

6 August 2015

To whom it may concern,

Thank you for giving us the opportunity to comment on your further consultation regarding consumer credit activities.

We are supportive of the proposals and are pleased that the concerns we raised in our earlier response of 12 December 2014 have been considered. We believe the proposals will ensure lawyers have clear guidance on what work they can, and most importantly cannot, carry out involving credit activities.

We maintain that there is an important need for clarity from lawyers around where consumers should take a complaint to reduce the potential for confusion. This would ensure consumers understand the service they are receiving, understand their rights, who the relevant regulator is and where to obtain redress. If any part of the service they are providing is not regulated, this should also be clearly explained.

We support the proposal to increase the time period and number of instalments over which services/transactions can be financed to twelve months as we see many cases funded over longer than four months.

We encourage lawyers to be proactive and clear in sharing cost information at the beginning of a case. As stated in our February 2015 Report to the Legal Services Board, cost transparency was the subject of over a quarter of all cases we accepted between 1 June 2014 and 31 January 2015. Often it was not excessive costs that were the cause of complaint, but the cost information being deficient.

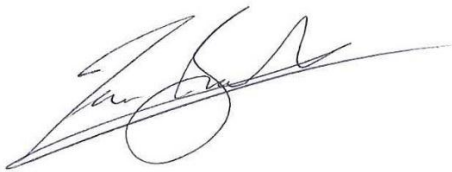
When amending the SRA Conduct of Business Rules, we support the proposal that firms communicate in a fair and transparent manner, and would encourage lawyers to confirm any significant discussions, particularly regarding costs, in writing. This would ensure protection and clarity for both the lawyer and consumer.

In summary, we support the proposals within the consultation and believe they offer clarity to lawyers over what work they can undertake regarding consumer credit activities.

The logo for the Legal Ombudsman. The word "LEGAL" is written in a bold, pink, sans-serif font. A large, stylized, pink cursive flourish starts from the top right of the letter 'L' and loops over the top of the word "LEGAL". Below "LEGAL", the word "OMBUDSMAN" is written in a black, bold, sans-serif font.

Thank you for giving us the opportunity to feed into these discussions. If you have any queries about the points raised please contact Katherine Wilson, Policy and Research Associate: katherine.wilson@legalombudsman.org.uk.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Brack', written in a cursive style.

Ian Brack
Chief Executive