

## Research Specification: Statistical analysis of consumer data

### Purpose

The purpose of this work is to provide a statistically robust analysis of survey data sets in relation to consumer's response to legal needs. The analysis will be based largely on the 2012 survey of individual consumers' experience of and response to legal problems.<sup>1</sup>

### Background

The LSB has been set up to reform and modernise the legal services market in the interests of consumers, enhancing quality, ensuring value for money and improving access to justice across England and Wales. The LSB will achieve this pursuing its regulatory objectives<sup>2</sup> and providing regulatory oversight for the eight approved frontline regulators<sup>3</sup>.

Existing regulation of legal services consists of a number of branches of the profession, some with reserved titles, other branches do not have reserved titles but are allowed to practise one or more of the six *reserved legal activities* set out in the Legal Services Act 2007:

- The exercise of a right of audience
- The conduct of litigation
- Reserved instrument activities
- Probate activities
- Notarial activities
- The administration of oaths.

The role of the LSB given to us by the Legal Services Act 2007 is to support the delivery of the regulatory objectives.

The legal services market(s)<sup>4</sup> consist of a range of suppliers – from the traditional professions who are regulated as legal service providers, to a range of other professionals (accountants, bankers, financial advisers) to third sector providers (Citizens Advice, Law Centres, Councils etc.). An analysis of consumer's use of legal services is contained in the 2012 Legal Services Benchmarking research report<sup>5</sup>. This represents the biggest survey of its kind to date, in terms of breadth of legal problems

---

<sup>1</sup> A weighted sample of 4,017 individual adults in the UK, online survey carried out between 5-16 January 2012. <http://research.legalservicesboard.org.uk/news/data-sources/>

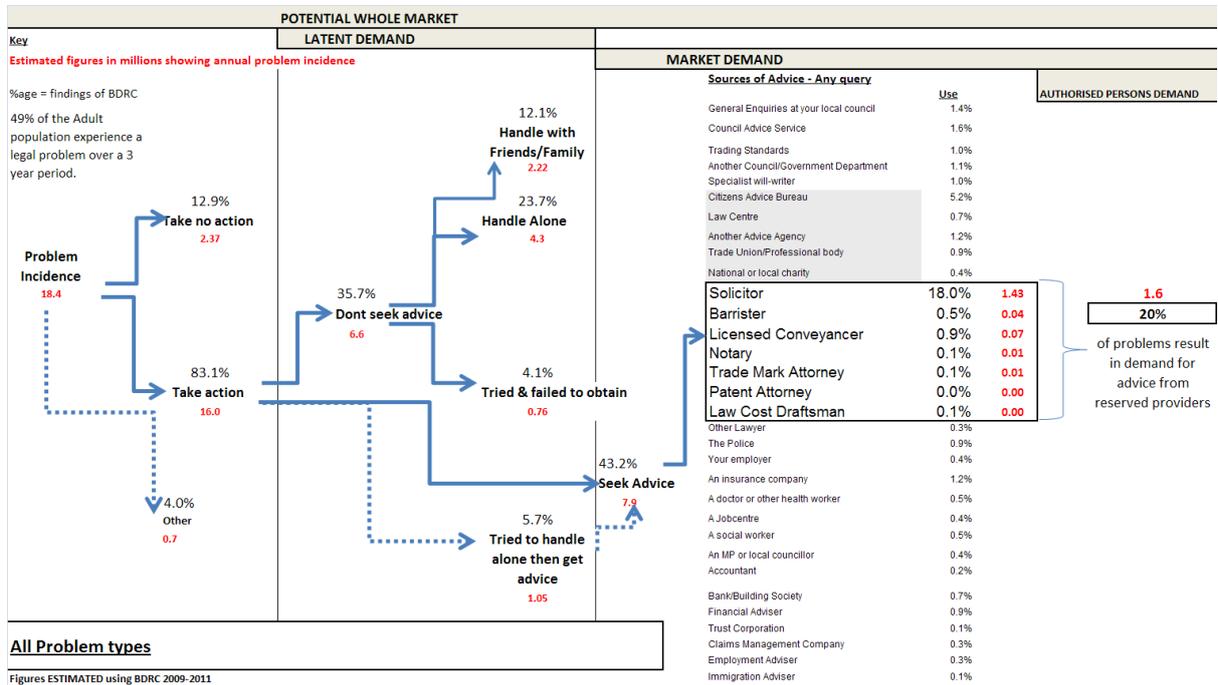
<sup>2</sup> [http://www.opsi.gov.uk/acts/acts2007/ukpga\\_20070029\\_en\\_2#pt1](http://www.opsi.gov.uk/acts/acts2007/ukpga_20070029_en_2#pt1)

<sup>3</sup> The Law Society, General Council of the Bar, Council for Licensed Conveyancers, The Institute of Legal Executives, The Chartered Institute of Patent Attorneys, The Institute of Trade Mark Attorneys, Association of Costs Lawyers, Master of the Faculties.

