



**OLC BUSINESS PLAN**

**A RESPONSE BY ILEX PROFESSIONAL  
STANDARDS LIMITED**

**CONSULTATION BY THE OFFICE OF LEGAL  
SETTING OUT ITS APPROACH TO SETTING UP  
THE NEW OMBUDSMAN SERVICE**

**DATE: 4 DECEMBER 2009**

## **Introduction**

1. This response represents the views of ILEX Professional Standards (IPS), the regulatory arm of the Institute of Legal Executives (ILEX).

## **ILEX Professional Standards**

2. IPS is a regulatory company established by ILEX to take responsibility for the regulation of Legal Executives. ILEX is the professional body representing 22,000 qualified and trainee Legal Executives and is an Approved Regulator under the terms of the Legal Services Act 2007 (the Act).
3. ILEX and IPS are committed to regulating Legal Executive businesses and businesses in which Legal Executives are partners and directors by 2012. IPS will be responsible for establishing regulatory arrangements that not only comply with the requirements of the Act and with any regulations made by the Legal Services Board (LSB) under the Act but that also provide public protection.

## **Executive Summary**

4. IPS supports the general approach the Office of Legal Complaints (OLC) proposes to take in setting up the new Ombudsman scheme. At stages, the timetabling of activities appears too optimistic. It is understood that to balance this, the OLC has built in risk mitigation. However, despite this balancing method, the activity timetable at times doesn't correlate throughout which renders the timetable unrealistic at parts.
5. A lot of elements are unknown and need to be assumed. As a result there is uncertainty as to how realistic the proposed timetables and budgets are. Consideration needs to be given to whether through engagement with the sector assumptions can be tested to enable a higher level of confidence in the outcomes.
6. The remainder of this response sets out observations and suggestions on the proposed implementation plan where IPS is able to offer a view. Comments are divided into the area headings provided in the consultation paper.

## **Key Assumptions**

7. The OLC predict that there will be a significant uplift in the number of complaints the new scheme will receive compared with its predecessor. Will the mentioned use of new technology and a streamlined complaints handling process equip the OLC to deal with the predicted uplift?

## **Business Process**

8. It is mentioned in the paper that the new scheme will introduce a more streamlined complaints handling process. It appears from the structure diagram presented on page 6 that the process is in fact quite elaborate. We are not sure that with such an elaborate process the OLC will achieve a realistic case completion timescale.
9. With regards to the process itself, it is presented at high level; however, it is unclear why the case needs to be allocated to a Team Leader twice that is unless it is the same Team Leader on both occasions. Furthermore, is the complaint agreed solely by correspondence or also by telephone or even interviewing in extreme complex cases?
10. A paper-based scheme may also hinder the OLC's ability to achieve realistic case completion timescales. Telephone contacts with complainants are important for, as an example, determining whether or not the complainant falls within the scope of the scheme. In recognition of the importance of the initial point of contact, considerable investment in call-management technology may be beneficial. It is a good idea to have a contact division that provides general information and guidance, and actively looks for opportunities to resolve complaints so that they do not turn into full-scale cases requiring investigation.
11. The Financial Ombudsman Services handles over 1000 telephone calls per day so it is understandable that they have invested considerable resources in call-management technology. The OLC may not be expecting as many calls, however bearing in mind that it is expecting uplift in the number of cases received by previous schemes. It should be prepared to receive around 6,000 calls each month<sup>1</sup>.

## **IT**

12. The OLC aim to purchase one of the packaged systems which are commonly in use in other similar schemes, adapting it for its own purposes. Should the OLC have considered an IT system used by the large legal complaints bodies as more appropriate? Such systems would have been tried and tested in relation to the volume and nature of complaints.
13. The system that is procured will be tested and signed off by the second quarter of 2010. Is that a realistic timeframe? It appears to be a very short time for testing and really is dependent on the system working well from day one without a need for amendments or alterations.
14. To mitigate the risk of the normal implementation exceeding the planning window, not only will the OLC have to keep critical path and

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<sup>1</sup> Based on LCS performance figures for October 2009. LCS received 5880 calls on its helpline in that month.

lead times under continual review, but will also need to be able to take action to address problems.

## **People**

15. The OLC is looking to recruit, train and deploy between 300 and 350 full-time staff. The number of staff will have to be sufficient to manage the workload expected. However, considering that the OLC will not be continuing with past complaints from other complaints handling bodies, it is probably not necessary to recruit such high numbers on day one.
16. Furthermore, it is unclear why the design, planning and implementation phase of work needs to be undertaken by a different set of people i.e. contractors. Having two recruitment processes solely increases costs and delays when the OLC will formally be in steady state. Would it be more cost-effective to employ permanent staff from day one?
17. The OLC aim to have ~~teams~~ in place between the first quarter and third quarter of 2010. It is unclear whether the teams will be recruited and fully trained by that time or solely recruited. It would create a greater risk if it is the latter. In order to achieve consistent decision making from day one of operation fully trained members of each team will need to be in place. It would then be wise to slowly increase staff recruited to each team with an aim to have full teams in place by the third quarter of 2010 if necessary.

## **Knowledge management/quality**

18. The milestones within this section are useful however they refer solely to getting the scheme running. The milestones don't appear to leave enough time to have trained teams in place. For example, if the Senior team will be in place by the first quarter of 2010, assuming that ~~in~~ place means recruited and trained it will be rather difficult to achieve that milestone if knowledge systems will be populated and the scheme running by the third quarter of 2010.
19. Within this section, the key deliverables between the first and third quarter include knowledge management system training, objective quality assurance system training and generally the creation of training programmes. If staff will start to be recruited from the first quarter the training should have been created before staff are recruited, because staff will not be able to be trained from day one let alone start work.
20. Furthermore if the staff effectively have 3 to 6 months before they are able to start work it would be cost effective and beneficial if the staff that are recruited in the first quarter are able to work on design, planning and implementation; work that is planned to be undertaken by contractors.

21. The OLC has set as a critical success factor, consistency in Ombudsman decisions. Will the Ombudsman team be provided with sanction guidelines and OLC investigation staff with guidelines to aid the making of recommendations?
22. One of the identified risks that may affect the OLC on a larger scale than expected is the risk that the level of information required by regulators overwhelms the process and interferes with the OLC's ability to resolve disputes and provide redress. To ensure that the OLC is not overwhelmed, it should consider agreeing information sharing protocols with stakeholders very early in the process.

### **Premises**

23. The OLC has been using existing Government premises which as stated in the paper do not wholly meet its needs. It was sensible to use Government premises to ease initial expense. Perfection from day one not only in premises but also technology and people, is not always possible.

### **Communication**

24. IPS agree with the OLC's communication strategy. The legal profession and their customers need to receive clear communication about the new scheme. This is an area where the OLC needs to work closely with the legal profession and existing legal complaints handling bodies. A clear and consistent message needs to be delivered to potential users of the scheme.
25. It is very important that the OLC not only modernises complaints handling but also minimises/eliminates confusion that exists with present complaints procedures in the legal service.

### **Finance**

26. IPS agrees with the proposed finance budget however there is concern about the amount allocated as contingency. £700,000 does not allow much scope if any additional money is needed for unexpected matters.

**IPS 4 December 2009**