

About the Legal Ombudsman and its strategic framework

The Legal Services Act 2007 (the Act) established the Legal Ombudsman scheme (LeO) and the Office for Legal Complaints (OLC) to administer it. The Act also established the Legal Services Board (LSB) to oversee the regulation of the legal profession in England and Wales. Both the OLC and the LSB are Arm's Length Bodies of the Ministry of Justice (MoJ).

The Legal Ombudsman's primary role is to resolve complaints between providers of legal services and their customers that haven't been resolved to customers' satisfaction. This includes complaints about the majority of legal services provided in England and Wales. There are certain rules and limits that might mean LeO can't or isn't the right organisation to help. These are set out on LeO's website.

Vision: Our work builds genuine confidence in legal services in England and Wales

Mission: To be an independent and impartial ombudsman service providing reassurance and redress while constructively challenging the legal sector

Strategic objectives













1. Improving the experience of our service for complainants and service providers while using our expertise to guide and add value to the complaints journey.
2. Developing our service to ensure it is appropriate for the evolving legal sector.
3. Increasing the transparency and impact of our casework to support greater access to justice.

2021/22 Business Plan priorities

1. Support existing staff to increase performance and productivity.
2. Identify innovation opportunities that speed up the complaints process.
3. Focus learning and insight work on providers who require support to prevent and resolve complaints.

Performance against the 2021/22 Business Plan

Performance at a glance

New complaints received	 7,353	Complaints resolved	 6,565
Cases waiting at 31 March 2022	 5,863	Complaints resolved through early resolution	 1,230
Average days taken to investigate a low-complexity complaint	 87	Reduction in journey time for a low-complexity complaint under early resolution	 66%
Customer journey times in days for low, medium and high-complexity complaints	 356 526 745	Budget underspend relating to recruitment challenges	 £779,000
Average monthly cases resolved per investigator	 7.9	Monthly average attrition (FTE)	 2.8
Proportion of full-time established resource compared with our plans	 85%	Professional learning courses or best-practice engagement activities	 24

Summary

The current strategic framework was set when it was already clear a backlog of cases was developing at the front end of the Legal Ombudsman's service. During 2021/22 significant progress was made in making LeO a more proportionate service, rebalancing LeO's approach towards earlier resolution – to help reduce waiting times and ensure customers received outcomes at an earlier point where that was appropriate.

Improvement increased across the year, with particularly strong progress in the final quarter. LeO is set to deliver a sustained upward trajectory across 2022/23, meaning that by April 2023 there will be half the number of cases waiting than at the beginning of the year. Building on progress in 2021/22, a significant number of cases will get LeO's input within weeks, rather than having to wait months just for an investigation to begin.

In summary:

- **LeO has delivered more with less.** LeO resolved 39.6% more cases in 2021/22 than in 2020/2021, delivering 93% of Business Plan case closure forecasts with approximately 85% of the anticipated established investigator resource. We met revised case resolution targets for six consecutive months, increasing month-on-month, and in March 2022 exceeded case projections by almost 30%.
- **The action we have taken is improving customers' experience.** Users and providers of legal services have already benefited from LeO's expertise and input at a much earlier stage. Based on cases closed in February 2022, the average customer journey time for early resolution cases was just 37 days from the point we received the information we needed, compared with the 10 months it would take for an investigation to begin for cases waiting in the Pre-Assessment Pool (PAP).
- **Our early resolution initiatives have delivered – and will continue to deliver in even higher numbers.** Across 2021/22 our emphasis on early resolution has increased; in April 2021 these accounted for one in ten (10%) of closures, in October this had risen to one in six (17%), and by March 2022 it was approaching one in three (30%). In April 2022 we will be resolving more cases this way than the assumption in our 2022/23 Business Plan. We have identified that 39% of cases currently waiting for an investigation, and 46% of new cases we are receiving, are suitable for early resolution.
- **We have invested in LeO's people.** Through adopting a national recruitment strategy, we are starting 2022/23 with a full complement of investigators and have recruited to replace attrition for the first half of the year. We have seen a 20 percentage-point increase in how our staff rate leadership and change-management. Our comprehensive People Strategy will ensure we continue to attract and retain highly skilled and motivated people.
- **Confidence in LeO is being restored.** Stakeholders are telling us that our commitment to radical action and transparency has made a tangible difference in rebuilding their confidence in LeO. This was echoed by the board members of the Legal Services Board who, in approving LeO's 2022/23 Budget and Business Plan, recognised the significant progress LeO has made.

