



Transparency

ROOM FOR IMPROVEMENT?

LEGAL SERVICES PRICE AND SERVICE TRANSPARENCY
BENCHMARKING REPORT

Background

Following a market study into the provision of legal services in England and Wales, the Competition and Markets Authority (CMA) published its final **report** on 15 December 2016. It concluded that competition in the legal services sector for individual consumers and small businesses was not working well and that consumers experience 'substantial detriment' when accessing services due to the lack of transparency of information provided. The CMA's main concern was that a lack of information weakened the ability of consumers to drive competition through making informed purchasing decisions.

To address these concerns 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 that 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 that ICAEW accredited probate firms were more transparent with their costs and service provision; and



produced a **Best Practice Guide to Price and Service Transparency (the Guide)**. We sent this to all ICAEW accredited probate firms in June 2019.

The benefits to our firms

We believe that going further than obligations dictated by the ICAEW Code of Ethics and adopting the transparency recommendations in the Guide will not only benefit the consumer, but also have the potential to greatly benefit our firms as they will demonstrate the integrity and attractiveness of your firm to clients.

- Potential clients will be encouraged to compare the transparency and quality of information given by firms. Firms that adopt the transparency requirements will have a commercial advantage over those that don't.
- First tier complaints from clients caused by lack of information on pricing and services at the outset of the engagement can be avoided. It could also reduce the number and cost of cases referred to the Legal Ombudsman.
- Transparency of pricing will highlight the lower costs a multi-disciplinary firm can offer its clients.
- It will support and encourage a culture change regarding how transparency is viewed.

This report summarises the results of our 2019 benchmarking review with the aim of highlighting where firms can improve on transparency ahead of our 2020 assessment. See page 8.

Summary: Room for improvement

While our 2019 research showed 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.

The pricing disclosures in particular were few and far between, with only 5% giving details of their charges. Also the provision of information relating to complaints and redress, compensation arrangements and PII was low.

RESEARCH

ICAEW reviewed the websites of ICAEW probate accredited firms in 2017, and again in 2019 to assess their transparency of pricing and services.

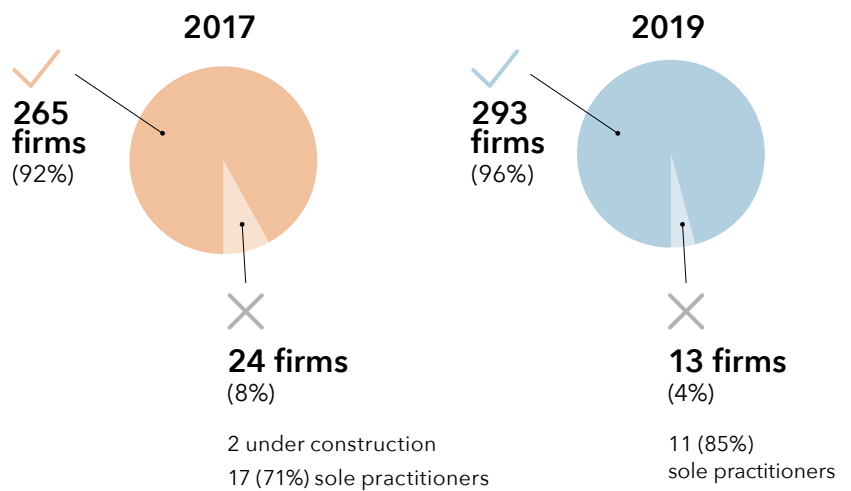
The questions asked in the research are listed in **Appendix A**.

Results – research 2017 and 2019



RESEARCH QUESTIONS

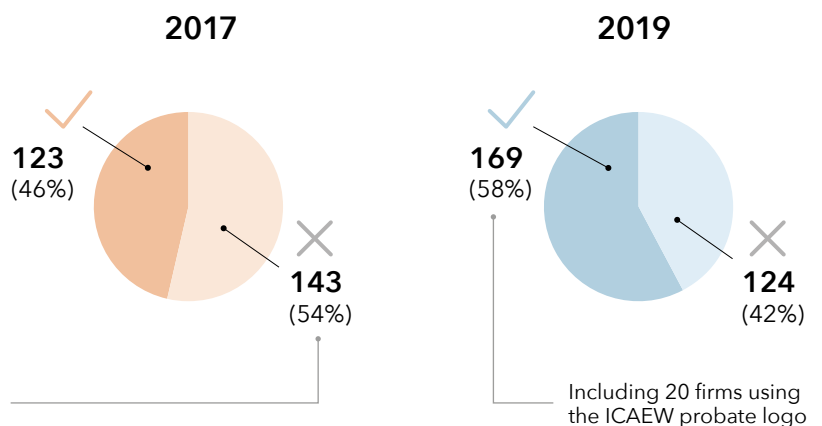
1 Does the firm have a website?
(all 298 firms reviewed)



