



The City of London Law Society

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Response to Consultation on Legal Services Board's Draft Business Plan for 2009/10

The City of London Law Society ("CLLS") represents approximately 13,000 City lawyers through individual and corporate membership including some of the largest international law firms in the world. These law firms advise a variety of clients from multinational companies and financial institutions to Government departments, often in relation to complex, multi jurisdictional legal issues.

The CLLS responds to a variety of consultations on issues of importance to its members through its 17 specialist committees. This response in respect of the consultation on the Legal Services Board's Draft Business Plan for 2009/10 (attached to the LSB's letter to the CLLS of 28.01.09) has been prepared by the CLLS Professional Rules and Regulation Committee.

Generally, we think the draft is a positive and well constructed document, and we have few comments on it. Inevitably, much will depend on the implementation, and we will be happy to play our part in helping to make that successful.

The points we would like to make on the plan itself are as follows:

1. Consistent with the Legal Services Act 2007, the plan has a strong focus on "consumers". From the perspective of the firms which we represent, whose clients are to a very large extent corporate entities, the phrase "consumer" has little resonance. To a large extent, the clients of these firms would describe themselves as "sophisticated users of legal services"; the firms would not characterise their clients, nor would the clients describe themselves, as "consumers". It follows that, when reading the business plan, one wonders right through to paragraph 48, whether the document is concerned at all with the law firms serving this "corporate" market. We would therefore suggest that the business plan could make it clear at the outset that, despite the terminology and frequent use of the phrase "consumer", the focus of the LSB is, just as much, on the firms serving the corporate market.
2. As you will be aware, the SRA's ability to regulate the larger firms focused on "City" work is not proven. We believe this is an issue which urgently needs consideration and we very much hope that the review being carried out by Nick Smedley at the instigation of the Law Society will be fully taken into account. We therefore believe that the LSB's business plan should make reference to the need to deal with this issue, and to monitor (at least) the outcome of the Smedley review and the responses to it. This has particular relevance in the context of the LSB's stated aim to

achieve "certainty and confidence in the regulatory structures" (paragraph 6), progress in "raising the performance of ARs across the board" (paragraph 8), and making "legal services regulators in the UK...world leaders" (paragraph 85).

3. Whilst the interests of consumers will in many circumstances guide the LSB's direction, we believe that the rule of law, administration of justice and the independence of the profession should be given primacy over consumer interests where there is a conflict and some acknowledgement of this might be made in your plan. For example, you state in paragraph 20 that "Any regulatory regime must put the interests of the consumer first." We would have thought that a regulatory regime for legal services should put the rule of law, etc., first and therefore that your statement should be subject to that caveat.

We hope these brief comments are considered helpful.

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