- **LeO is now on a clear and realistic upward trajectory.** Taken together, the headway we have made, and the momentum with which we end 2021/22, mean that the volume of cases waiting for an investigation is reducing and will be reducing on a sustained basis from early 2022/23. We are on course to halve the number of cases waiting by March 2023, and to reach an average 90-day turnaround for most of LeO's cases in 2024/25.

Performance against Business Plan priority one

Support existing staff to increase performance and productivity

- For much of 2021/22, LeO's inability to attract and retain the required number of people had a significant impact on how far it was able to meet its anticipated recovery trajectory during 2021/22. In spite of this, the hard work and commitment of existing staff meant LeO still resolved 40% more complaints than 2020/21. This represented 93% of the complaints it expected to with 85% of established FTE.
- During the first half of the year, our operational team recruited 33.5 FTE across three campaigns, who have performed above expectations under the new "grad bay" induction (see below). However, due to a competitive and saturated local recruitment market, LeO needed to take further action to ensure sufficient people were recruited to reach its aims for resolving complaints.
- For the first time, LeO worked with recruitment partner to roll out a national campaign. This had an overwhelming response and resulted in offers being made to 39 people – meaning LeO began 2022/23 with a full complement of investigators, who are expected to reach full productivity in the year ahead. LeO also maximised the success of this campaign to recruit early to replace assumed attrition for Q4 of 2021/22 and for the first half of 2022/23.
- The Legal Ombudsman has also been experiencing high rates of attrition among new starters, indicating that they didn't feel they were receiving the support and structure they needed to build a career. In 2021/22 LeO took a number of steps to improve support for new investigators, based on feedback from previous cohorts.
- Looking ahead, the impact of LeO's continued focus on operational performance variation will also have resulted in some employees leaving us, impacting attrition rates. In addition, the general shift to homeworking has given people more choice of employment, with location no longer a factor in many cases. LeO also recognises it doesn't currently have a competitive reward offer, and a benchmarking exercise is currently underway to form a full picture of comparability for all roles.
- During the year new Civil Service People Survey results showed a 20 percentage-point improvement in how LeO's people feel about its leadership and how change is managed, compared with a 2019 baseline (which organisations participating in survey are using as the latest comparable year, reflecting the extraordinary impact of the Covid-19 pandemic on their operations in 2020).
- LeO has significant steps forward in its strategic approach to equality, diversity and inclusion (EDI) as a public service and an employer. A new strategy and action plan will deliver LeO's Equality Priority Objectives, aligning with the People Strategy and wider strategic objectives. A new EDI Steering Group has been established and met for the first time in March 2022. The Group will provide governance and support for the delivery of actions under the strategy.