Probate accredited firms that have websites reviewed

2 Does the firm make it clear they are accredited for probate with ICAEW?

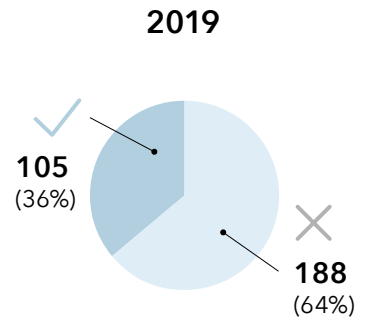
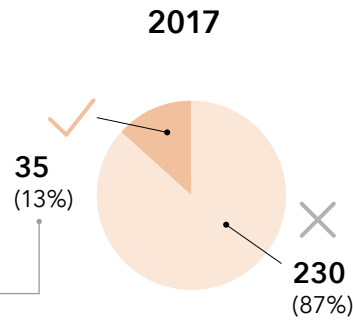
In some cases, made no mention of ICAEW at all.



Probate accredited firms that have websites reviewed

3 Does the firm offer a free consultation, fixed fee or a free quote?

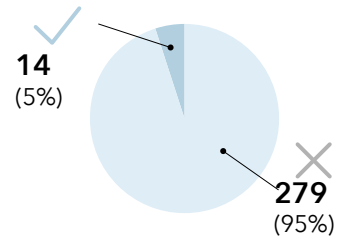
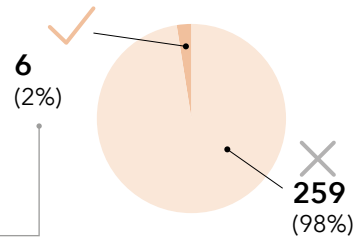
116 firms also offered initial contact via an online form, chat or contact form for the firm to then make contact with the consumer



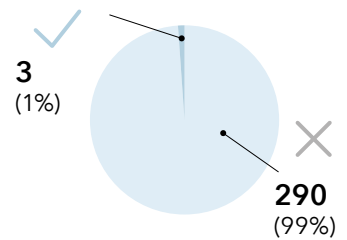
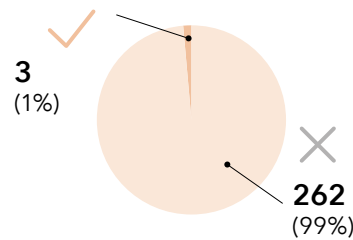
4 Does the firm publicise charges and how they calculate/charge them?

23 firms did however make some reference or generic statements as to how they may charge but did not give any detail of rates, one example;

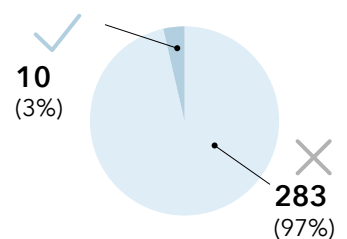
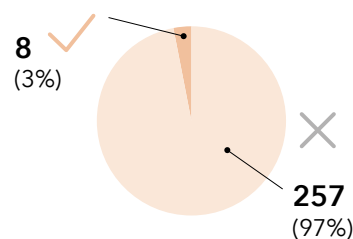
'We offer a choice of either charging on an hourly basis or a fixed fee which was agreed in advance; this makes us very cost competitive'



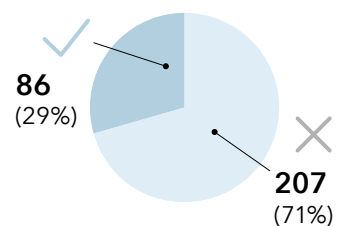
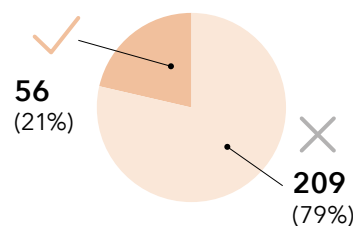
5 Do fees advertised include VAT?



