



Transparency of pricing and service provision report

JANUARY 2021



Transparency of pricing and service provision report – January 2021

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BACKGROUND AND CONTEXT

ICAEW is committed to improving the transparency of cost and service provision within its probate accredited firm population.

We published our [Legal Services Price and Service Transparency Benchmarking Report \(Benchmarking Report\)](#), in September 2020 based on 2019 research. This report is the latest in a series of initiatives by ICAEW to address the concerns of the Competition and Markets Authority (CMA) as reported in its [market study into the provision of legal services in England and Wales \(published 15 December 2016\)](#).

The CMA's main concern was that a lack of information weakened the ability of consumers to drive competition through making informed purchasing decisions. The CMA made a series of recommendations centred on improving transparency of costs and service provision to enable consumers to compare legal services providers. One recommendation was that all legal service regulators produce an Action Plan setting out how they would ensure their regulated entities improve transparency of costs and service provision.

To address this recommendation, ICAEW:

- carried out research in 2017 in order to assess the transparency of ICAEW accredited firms costs and services;
- produced an [Action Plan in February 2018](#) which set out how we would ensure ICAEW accredited probate firms were more transparent with their costs and service provision;
- produced an [ICAEW Best Practice Guide to Cost and Service Transparency \(the Guide\)](#). We sent this to all ICAEW accredited probate firms in June 2019; and
- carried out research during 2019 and published the results of the voluntary take-up of the recommendations set out in the Guide in its Benchmarking Report in September 2020.

The review of our firms in 2019 concluded that while there had been some improvement in transparency in all areas, there were a large number of firms who were yet to adopt the recommendations of the Guide. It outlined ICAEW's commitment to carrying out another round of research which is summarised in this report.

The CMA recommendations apply to approximately 0.3% (334 of ICAEW's 12,000 member firms) of the activities of ICAEW's regulated population. We have been able to review in detail all our firms because we have such a small population.

METHODOLOGY

The challenges faced in setting and enforcing the guidance differ depending on the size and nature of probate accredited firms. ICAEW's population of probate accredited firms is heavily skewed to sole practitioners (31%) and small practices with between two and five principals (49%).

Of these smaller firms, 36 (11%) do not have a website, so are not actively marketing their probate services. Many ICAEW accredited firms, regardless of size, see the ability to offer probate services

as an extension to other accountancy services, particularly the provision of tax services. These practices will often offer probate services to existing clients with who the firm has had a long-standing professional relationship.

For firms with a website, the questions asked in the 2017, 2019 and 2020 research are listed in [Appendix A](#).

For smaller firms, we can't always easily obtain information about their pricing and servicing approach. To address this challenge, in 2019 and 2020, we are asked these firms to complete a questionnaire about how they communicate transparency information to their clients, [Appendix B](#).

The research was based on the population of 334 accredited firms as per the ICAEW probate register as at 29 June 2020.

There were 298 firms with a website, 10 firms provided information to the questionnaire, leaving 26 firms that we have no data for in this report. The information provided by the firms that responded to the questionnaire has been incorporated into the following results.

SUMMARY

The Benchmarking Report was sent to all probate practitioners via [Probate News](#) and we sent regulatory reminders to raise awareness of the research that we would conduct in the autumn of 2020 around pricing and service transparency. Although the reminders did not provide practitioners with a lot of time to update their transparency information, we are pleased that the uptake of the voluntary approach has shown improvement in transparency disclosures across the range of indicators.

67% (2019: 58%) of firms made it clear they are accredited for probate with ICAEW. Many firms demonstrate this quality indicator by use of the ICAEW probate logo and/or legend.

48% (2019: 29%) of firms stated who would be dealing with the matter and their level, with 75% (2019: 72%) detailing staff profiles including information on experience/qualifications of the staff involved in the work.

Information on price has improved. 38% (2019: 35%) offer either a free consultation, fixed fee or free quote and 9% (2019: 5%) give details of their charges. It is recognised there is still some way to go with these metrics. However, recent research carried out by an independent party during 2020, on behalf of [CILEx](#) into client behaviour, use and satisfaction, concluded that:

'Law firm websites are visited by a large number of potential clients, but individuals rarely used these sites to find technical information or detailed information on specific services. The pages browsed most often are the photographs of legal service providers (and biographies), number of offices and where they are, details of any free initial consultations and when they are. Some decisions (15%) seem to be being made on these features...A relatively small number (27%) mentioned looking at price information on websites. The detailed service information seems to put a few individuals (8%) off because they don't always understand the terminology.'

When it comes to consumers making decisions on price, the recent independent research demonstrated that price information is not considered to be a major transparency indicator, with consumers often basing decisions on other factors.

Encouragingly, we found 70% (2019: 47%) of our firms are providing a clear description of the probate services they offer. Price information is usually gained in more detail, tailored to the consumer's legal need upon first contact, often by way of initial meetings and/or in written terms. It is a regulatory requirement for all ICAEW accredited probate firms to detail the basis of fees in writing prior to any probate engagement. This is monitored by cyclical inspections to all probate accredited firms by the ICAEW Quality Assurance Department (QAD).