Performance against Business Plan priority two

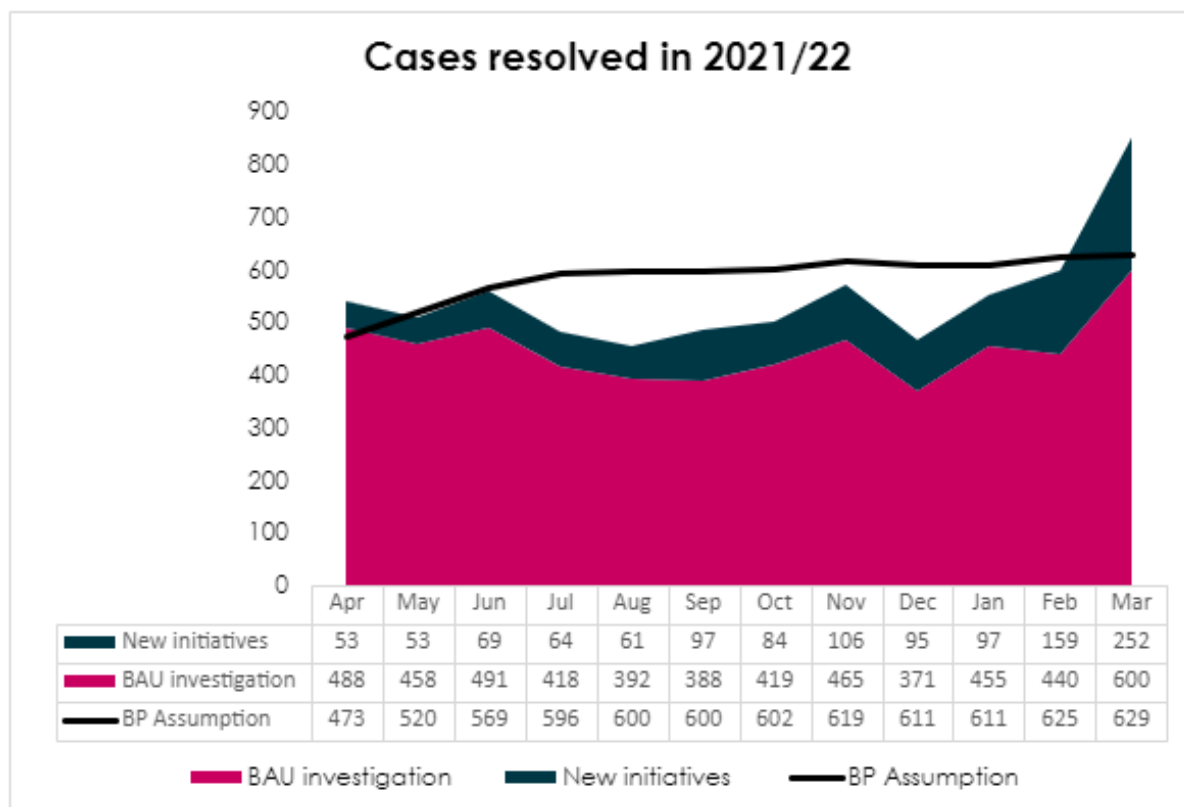
Identify innovation opportunities that speed up the complaints process

Transforming LeO – becoming more proportionate and flexible

- Over recent years a substantial backlog has built up at the front-end of LeO's service – primarily due to the recruitment and attrition issues LeO has faced, and exacerbated by the impact of the Covid-19 pandemic. This means many people have been waiting months, and as much as to 24 months, for an investigation to begin. In some cases, people have waited only to be told that their case is not one that LeO can or should take forward.
- In early 2021/22 LeO established a Challenge and Advisory Group, aimed at providing a forum for open feedback and constructive challenge around our plans and pilots to support performance recovery. Conversations with stakeholders, together with formal consultation points during the year, indicated support for taking radical action to address waiting times and rebalance our process toward minimum formality.
- In response, LeO piloted a number of initiatives aimed at intervening at an early stage – in some cases, before cases even joined the pre-assessment pool (PAP) – to identify complaints that could be resolved without a full investigation, so the parties involved didn't have to wait to get the input they needed from LeO.
- The piloted processes became business as usual in October 2021. From December 2021 the review process was expanded to identify other opportunities in the PAP – for example, where a service provider hadn't made their customer an offer, but this was reasonable in the circumstances. In January 2022 the process expanded further to new cases arriving into LeO.
- Between December 2021 and February 2022 LeO moved established staff with the required expertise to deal with more complex issues to support this early resolution work. The new front-end team is made up of just over four FTE general enquiries team investigators who handle less complex opportunities, three level one ombudsmen who can dismiss complaints under our Scheme Rules (deciding, and explaining, that LeO won't investigate complaints in certain circumstances), and four level two ombudsmen who identify opportunities and make final decisions.
- To underpin this work, LeO has carried out a substantial amount of changes and testing relating to our systems, updated guidance and standard communication, and provided its people with training and support.
- LeO expects early resolution initiatives to account for nearly a third (32%) of all case closures in 2022/23, against 18% in 2021/22.
- The interventions being made by the FET are heavily contributing to a reduced customer journey time. For example, a conveyancing complaint joined the low complexity PAP in July 2021 and was identified for guided negotiation in November 2021. The case was closed by agreement on 1 December 2021, saving the customers a wait time of 5 months until allocation to an investigator. These resolutions are not yet included in LeO's modelling, and so are not yet reflected in average customer journey times.

