



Welcome to the sixth edition of Research Roundup, the Law Society's publication highlighting recent research on the legal services market, published by legal sector bodies, the Ministry of Justice, academics and others interested in the sector.

We have reviewed a varied range of material since May including research which highlights the difficulty in changing behaviours of legal services consumers and providers. Consumers continue to report good levels of choice but shop around in relatively small numbers, while Alternative Business Structures (ABSs) are still not generally using external sources of finance. Elsewhere diversity statistics for solicitors and the judiciary exhibit modest improvements.

Consumers and consumer markets



Findings from the seventh annual Legal Services Consumer Panel (LSCP) Tracker Survey were published in July, based on fieldwork conducted in February and March 2017. Reporting focused on how consumers are [choosing](#) and [using](#) legal services. Although a high proportion of consumers continued to report fair or great choice in legal service providers (little changed at 71%) – only one in four shopped around, actively comparing service and costs. Reputation continues to be the most commonly cited factor in choosing a legal service provider. Satisfaction scores remained strong and scores for solicitors were above those for other providers. Good value for money was reported by 61% of users overall, and by 64% using solicitors.

The Legal Services Board (LSB) commissioned Research Works to undertake a [qualitative study](#) (60 in-depth interviews) looking at how consumers with mental health problems and dementia experience legal services. The research identified how small steps by practitioners can make a big difference for people with dementia or mental health problems. Across both groups, a key theme was creating a safe space in which people feel comfortable to volunteer information or be sensitively asked about their needs. The LSB has also published a [desk review](#) which outlines existing research on consumer vulnerability, both in relation to mental health problems and dementia, and more generally.

On behalf of the Bar Standards Board (BSB), IRN Research undertook [research into the experiences of barristers' clients in family law cases](#). Engagement with individuals involved in a family law matter in the past two years encompassed an online quantitative survey of 1,200 consumers and qualitative telephone interviews with 50 consumers (subset of the online sample) who had used a barrister. Most clients of barristers were positive about the service received but some highlighted the limited contact they had with their barrister before going to court (and that this led to problems with the service they received). Meanwhile more than half of consumers surveyed were not confident about making an informed decision on who to turn to for legal advice at the start of their family law matter.

According to the 2017 [online survey](#) of members of the Chartered Institute of Legal Executives (CILEx) on first tier complaints by their clients, the most frequent complaints were 'Dissatisfaction with outcome or advice' (22%) and 'Delay' (18%). The annual survey was conducted by independent regulator CILEx Regulation, with 186 members who self-selected to take part from a larger pool receiving at least one complaint the previous year. On the outcomes of complaints referred onto the Legal Ombudsman (LeO); in 32 of the 39 cases LeO agreed with firm's findings about the complaint.

Providers of legal services



Research commissioned by the Bar Council, and published in June 2017 by the Universities of Cardiff and Bristol, shows that the bulk of work undertaken by paid McKenzie Friends is delivered outside court, with very few seeking actively to represent their litigant in person clients in the court room. [A study of fee-charging McKenzie Friends](#) and their work in private family law cases reveals that paid McKenzie Friends vary in their motivations, ranging from 'business opportunists', through 'good Samaritans' to 'family justice crusaders' and 'rogues'. It also reports evidence of a growing body of 'redirected professionals', who are switching from traditional legal practice to unregulated McKenzie Friend work.

According to the Solicitors Regulation Authority (SRA) there were a record number of reports of [cyber thefts from law firms](#) reported in the first quarter of 2017, with house moves the main target. The regulator received more than double the amount of reports of cyber theft in Q1 2017 compared with the same period of last year, with triple the amount (£3.2m) stolen. From April 2016 to March 2017 cases have involved around £11m of losses. Around three-quarters of cases involve some form of email hacking fraud, where criminals modify emails and alter bank details so funds go to the criminal.

Regulation



The LSB undertook [research](#) to help understand whether there are any regulatory barriers to investment in legal services. From an online survey of ABS firms - with 204 responses from 754 ABS licence holders approached - 66% either had already invested since gaining their ABS license or are planning to do so. Only 6% of ABS who took part in a survey indicated that they found legal services regulation was acting as a barrier to them accessing long term sources of finance, and the vast majority did not indicate difficulties in accessing finance. However, the most frequent source of funding was business profits or cash reserves; external sources of equity finance accounted for only a minority of investment funding sources. Engagement with the investor community revealed investors have concerns about the ability to exit the legal sector once their investment has matured.

