



Welcome to the seventh 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 September, including reports analysing the legal needs of small businesses and which investigate experiences of the legal complaints process. As blockchain continues to make headlines, we cite research papers exploring the relationship between the law and blockchain, including GDPR and smart contracts. Elsewhere, research into the current training of barristers grapples with some of the challenges facing legal education to provide legal professionals fit for the future.

Consumers and consumer markets



The [2017 Legal Services Consumer Panel \(LSCP\) Tracker Survey](#) found little difference in consumer satisfaction with legal services in Wales (80%) and England (81%) and consumer behaviour between the two nations also did not vary significantly. Analysis of the results found transparency is essential for consumers to make informed decisions about their legal services provider. The results show low levels of price transparency amongst legal services providers. Only 6% of consumers found the price on the provider's website and 4% found it through a comparison website. 61% of consumers had a conversation with the provider to determine the price. But shopping around does work; 87% of those who did so believe that they have more choice than those who did not (67%). Yet, the ease of making a comparison between providers has fallen from 57% in 2016 to 48% in 2017.

The Law Society commissioned research to better understand the most useful information that solicitors can provide to consumers. London Economics and YouGov implemented a series of behavioural insight methods to explore the consumer journey when searching for legal services providers. [Findings from the October 2017 report](#) indicate that:

- Recommendations, especially from friends and family, are an important route to finding a provider and trust plays a key role.
- Online search is important when trusted recommendations are not available.
- Advertised price is given considerable weight in consumer decision-making, with less weight given to smaller print on what is included in the price and details on protections. This is particularly the case for vulnerable consumers.
- Participants reported that they value regulation, but most were not aware of what it involved. The focus groups and interviews found that consumer awareness of regulators in the legal sector is low.

Research undertaken by Ipsos-MORI in collaboration with the Law Society Research Unit shows a clear statistical link between getting early legal advice and resolving problems sooner. The results are based on econometric analysis of data from [the Law Society/Legal Services Board Legal Needs Survey 2015/16](#), and show that:

- On average, one-quarter of people who received early professional legal advice had resolved their problem within 3-4 months of the issue first occurring. For people who did not receive early legal advice it was not until 9 months after the original issue that one-quarter of individuals had found resolution.

- At any stage in the issue, people who did not receive early advice were 20% less likely than average to have had their issue resolved.
- The other main factors affecting problem resolution were the severity of the issues, and people's previous knowledge of their legal rights.

As part of continuing research to understand the perceived quality of legal services in the Personal Injury (PI) sector, the SRA visited 40 law firms in 14 areas of the PI market where concerns have been raised. The research was intended [to address how firms are operating in the PI market](#), whether the concerns expressed are prevalent and supported by evidence, and whether individuals are negatively affected by the actions of solicitors within the PI sector. In the findings, published in December 2017, firms generally showed they had systems and processes in place to make sure a proper service is provided to clients and many have dedicated teams to select and triage cases. Where areas of concern arose, these included: continued use of referral arrangements (despite the restrictions introduced by LASPO), insufficient explanation of costs, lack of training, and firms acting on fraudulent or frivolous claims.

Links between child contact with the public legal system and youth offending

In October 2017, the Ministry of Justice published an [analysis of the relationship](#) between previous contact of children with the public law system, for example as a result of family conflict, domestic violence, child abuse/neglect, and later youth offending. The analysis used, for the first time, matched data from Police National Computer (PNC) and the family justice case management database (FamilyMan). Some of the main findings were:

- previous contact of children with the public law system is associated with increased and earlier youth offending
- this relationship was greater for children who had their first contact with the public law system in their early teenage years
- the effects of first contact with the public law system in early teenage years is greater for females than for males.

The authors emphasise that associations do not necessarily imply direct causal links, but suggest the importance of early years preventative approaches and consideration to more joint working between the family and youth justice systems.

Purchasers of legal services



The LSB published its third [survey of the legal needs of small businesses](#) in February 2018. This new research analyses the experiences of 10,579 small businesses, showing the origin of legal problems they face, their strategies for dealing with these problems, and where they seek advice and their experiences of doing so. Around one-third of small businesses, those with less than 50 employees, had at least one legal problem in the previous 12 months. It also highlights the opportunities for legal service providers to reach this generally untapped market.

The research found that the vast majority of small businesses do not have internal legal capacity, defined as having a worker within the business that is either a qualified lawyer or has some training in handling legal issues. This has remained the case since 2013. Similarly, on-going contracts with legal providers, known as 'retainers', are also rare.

The total annual cost of small businesses' legal problems to the UK economy is estimated to be roughly £40bn. The average cost of a problem has fallen in nominal cash terms to £6,936 in 2017, compared to £8,270 in 2013 and £8,901 in 2015. Where professional advice was sought to resolve a problem, 39% used an accountant, tax adviser or financial adviser, whereas 32% used a solicitor firm or other legal adviser regulated under the Legal Services Act.

Regulation



The SRA and the Legal Ombudsman have jointly commissioned London Economics and YouGov to conduct independent [research into the experience of people making complaints](#) about solicitors' legal services. The research comprised online surveys completed by 539 firms and 2,016 dissatisfied users of legal services, and in-depth interviews with 15 firms, eight users of legal services and four stakeholders.