RESULTS

Research 2017, 2019 and 2020						
	2017		2019		2020	
	289 probate accredited firms reviewed		306 probate accredited firms reviewed		334 probate accredited firms reviewed	
	Yes	No	Yes	No	Yes	No
	265 (92%)	24 (8%)	293 (96%)	13 (4%)	308* (92%)	26 (8%)
		17 (71%) sole practitioners		11 (85%) sole practitioners		17 (65%) sole practitioners
	265 probate accredited firms that have websites reviewed		293 probate accredited firms that have websites reviewed		308 probate accredited firms that have websites reviewed (or provided completed information by way of questionnaire)	
	Yes	No	Yes	No	Yes	No
Does the firm make it clear they are accredited for probate with ICAEW?	123 (46%)	143 (54%)	169 (58%)	124 (42%)	207 (67%)	101 (33%)
Does the firm offer a free consultation, fixed fee or a free quote?	35 (13%)	230 (87%)	105 (35%)	188 (64%)	118 (38%)	190 (62%)

Does the firm publicise charges and how they calculate / charge them?	6 (2%)	259 (98%)	14 (5%)	279 (95%)	27 (9%)	281 (91%)
Do fees advertised include VAT?	3 (1%)	262 (99%)	3 (1%)	290 (99%)	6 (2%)	302 (98%)
Does the firm give an explanation of what services will be provided for such costs?	8 (3%)	257 (97%)	10 (3%)	283 (97%)	20 (6%)	288 (94%)
Does the website state who in the firm will be dealing with the matter and what level they are?	56 (21%)	209 (79%)	86 (29%)	207 (71%)	148 (48%)	160 (52%)

*includes 10 firms that provided information about their pricing and service via completed questionnaire

Research 2019 and 2020 best practice requirements				
	293 probate accredited firms that have websites reviewed		308 probate accredited firms that have websites reviewed (or provided completed information by way of questionnaire)	
	Yes	No	Yes	No
Does the firm's website have staff profiles including information on experience/qualifications?	211 (72%)	82 (28%)	232 (75%)	76 (25%)
Does the firm provide will-writing, powers of attorney, HR/employment or payroll services?	114 (39%)	179 (61%)	255 (83%)	53 (17%)
Payroll only	147 (50%)	147 (50%)	152 (49%)	156 (51%)
Does the firm state if there are any disbursements, extra costs or referrals expected?	5 (2%)	288 (98%)	20 (6%)	288 (94%)
Does the firm make use of a price calculator or case studies to help communicate costs?	2 (1%)	291 (99%)	3 (1%)	305 (99%)
Does the firm provide a clear description of services it offers?	139 (47%)	154 (53%)	216 (70%)	92 (30%)
Does the firm provide a description of the key stages and likely timescales of a service?	33 (11%)	260 (89%)	Key stages 70 (23%) Timescales 22 (7%)	Key stages 238 (77%) Timescales 286 (93%)

Does the firm publish details of their internal complaints' procedure?	62 (21%)	231 (79%)	80 (26%)	228 (74%)
Does the firm publish details of its compensation arrangements, namely a consumer's ability to claim from the compensation fund?	35 (12%)	258 (88%)	39 (13%)	269 (87%)
Does the firm publish that it has PII?	97 (33%)	196 (67%)	79 (26%)	229 (74%)

WHAT NEXT

Other legal regulators have mandated the CMA's recommendations around transparency through regulation with varying degrees of success.

On 30 July 2020, [Legalfutures](#) revealed that most barristers are failing to comply with the transparency rules of the Bar Standards Board (BSB):

'Little more than a third (37%) of barristers, chambers and firms regulated by the Bar Standards Board (BSB) are fully complying with its rules on price and service transparency, it has emerged. A review by the BSB found that a further 38% are partially complying with the rules, introduced last summer, with a quarter failing completely.'

On 6 October 2020, [Legalfutures](#) reported on the progress of the Solicitors Regulation Authority (SRA):

'Compliance with the rules on price and service transparency is improving but a stubborn minority are facing disciplinary action, the Solicitors Regulation Authority (SRA) has said. The news comes as the Law Society has said the rules have helped firms internally, with staff having a better understanding of pricing. The rules were introduced in December 2018 and the first sweep of law firm websites carried out by the SRA in spring 2019 found that only 25% were fully compliant.'

We believe that our firms are moving in the right direction. We delayed publication of the results of our 2019 review of firms and this latest survey follows our communications to our firms in [Probate News, issue 14](#) (20 October 2020). Given this short timeframe, we are encouraged that some firms have taken note and made improvements, however we accept that there is still some way to go in encouraging our probate accredited firms to improve their transparency of cost and service information. We now intend to strengthen our messaging using this recent survey as our starting point. We will write directly to all accredited firms now to outline our expectations in line with the Guide. And we will make it clear that when we carry out a further review of transparency information in spring 2021, it will be with an expectation that our firms will have responded positively to our letter.