6 Does the firm give an explanation of what services will be provided for such costs?



7 Does the website state who in the firm will be dealing with the matter and what level they were?

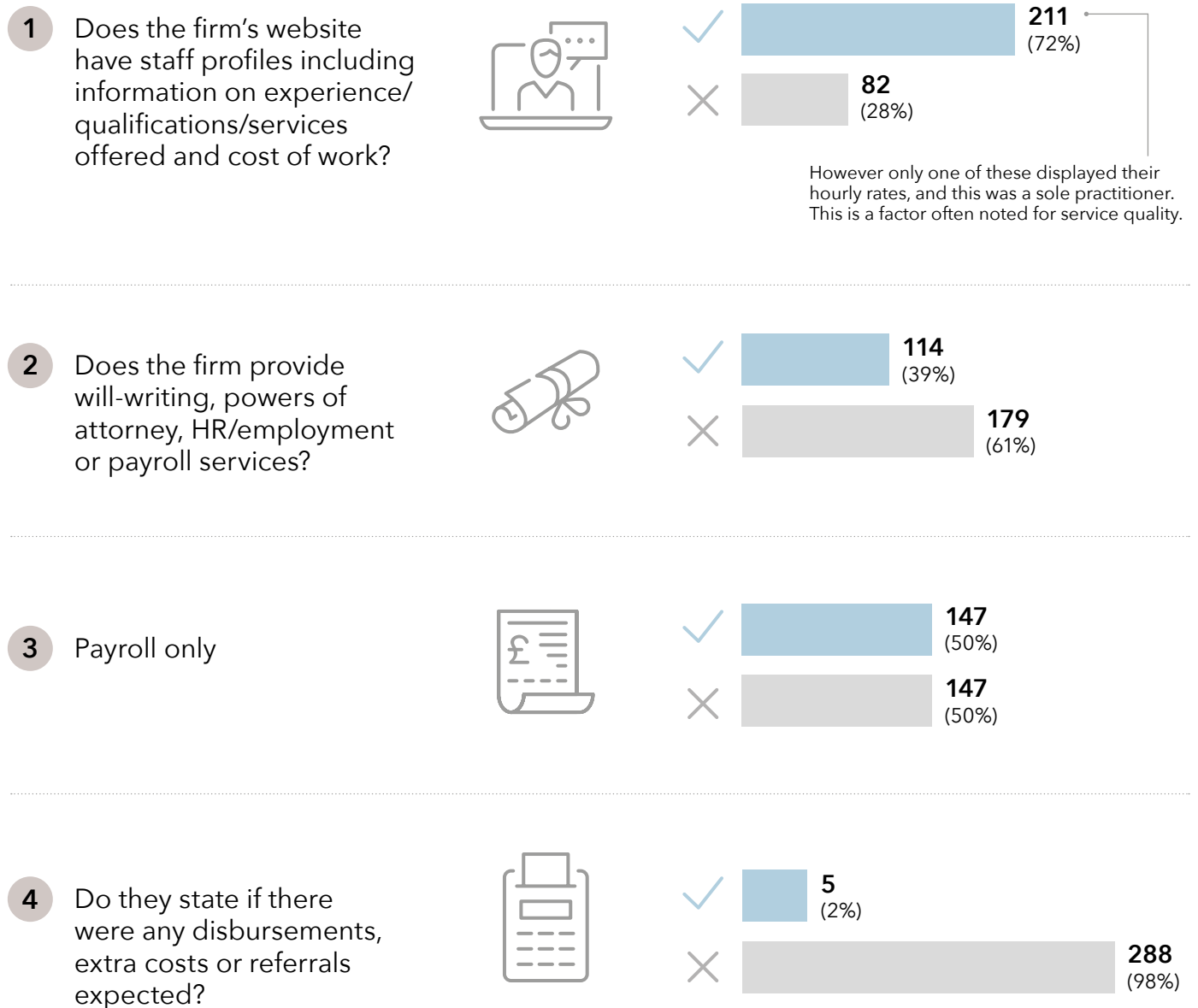


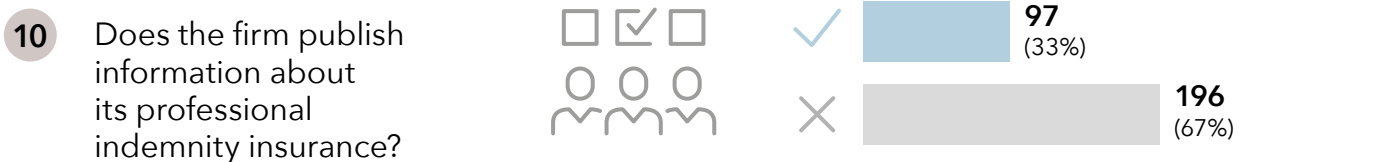
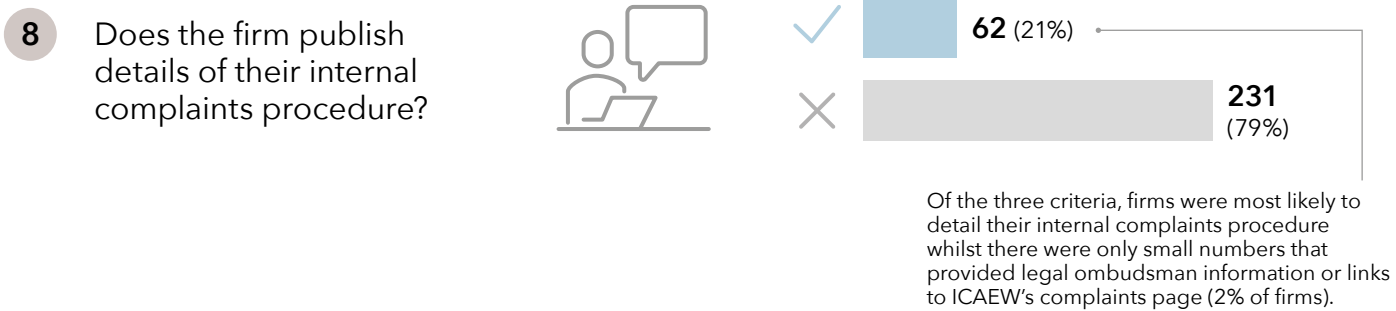
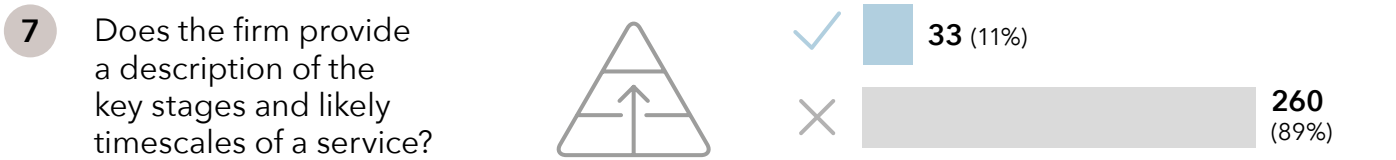
Research 2019

new best practice considerations

293 probate accredited firms that have websites reviewed. Only firms with websites have been included in the results.

RESEARCH QUESTIONS





What next?

The Guide was published online in June 2019 and hard copies were sent to every probate accredited firm.

We will reassess take up of the Guide later this year. The results will be published and shared with the CMA and LSB. The ICAEW Regulatory Board will then consider whether the voluntary approach is making sufficient progress to deliver the CMA's objectives or if it is necessary to make the best practice principles mandatory through embedding them into the probate regulations.

PREPARE FOR OUR 2020 PRICE AND SERVICE TRANSPARENCY COMPLIANCE REVIEW

Ahead of our next benchmarking review, please ensure you review the Guide to check you are incorporating as many of the recommendations as possible. Here are some of the updates you should consider making to your website and communications material such as brochures and engagement letters:

- Make it clear you are accredited for probate by ICAEW – 42% of firms had not published this at our last review. Use our accreditation to market your services and build trust with potential clients. [Download our 'accredited for probate' logo.](#)
- Tell your clients how you charge – 95% of firms had not published this at our last review. To help you improve transparency, guidance on pricing support is outlined in Appendix A in the Guide.
- Give clear descriptions of the probate services you offer – only 47% of firms had published this at our last review. Clients are much more likely to contact you if they know you offer the service they are looking for.

- Add staff profiles including experience, qualifications and specialisms. Give an indication of a pricing tier for each adviser.
- Publish your complaints procedure and information on the probate compensation scheme. This should include how to refer complaints to ICAEW and the Legal Services Ombudsman. By being clear and transparent about the formal procedures that are in place, you can give potential clients reassurance that you are a trusted adviser. Another valuable marketing tool.
- State your professional indemnity insurance details – 67% of firms did not include this information at our last review. [See Services Directive helpsheet, section 16](#)

RESOURCES

More resources can be found at [icaew/probate](https://www.icaew.com/probate) including guidance on [how to make the most of your probate licence](#) and the latest updates at [icaew.com/probatenews](https://www.icaew.com/probatenews)

Appendix A

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?
- Do they 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 are?
- 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?

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 role is independent of membership activities so that we can monitor, support or take steps to ensure change if standards are not met. This role is managed by the Professional Standards Department and overseen by the independent ICAEW Regulatory Board.

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.

*CAW, 2020 - Interbrand, Best Global Brands 2019

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