<sup>4</sup> [http://www.legalservicesboard.org.uk/news\\_publications/latest\\_news/pdf/a\\_framework\\_to\\_monitor\\_the\\_legal\\_services\\_sector.pdf](http://www.legalservicesboard.org.uk/news_publications/latest_news/pdf/a_framework_to_monitor_the_legal_services_sector.pdf)

<sup>5</sup> [http://www.legalservicesboard.org.uk/what\\_we\\_do/Research/Publications/pdf/individual\\_consumers\\_use\\_of\\_legal\\_services\\_lsb\\_report\\_17\\_07\\_12\\_ii.pdf](http://www.legalservicesboard.org.uk/what_we_do/Research/Publications/pdf/individual_consumers_use_of_legal_services_lsb_report_17_07_12_ii.pdf)

covered, and a summary of areas covered can be found in the appendix. This survey of 4017 adults in the UK found that in practice only 43% of people with a legal problem sought advice and around half of those sought advice from regulated providers (see chart below).



Responses to legal need vary along two main dimensions – the individual and the problem faced.

Overall 44% of respondents took some form of professional advice, 12% sought advice from friends and family, 27% handled the legal need without help and 14% did nothing. Action taken does vary by social class and income, for example legal needs involving social class DE are more likely to have no action taken on their legal need, 18% compared to 12% overall.

Not taking action in response to a legal problem is of interest in relation to our regulatory objective *increasing public understanding of the citizen’s legal rights and duties*. Social group DE were more likely to do nothing, as were people on lower incomes: 17% of those with household income of less than £20,000 took no action compared to 12% overall. There are a wide range of reasons why people take no action in response to a problem including positive reasons such as the problem was resolved (8%). However, the biggest single reported category reason was thinking nothing could be done (36%). Further a lack of knowledge of services – didn’t know advice was available (1%), didn’t know where to get advice (2%) - and the general perception of services - costs too much (6%), take too long (3%), not worth the hassle (3%), previous advice not helpful (1%) – were key drivers in other areas.

The decision to handle alone is of primary interest in relation to our regulatory objective *Improving access to justice*. In most cases consumers took an active decision to do it themselves – thought it would be easy to resolve (24%), confident they could do it themselves (17%), enough time (12%), done it before (8%), - a healthy part of access to justice. However, consumers also reported handling alone because of a lack of knowledge of services – didn’t know advice was available (4%),

didn't know where to get advice (3%) - and the general perception of services - costs too much (9%), take too long (3%), not worth the hassle (3%), previous advice not helpful (1%) not trusting lawyers (1%) – were key drivers in other areas. It appears that the experience of handling a legal need alone is normally a positive one, as the majority (69%) would do it again and a majority would recommend others to handle a similar legal need alone.

Where consumers do seek legal advice, the main reasons were to obtain or preserve money or property (36%), to get compensation (11%), or to put something right that had gone wrong. 'Reserved' legal needs – those provided by authorised lawyers - made up 20% of all legal needs, but these providers were involved in 47% of all legal needs that required advice.

Individuals who sought advice often went to more than one source of advice. The most frequently used type of advice provider was solicitor (45.4%), and the next most common was Citizens Advice Bureau (11.8%), and advice agencies (2.6%).

Providers were chosen mainly via Internet searches (17%) recommendation via friends and relatives (22%) and previous use of a provider (22%), but this varies significantly via problem type. The most important factor in choosing an adviser was their reputation (58%) with cost coming next (40%).

Where advice was, sought consumers felt that it was successful in 89% of cases, and reported generally high levels of satisfaction with 54% of those receiving advice from lawyers having high levels of satisfaction. Only 19% of consumers who took advice and were dissatisfied complained to the Legal Ombudsman.

## **Issues and scope**

While the survey report provides a good summary description of the survey findings we are looking use the survey data to address a number of assumptions made in relation to legal services. These assumptions are often asserted in the legal sector, but our review of existing information highlights a lack of reliable data analysis to support these assumptions.

We are seeking the production of a statistical analysis that we will use as a building block for a range of regulatory policy development, and in monitoring the impacts of legal services reforms. In particular, the data analysis should seek to address the following areas:

Problem incidence and response:

- Combining survey data with Office for National Statistics social demographic data, develop statistically robust estimated volumes of legal need broken down to local authority level and by problem type.
- Determine what factors can be used to predict which groups of consumers will take a particular course of action in responding to each category of legal need. (Take no action; Handle alone, Seek advice etc).
- For respondents with multiple legal needs, controlling for other factors, to what extent are they consistent in their approach to different legal needs?
  - o For those that actively chose to handle the problem alone but seek advice in other incidences, what pattern does variation take?