Appendix A – Website research questions

QUESTIONS ASKED FOR 2017 RESEARCH

- Does the firm make it clear they were accredited for Probate with ICAEW?
- For probate: Does the firm offer: free consultation, a fixed fee or a free quote?
- For probate: Does the firm publicise charges and how they calculate/charge them?
- Do fees advertised include VAT?
- Does the firm give an explanation of what services will be provided for such costs?
- Does the website state who in the firm will be dealing with the matter and what level they were?

QUESTIONS ASKED FOR 2019 RESEARCH

General information

- Does the firm make it clear they were accredited for Probate with ICAEW?
- For Probate: Does the firm offer: free consultation, a fixed fee or a free quote?
- Does the firm provide Will-writing, powers of attorney, HR/employment or payroll services?

Price information

- For probate: Does the firm publish the total cost and how they calculate/charge them?
- Do fees advertised include VAT?
- Do they give an explanation of what services will be provided for such costs?
- Do they state if there were any disbursements, extra costs or referrals expected?
- Does the firm make use of a price calculator or case studies to help communicate the costs?

Service information

- Does the firm provide a clear description of the services it offers?
- Does the firm provide a description of the key stages and likely timescales of a service?
- Does the website state who in the firm will be dealing with the matter and what level they were?
- Does the firm's website have staff profiles? Including information on experiences / qualifications / services offered and cost of work

Complaints and redress information

- Does the firm publish details of their internal complaints procedure?
- Does the firm provide details of how and when their clients can make a complaint to the LeO?
- Does the firm publish a link to ICAEW's complaints section of the webpage?

Regulatory information

- Does the firm publish details of its compensation arrangements, namely a consumer's ability to claim from the compensation fund?
- Does the firm publish that it has PII?

QUESTIONS ASKED FOR 2020 RESEARCH

General information

- Does the firm make it clear they were accredited for probate with ICAEW?
- For probate: Does the firm offer: free consultation, a fixed fee or a free quote?
- Does the firm provide will-writing, powers of attorney, HR/employment or payroll services?

Price information

- For probate: Does the firm publish the total cost and how they calculate/charge them?
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Regulatory information

- Does the firm publish details of its compensation arrangements, namely a consumer's ability to claim from the compensation fund?
- Does the firm publish that it has PII?

Appendix B – Questionnaire for firms without a website

General information

- Do you communicate to your clients that you are accredited for probate and estate management by ICAEW?
- For probate do you offer: free consultation, a fixed fee or a free quote?
- As you do not have a website, how do you provide clients and potential clients with information about your probate services?
- Does your firm provide will-writing, powers of attorney, HR/employment or payroll services?

Price information

- Please advise how you communicate your pricing (hard copy marketing material, direct mailings/letter, email newsletters, social media, verbally in client meetings).
- Do you include VAT in your pricing?
- Do you provide an explanation of what service will be provided for such cost?
- Do you state whether disbursements, extra costs or referrals expected?
- Do you use a price calculator or case studies to help communicate the costs?

Service information

- What initial information do you provide to clients about the probate process? (e.g., expected stages, timelines, steps they can carry out themselves, etc.)
- How do you communicate this? (By letter, email, verbally, hard copy marketing material).
- What stages of the process would trigger a client update, if any?
- Do you communicate any information about your staff's qualifications / experience / expertise to your clients? If so, how?
- Do you have a formal process for collecting client feedback?

Complaints and redress information

- How and when do you tell your clients about your complaints procedure?
- How and when do you tell clients about their right to complain to ICAEW and/or LeO?

Regulatory information

- How and when do you tell clients about the probate compensation scheme?
- How and when do you tell clients about your PII cover?

Our role as a world-leading improvement regulator

We protect the public interest by making sure ICAEW's firms, members, students and affiliates maintain the highest standards of professional competency and conduct.

ICAEW's regulatory and disciplinary roles are separated from ICAEW's other activities so that we can monitor, support or take steps to ensure change if standards are not met. These roles are carried out by the Professional Standards Department and overseen by the independent ICAEW Regulatory Board (IRB).

Our role is to:

- **authorise** ICAEW firms, members and affiliates to undertake work regulated by law: audit, local audit, investment business, insolvency and probate;
- **support** the highest professional standards in general accountancy practice through our Practice Assurance scheme;
- **provide** robust anti-money laundering supervision and monitoring;
- **monitor** ICAEW firms and insolvency practitioners to ensure they operate correctly and to the highest standards;
- **investigate** complaints and hold ICAEW firms and members to account where they fall short of standards;
- **respond** and comment on proposed changes to the law and regulation; and
- **educate** through guidance and advice to help stakeholders comply with laws, regulations and professional standards.

There are more than 1.8m chartered accountants and students around the world and 186,500 of them are members and students of ICAEW. They are talented, ethical and committed professionals, which is why all of the top 100 Global Brands employ chartered accountants. ICAEW promotes inclusivity, diversity and fairness. We attract talented individuals into the profession and give them the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

Founded in 1880, we have a long history of serving the public interest and we continue to work with governments, regulators and business leaders around the world. And, as an improvement regulator, we supervise and monitor over 12,000 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct. ICAEW is proud to be part of Chartered Accountants Worldwide, a global network of 750,000 members across 190 countries, which promotes the expertise and skills of chartered accountants on a global basis. We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create strong economies and a sustainable future for all.

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