- For new cases identified as ready to join the PAP and closed in February 2022, the average customer journey time was 37 days from the point that LeO has all relevant paperwork – 66% shorter than complaints resolved by LeO’s usual process. This compares to allocation for investigation wait times of 19.5 months for medium complexity cases, and 10.5 months for low complexity cases.
- LeO’s people’s ideas and experience have been central to success so far. On the front line of complaints, they have a vital insight into how process can get in the way of customer service, and what can be done to remove these barriers. Through an “ideas station”, launched in April 2021, LeO has considered hundreds of suggestions, taking forward those that show most potential.

The impact these changes have made



Reviewing the Scheme Rules

- The 2021/22 Business Plan committed to a review of its Scheme Rules in Q4. However, the scale of LeO’s performance recovery challenge presented an urgent need to make significant and radical changes. These changes were aimed at improving the customer experience by removing historic obstacles to resolving cases quickly and with minimum formality, and to create a platform for the evolution of LeO in years to come.
- In February 2022 LeO consulted on a series of changes. These have been considered by the OLC Bord and will be presented to the LSB Board in July 2022, with a period of implementation across 2022/23 followed by second review in 2023/24.

Hub strategy

- An important mitigation for future resourcing challenges is developing LeO as national employer, following success in 2021/22. As part of this, during the year LeO explored the potential for regional ‘hubs’ where we can share Ministry of Justice (MoJ) estate and widen our recruitment reach.
- LeO is now recruiting for both corporate and operational roles at a pilot hub in Cardiff and assessing other potential locations in the North of England. LeO will be assessing its options more broadly as the expiry of the lease in Edward House approaches (Autumn 2024).

Outsourcing

- In 2021/22 LeO assessed the potential scope for outsourcing elements of casework or using agency resource within the framework of the Legal Services Act. Going forward, LeO’s view was that this could potentially accelerate the reduction of the PAP beyond current forecasts and afford greater flexibility in future resourcing.
- Discussions were initiated with the LSB and MoJ to assess potential barriers within the legal framework. This will continue to be assessed but, as LeO has achieved stability in its investigative resource following the success of the national recruitment model and ongoing progress on regional hubs, efforts will be focused primarily on other initiatives.

Ensuring the quality of LeO’s service

- In 2021/22 the Legal Ombudsman continued to assess the quality of the service LeO provides to legal service users and providers, the reasonableness of the outcomes that are reached and the overall levels of customer satisfaction. Themes and trends identified through assurance initiatives are fed back through LeO’s internal Quality Committee to ensure improvements are identified and introduced where possible.
- Reflecting LeO’s ongoing challenge of reducing waiting times, our surveys highlight clear dissatisfaction from consumers and providers of legal services alike around how long they have been waiting for an investigation to begin, and the uncertainty around when this will happen. To help address this feedback, LeO now provides all customers waiting in the PAP with a quarterly update about the likely waiting time.

