment; mental health issues; distress or sudden change in circumstances e.g. bereavement, divorce, illness or loss of employment; low income; age; caring responsibilities; limited knowledge of, or limited skills in, use of English; balance of power: lack of competition and or choice; or inexperience or lack of knowledge of a particular subject. Vulnerability can only be assessed on a case-by-case basis.

<sup>2</sup> On the grounds of age, disability, gender reassignment, marital and civil partnership status, pregnancy and maternity, race, religion or faith, sex or sexual orientation.

**Next steps**

Following this consultation, a final version of the Code of Conduct will be prepared for approval by the Council of the CLC.

The CLC will also set out and consult as necessary on consequential changes to other elements of the Handbook arising from the revision of the Code of Conduct.

The Council will set a timetable for the revised Code of Conduct to come into force. The CLC will communicate that extensively and support the regulated community in its preparations.



## **APPENDIX**

### **THE PROPOSED NEW CODE OF CONDUCT WITH CONSULTATION QUESTIONS INSERTED FOR EASE OF REFERENCE AND RESPONSE**

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5. Are the Outcomes illustrating this Ethical Principle:
  - a. clear?
  - b. sufficient?
6. Do you have any suggestions for amendments to any of the proposed Outcomes?
7. Do you have any suggestions for additional Outcomes for this Ethical Principle?

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- clear?
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9. Do you have any suggestions for amendments to any of the proposed Outcomes?
10. Do you have any suggestions for additional Outcomes for this Ethical Principle?

### **Ethical Principle 3**

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- 3.2 You act in good faith towards Clients;
- 3.3 You assist any Court or Tribunal or the CLC's Adjudication Panel honestly and openly as required and comply with any of their findings;
- 3.4 You refer clients to qualified lawyers for advice outside your areas of expertise.
- 3.5 You do not conduct yourself in a manner which may result in a breach of the law nor in any other manner which may bring the legal profession into disrepute.

11. Are the Outcomes illustrating this Ethical Principle:
- clear?
  - sufficient?
12. Do you have any suggestions for amendments to any of the proposed Outcomes?
13. Do you have any suggestions for additional Outcomes for this Ethical Principle?

### **Ethical Principle 4**

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- 4.3 Appropriate arrangements, resources, procedures, skills and commitment are in place to ensure Clients always receive a high standard of service;
- 4.4 Your skills and knowledge are up to date.

14. Are the Outcomes illustrating this Ethical Principle:
- clear?
  - sufficient?
15. Do you have any suggestions for amendments to any of the proposed Outcomes?
16. Do you have any suggestions for additional Outcomes for this Ethical Principle?

## **Ethical Principle 5**

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- 5.8 As a CLC licensee operating in an entity regulated by another regulator you must comply with that regulator's regulations at all times.

**17.** Are the Outcomes illustrating this Ethical Principle:

- a. clear?
- b. sufficient?

**18.** Do you have any suggestions for amendments to any of the proposed Outcomes?

**19.** Do you have any suggestions for additional Outcomes for this Ethical Principle?

## **Ethical Principle 6**

### **Promote and support equality, diversity and inclusion in practice, service delivery and dealings with clients.**

You must deliver the following Outcomes:

- 6.1 The service is accessible and responsive to the needs of individual Clients, including those who are vulnerable<sup>3</sup>
- 6.2 No-one - Client, employee, colleague, job applicant, trainee or other party - you deal with feels discriminated<sup>4</sup> against (whether directly or indirectly), victimised or harassed

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<sup>3</sup> A Client may be vulnerable because of a range of characteristics, including (but not limited to): basic skills: literacy and numeracy; complexity and confusion: difficulty of accessing and understanding large amounts of information; disability or other impairment; mental health issues; distress or sudden change in circumstances e.g. bereavement, divorce, illness or loss of employment; low income; age; caring responsibilities; limited knowledge of, or limited skills in, use of English; balance of power: lack of competition and or choice; or inexperience or lack of knowledge of a particular subject. Vulnerability can only be assessed on a case-by-case basis.

<sup>4</sup> On the grounds of age, disability, gender reassignment, marital and civil partnership status, pregnancy and maternity, race, religion or faith, sex or sexual orientation.

### 6.3 You promote and support diversity and inclusion in management and legal service delivery

**20.** Are the Outcomes illustrating this Ethical Principle:

- a. clear?
- b. sufficient?

**21.** Do you have any suggestions for amendments to any of the proposed Outcomes?

**22.** Do you have any suggestions for additional Outcomes for this Ethical Principle?

#### **Responding to this consultation**

Questions are set out in this document and collected together at the end. You can respond to those questions and make any further observations or suggestions by completing our online questionnaire or by writing to us.

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