Education and training



Statistical information from the BSB on [student performance on the Bar Professional Training Course \(BPTC\)](#) includes analysis of those enrolled from 2013 to 2015 (in theory the course is taken full-time over one academic year or part-time over two academic years). 4,435 students started the BPTC between 2013 and 2015, and of these 68.2% have passed the course to date (the overall pass rate is slightly depressed by one-quarter of students enrolled in 2015 not yet completing the course). The percentage of Overseas (non-UK/EU) domiciled students on the BPTC increased for the 2015/16 cohort to 43% - up from 33% in 2011/12 due to a continuing decrease in the number of UK domiciled students. 13.5% of all BPTC graduates in the period 2013 to 2015 achieved the highest grade, "Outstanding".

Big law



Part of the UK 200 series, [The Lawyer's analysis of the Top 100 UK law firms](#) by total revenue revealed that most of the UK top 100 firms managed respectable revenue growth in the financial year 2016/17 despite a slow start due to the Brexit referendum. Only 16 of the Top 100 firms posted lower or flat revenues on the previous year; a third managed at least a 10 per cent increase. Firms with greatest year-on-year growth were Fieldfisher, Watson Farley & Williams, Osborne Clarke and Holman Fenwick – linked to international expansion backed by niche market sector offerings. Analysis of revenue data for the past four years highlights the growth in overseas income of mid-tier firms – collectively rising 48 per cent to £872m in 2017.

The latest update of the Law Society Research Unit's City Legal Index - monitoring the number and value of new deals across economic sectors advised on by the top 50 UK City law firms - will reveal further indicators of the short term pick up in activity in 2017. And the longer term outlook will be signalled by the Law Society's latest economic forecasts of turnover, employment, net exports and prices for the UK legal services sector (solicitors, barristers and other legal services providers).

Results of [The American Lawyer's Global 100 survey](#), meanwhile, showed that at the world's very largest law firms - mostly based in the United States - revenue and profit growth is slowing. Only the very top tier of UK headquartered firms make the Global 100 list. Collective gross revenue grew by 2.8 percent in 2016, to \$99.3 billion, just shy of 2015's increase of 3.1 percent. Overall lawyer head count was 122,157, up 2.7 percent from 2015, and profits per equity partner among the Global 100 increased less than one percent to average \$1.6 million.

Diversity and inclusion



The [Law Society Annual Statistics Report](#) describes in detail the size and composition of the solicitors' profession in England and Wales and trends in entry to the profession in 2016. Representation of Black, Asian and minority ethnic (BAME) groups amongst practising solicitors rose to 16 per cent in 2016 and has more than doubled over the past 15 years. The proportion of female solicitors in BAME groups (57 per cent) was greater than the share amongst those of white European origin (48 per cent). In terms of the organisations solicitors work at, there was a further expansion of the share of practising solicitors working in-house, whilst the number of new trainees grew 5% year-on-year.

[Judicial Diversity Statistics for 2017](#), published by the Lord Chief Justice and Senior President of Tribunals, indicate only modest progress despite dedicated leadership by the Judicial Diversity Committee. In the four years to April 2017, the percentage of female judges increased from 18% to 24% in the Court of Appeal; 18% to 22% in the High Court and 24% to 28% in the courts judiciary. The percentage of BAME judges increased from 6% to 7%, while the percentage of non-barristers has decreased from 37% to 34%. Over the same period the shares of female and BAME judges in tribunals rose only marginally to 45% and 10% respectively.

Research in the pipeline



SRA

- Complaints handling: Jointly with the Legal Ombudsman the SRA has commissioned London Economics and YouGov to look into how firms' handling of complaints can influence the quality of service clients receive. Researchers will speak to firms and members of the public. Due winter 2017.
- The public's experience of conveyancing: Following up on research of solicitor experiences of conveyancing in 2013, around 1,000 former conveyancing clients will be asked by IFF Research for their views on the legal aspect of their house purchase or sale. Due Winter 2017.

Bar Standards Board

- Opinions on the quality of criminal advocacy: Research commissioned jointly by the BSB and SRA with the judiciary will be conducted by the Institute for Criminal Policy Research (ICPR) at Birkbeck, University of London. 60 judges will be interviewed across all six circuits of England and Wales. Due winter 2017.

Legal Services Board

- Small Business Legal Needs 2017: A repeat of the 2015 and 2013 surveys, collecting information from over 10,000 small businesses showing the origin of legal problems that they face and their strategies for dealing with these problems, including where they seek advice and their experiences of doing so. Due autumn 2017.
- Understanding Changes in Prices of Legal Services 2017: A repeat of a 2016 survey, collecting 1,500 prices across a range of scenarios. Due summer 2017.

The Legal Education Foundation

- The Value of Health-Justice Partnerships – Research on Outcomes, Implementation and Future Directions: The Legal Education Foundation is supporting the UCL Centre for Access to Justice's work on researching the links between legal advice, health and well-being. The project aims to establish the extent to which the provision of legal advice is associated with improvements in patient wellbeing and possible reduction of service use. Ongoing in 2017/2018.