The research found that firms tend to differ in recording expressions of dissatisfaction as a complaint, particularly when the complaint is made verbally, and that small firms tend to respond quicker to complaints than large firms. Areas for improvement included: communicating information about the service and complaints process to consumers, supporting people with disabilities, and responding to and recording verbal complaints. 91% of the users of legal services say that having access to firms' complaints data would be helpful to them, while 36% of firms believe publishing complaints data will demonstrate that they deliver a good service.

Market trends



Against a backdrop of continued volatility in the price of bitcoin and a growing number of proposed uses for blockchain, Stéphane Blemus (Jan. 2018) published research looking at the [legal perspectives on law and blockchain](#). The paper compares the current regulatory trends in selected relevant countries on the various applications enabled or issues raised by the blockchain technology. Findings indicate many 'soft law' decisions have been published worldwide, but 'hard law' legislations and few court rulings are to be counted.

Key features of blockchain technology, such as decentralisation and resilience, provide a strong basis for potential use of smart contracts. Research by Paul Catchlove (Dec. 2017) argues that [smart contracts are well managed by existing contract law principles](#), and suggests the use of Boolean logic removes the need for interpretation and provides a higher level of certainty in contracts. One of the major impediments to the use of blockchain and smart contracts has been the lack of knowledge and research regarding whether they can operate within current contract law or if additional regulation is required.

Michèle Finck (Nov. 2017) examines [data protection on blockchains and other forms of distributed ledger technology](#). Transactional data stored on a blockchain constitutes personal data for the purposes of GDPR. The research examines the implications of interpreting GDPR with respect to blockchains, fundamental rights protection and the promotion of innovation.

Education and training



In December 2017 the Bar Standards Board published two new pieces of research intended to provide a qualitative and quantitative evidence base to inform the current decision-making about the future training of barristers. There was a focus on potential barriers to success and entry in the structure and teaching of the Bar Professional Training Course (BPTC) and Qualifying Sessions, or in the structure and process of applying for a pupillage.

The [qualitative research](#) identified perceptions of the Bar as the preserve of an elite, privileged group, more accessible to white men from an elite educational background. Also cited were a lack of access to accurate information about training for the Bar, the financial costs of training and access to funding. However, the study showed that impacts vary by individuals' characteristics and training structures. The implications for the Bar focus on the cost of training and the transmission of accessible, timely and realistic information.

The second report provides [a quantitative analysis of high level, aggregate data](#) in relation to the performance of students on the compulsory BPTC and progression to the final stage of training, known as pupillage. Findings indicate that ethnicity has a significant predictive value for BPTC average module scores, and that ethnicity and socio-economic status both have a significant predictive value for success at obtaining pupillage.

Diversity and inclusion



In [Unlocking the benefits of diversity](#) the SRA questioned what is being done, and what can be done, to improve the representation of female and black, Asian and minority ethnic (BAME) solicitors in senior roles such as partners or directors. Data came from a questionnaire sent to 70 firms identified as showing exceptional diversity profiles for female and BAME solicitors, depth-interviews at 32 of these firms and engagement with various interest groups. The latter approach was to examine the reasons behind career choices and identify firms that have taken positive steps for the career progression of female and BAME solicitors. Unsurprisingly the majority of the career choices for both female and BAME individuals related to practical considerations and economic values, yet those who chose a firm for flexible working or childcare arrangements sometimes felt there was a lack of challenge in their work.

In addition, the SRA commissioned independent quantitative research on solicitor career progression and how it is influenced by gender and ethnicity. The work, conducted by the University of Leeds and Newcastle University Business School, used SRA data from 1970 to 2016 to undertake a statistical analysis of how solicitors' careers have progressed since admission to the Roll. The analysis found that there has been a large increase in female new entrants and an increase in new admissions by BAME solicitors particularly over the last ten years, although partnership remains male dominated with only one-third of partners being female.

Research in the pipeline



Legal Services Board

The LSB has commissioned BMG research to undertake a survey of the legal sector to look at innovation and technology. This will update the [2015 survey of innovation undertaken](#) by the LSB and the SRA. The research seeks input from 1,500 legal services providers. If you are contacted to participate in the survey, the LSB would gratefully appreciate you taking the time to speak to the research team. The LSB expects to publish the findings of this research in Summer 2018.

MoJ

Research on the citizen user experience of the HM Courts & Tribunals Service (HMCTS) is expected to be published by Spring 2018. The same agency is seeking solicitors to participate in research to help them better understand the needs and expectations of legal professionals as they relate to HMCTS services. Participants will be asked to take part in one focus group with their peers, lasting up to two hours. The findings will help to improve the delivery of existing services and the development of future ones.

Law Commission

In February 2018, the government asked the Law Commission [to review the laws around offensive communications](#) and assess whether they provide the right protection to victims online. With research showing that nearly a third of UK internet users were on the receiving end of trolling, harassment or cyberbullying last year, the independent body will provide a robust review of the current laws and set out how they apply to online communications. This independent review of the law is expected to be published within 6 months with the possibility of further work looking at potential options for reform.