Value for money

- Historically the Legal Ombudsman has used a unit cost financial measure, calculated by dividing the cost of delivering the Scheme by the number of cases concluded in the relevant period. However, it is one-dimensional metric that doesn’t adequately reflect the value and breadth of work LeO carries out. This is explained in more detail in our 2022/23 Business Plan.
- Given these limitations, in 2021/22 LeO has used the National Audit Office’s (NAO) 4Es model – Economy, Efficiency, Effectiveness and Equity – supplemented by additional metrics. It enables LeO’s Executive and the OLC Board to identify where interventions are required in the effort to reach a sustainable balance between operational delivery and quality/customer satisfaction. For stakeholders, it provides

a suite of key metrics which show how efficiently and effectively LeO is performing and where there is room for improvement.

Performance against Business Plan priority three

Focus learning and insight on providers who require support to prevent and resolve complaints

- Sharing insight about the causes of complaints helps legal services providers and their customers avoid the substantial time, cost and frustration inherent to the complaint process. It is also an important factor in managing demand for LeO's service preventing cases being added to the front-end queue unnecessarily. LeO has already begun to identify how it can better engage with service providers, to provide learning and insight at all stages of the process.
- During the first year of the Covid-19 pandemic, LeO carried out its learning and insight-sharing activities, as well as attending stakeholder events and forums, exclusively online. Recognising the benefits of this approach in terms of cost and reach, LeO continued to deliver and attend online events in 2021/22, as well as some in-person events as these resumed. LeO has also continued to share data with regulators on a quarterly basis, to help them understand patterns of complaints among firms they regulate and take their own action to address these.
- The Legal Ombudsman [publishes details of final decisions](#) made by ombudsmen. The 2021/22 Business Plan committed to reviewing the transparency of ombudsman decisions. However, there is still a substantial amount of work to do to reach a sustainable, acceptable level of performance. LeO is also in the process of reviewing its quality framework, which will underpin further work around decision publication. For this reason, LeO will delay the implementation of publishing decisions for the time being – and will review this at the end of 2022/23, taking into account a number of factors including resourcing impact and future budgets.
- During the year LeO refreshed its online complaint-handling video content, creating new bitesize videos covering the good complaint handling and complaint prevention, as well as the LeO process and approach to resolving complaints. LeO also continued to share its newsletter LeO News, with each edition including a round-up of updates, upcoming events, any live consultations and newly-published guidance.

Looking ahead: continuing LeO's performance recovery

2022/23 is the second year of LeO's performance recovery journey. The improvements and innovations developed in 2021/22 not only had an impact in that year, but have also shown their potential for further success in improving the level of service provided. In summary, based on LeO's current assumptions and forecasts:

- 2022/23 will see an increase in total case closures to more than 10,000 – a 39% increase on 2021/22, and well over double the rate achieved in 2020/21. This is the

key turning point in reducing the PAP and starting to reduce customer journey times.

- By the end of 2023/24, LeO's overall output will remain at similar levels (approximately 9,700 case closures).
- By March 2024, the PAP will be between 500 and 1,000 cases; cases will only be waiting 4 to 6 weeks for cases to be accepted for investigation; and over 60% of cases will be dealt with in an average of around 120 days (90 days plus 30 days or one month in the PAP).
- The PAP will be reduced to a working level in 2024/25. LeO's ambition is that this will result in an average 90-day turnaround for most cases.
- With higher levels of early resolution and proportionality, average overall customer journey times will continue to reduce at significant rates, and in time there will be a reduction in unit cost (cost per case).

Fundamental to delivering these aims is ongoing investment in LeO's people. Plans include continuing to invest in onboarding, training and retention; supporting managers to help their people reach their best performance; reviewing our offer as an employer; investing in engagement, wellbeing and EDI; and exploring the potential to be a national employer, using a hub model.

LeO will also develop the learning and insight it offers, helping more complaints either to be resolved without LeO's involvement or prevented altogether.

As LeO's performance continues to recover, the OLC and LeO will consider how we can meaningfully report on progress against objectives and priorities going forward, engaging with stakeholders about this.