- For those that actively chose to handle the problem alone but end up seeking advice in other incidences, what pattern does variation take?
- For those that try and fail to obtain advice and end up handling the problem alone what pattern does variation take?
- Apply these predictors to the estimated model of incidence to allow identification of geographical 'hotspots' of 'unmet' legal need, in terms of predicted response type by category of legal need.

#### Income and response:

- Controlling for different social demographic factors and type of law, how far does level of household income determine response to legal problem?
- Controlling for different social demographic factors and type of law, how far does level of household income determine choice of legal service provider?

#### Price discrimination:

- Looking at the range of prices paid in relation to divorce, conveyancing, and probate, and controlling for other factors (provider type, type of advice provided, geography etc) is there any statistical evidence of price discrimination? (Sample sizes may prohibit this)
- Looking at the types of payment terms used and controlling for other factors (provider type, type of advice provided, geography etc) is there any statistical evidence of price discrimination? (Sample sizes may prohibit this)

#### Service delivery:

- Controlling for different social demographic factors and type of law, what factors determine the method of delivery of the service (face to face, telephone, web, etc)?

#### Service experience:

- Controlling for different social demographic factors do specific categories of law generate higher levels of dissatisfaction and different responses to dissatisfaction?
- Controlling for different categories of law do groups of consumers (based on social demographic factors) generate more complaints?
- Controlling for different social demographic factors and type of law, is there any relationship between how the consumer found the provider they used, and level of satisfaction with service and outcome?
- Controlling for different social demographic factors and type of law, what is the relationship between reasons for dissatisfaction and response to dissatisfaction?
- Controlling for different social demographic factors and type of law, what factors contribute to consumers saying they would handle alone in the future having received advice in this incidence?

It is for the statistician to determine the most appropriate statistical approaches, and explain their rationale for this choice. The outputs must be statistically valid. We anticipate that due to sample

sizes this depth of analysis would require collating the 28 different problems types used in the survey into fewer larger categories, in line with the market segmentation framework<sup>6</sup>.

We envisage this work as constituting an intense but short period of analysis. We anticipate a close level of working with LSB staff at the outset, and some working at LSB offices.

We will publish all outputs from the analysis on the LSB [research web pages](#) where we would expect them to generate debate among legal services stakeholders.

### **Tender Evaluation Criteria**

All projects commissioned by the LSB are subject to our standard terms of contract. Tenders will be evaluated on best value for money and will be assessed on the basis of:

1. Overall cost. Please include appropriate breakdowns of activity and cost.
2. The extent to which tenders are clearly written and meet the specified objectives, present a sound methodology, explaining proposed analytical approach, identifying any potential problems, and proposing suitable solutions.
3. Address outputs and ensure these are in line with requirements and the required timing of the project.
4. Past experience, expertise, project management, and commitment to diversity.
5. The ability of the analyst to write about complex technical issues in clear accessible language

### **Deliverables**

#### Output

The output for this data analysis should be:

- SPSS report file and analysis tables.
- Key results in Excel format.
- Short write up of steps taken.
- Summary presentation of findings to LSB staff, covering rationale for choice of statistical models chosen, explanation of statistical terminology, as well as key findings.

#### Project plan

Tenders should include a project plan and time schedule for the work that identifies the main task and key milestones that will be used to monitor progress. The plan should be accompanied by a resource profile, giving a breakdown of the resources in person days allocated to each task. We would also expect the tenders to include a clear analysis of the potential risks and how they propose to mitigate them during the project. We value tenders that are short and concise.

### **Duration**

The analysis should commence in December 2012 and complete no later than the end of March 2013. Presentation to the LSB should take place week commencing 25<sup>th</sup> March 2013.

---

<sup>6</sup> Details of the categories of law used in the segmentation framework can be found here <http://research.legalservicesboard.org.uk/analysis/supply/static-market-analysis/market-segmentation/#Market-segmentation>

Tenders should set out dates for completing key milestones such as information gathering, analysis, synthesis and report writing.

### **Legal Services Board Contact Details**

Tenders with any queries about the research specification should contact:

Robert Cross 020 7271 0091

**Tenders must be submitted by 5pm on Friday 7<sup>th</sup> December 2012**

### Appendix

The data from the survey is available on [the LSB website](#). The large survey had over 400 questions, but these can be grouped into the following areas:

1. Profile of legal need – LND: prefix before the existing question label
2. Did Nothing/Took no action – TNA
3. Dealt with myself without help – DWM
4. Dealt with myself with help of family/friends – DWF
5. Obtained advice/assistance/help – OAH
6. Tried but failed to get advice but dealt with myself – FDM
7. Tried but failed to get advice then did nothing – FNA
8. Tried handle alone then get obtained advice/assistance/help – DOA
9. Other – OTH
10. Advice experience – AEX
11. Advice Outcome – AOU
12. Third Sector Advice – TSA
13. Legal need journey – LNJ
14. Conveyancing journey – CON
15. Divorce journey – DIV
16. Probate journey – PRO
17. Demographics - DEM