

# We aim to improve trust and confidence in legal services in Scotland



**Annual Report**

1 July 2013 – 30 June 2014



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Scottish Legal Complaints Commission  
Annual Report 2013 – 2014.

This Report covers the SLCC's reporting  
period from 1 July 2013 to 30 June 2014.

Laid before the Scottish Parliament by the  
Scottish Ministers, pursuant to section 16  
of Schedule 1 of the Legal Profession and  
Legal Aid (Scotland) Act 2007.

December 2014

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# Chairman's Foreword

Throughout this year's Annual Report, we assess the progress which we made against our three core objectives. We aim to build public trust and confidence in legal services in Scotland. For us to do so, we must ourselves win the trust of the public and the profession in our competence, efficiency and influence.

**A**t the core of this is our complaint handling function, which provides an independent and impartial assessment of complaints made about legal services. We've worked hard to improve our service, making it quicker, more accessible and more efficient.

As our complaint handling has strengthened, we've also made great strides in our work to improve standards in the legal profession through oversight and guidance. We have issued a comprehensive analysis of the complaints we receive and have used this work to inform better guidance for practitioners and the public alike.

Consequently, I have been pleased to see how our relationships with consumer groups, the professional regulators and other key stakeholders have flourished. We have built much more constructive partnerships with a focus on making the current system of legal regulation and complaints handling work. As the system has improved, some of the opportunities for broader changes to further bolster public confidence are thrown into sharper relief.

Amongst the challenges ahead, we should be considering whether the split of conduct and service at the heart of

our system is still the most appropriate solution. We should ask ourselves whether more publicly available data might better support public legal capability and encourage professional innovation. Legal complaints are the exception, not the norm, but we should be taking stock of how best we can identify risks and systemic issues and act quickly to address them.

Whilst we may not always agree on the approach to be taken, I have been very encouraged by the willingness of professional bodies and consumer interest groups to open dialogue around these issues. Collectively we are better informed of the potential risks to the public and of the opportunities to encourage a vibrant, modern and successful legal profession serving the people of Scotland. As our Chief Executive's Report highlights, there will certainly be changes ahead and we must always be open to how and when the SLCC might need to adapt to best deliver consumer protection where it is needed. Confident in the talent and commitment of the Commission's staff and members, I look forward to continuing our work to improve legal services in Scotland.

**Bill Brackenridge**  
Chairing Member





# Impartial and Independent

When the formation of a dedicated legal complaints body was first being discussed in 2006, it was agreed that in order for it to work effectively, it should be independent and impartial.

The SLCC is a non-departmental public body independent of the Scottish Government and it receives no public funds.

It is also independent of the relevant professional organisations whose members it accepts complaints about: the Law Society of Scotland, the Faculty of Advocates and the Association of Commercial Attorneys. We refer eligible conduct complaints to these organisations, provide **oversight** of their conduct investigations and audit their complaint handling processes.

They are also consulted on our **budget and levy** and are responsible for collecting this from their members.

Funding the work of the SLCC from a levy on the legal profession, rather than from public money, is fairer for the public and reflects the fact that our work in complaints handling and in promoting standards and best practice ultimately benefits the profession as a whole.

In order to maintain accountability, our board is publicly appointed. The board itself has a majority of lay (non-legal) members and the chair is also always lay.

## READ MORE

### 2007 ACT

<http://www.legislation.gov.uk/asp/2007/5/contents>

### SLCC HISTORY

<http://www.scottishlegalcomplaints.org.uk/about-slcc/our-history.aspx>



# Outcomes and Objectives

The Scottish Legal Complaints Commission has a vital role in Scottish public life. Our aim is to improve trust and confidence in legal services in Scotland. We do this as an independent and impartial organisation; independent from the legal profession and the Scottish Government.

Our work does, however, support the national outcomes and indicators outlined in the National Performance Framework.

## Outcomes:

- We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others
- Our public services are high quality, continually improving, efficient and responsive to local people's needs

## Indicators:

- Improve people's perceptions of the quality of public services
- Improve the responsiveness of public services

Our work is also in sync with the Scottish Government's work on justice. In particular, it supports the "Making Justice Work" programme contributing to the following Justice Outcomes:

- Our people and communities support and respect each other, exercising both their rights and responsibilities
- We have high levels of public confidence in justice institutions and processes
- Our public services are fair and accessible
- Our institutions and processes are effective and efficient
- Our public services respect the rights and voice of users

In order to maintain the connection between our aim and the services we provide, we're steered by three strategic objectives. We will be:

- A high quality, independent and impartial complaint handling service, focussed on early resolution and centred on the needs of users
- An influential organisation providing guidance and insight to improve standards of legal service
- An efficient and accountable organisation which tracks performance and acts to improve on it

In this Annual Report, we will report on our last operational year and how we have performed in meeting our objectives.



# Chief Executive Officer's Report

The SLCC takes firm and decisive action. This year we have awarded more compensation to complainers than ever before and have upheld or resolved two out of every three eligible complaints which are made to us.

The public can be more confident than ever that the SLCC will put matters right. We've used the full extent of our powers to enforce our decisions and to make sure that our awards are paid out where a practitioner is at fault.

We've kept a close eye on how the professional organisations (the Faculty of Advocates and the Law Society of Scotland) have investigated allegations of shortcomings in their members' conduct. Where necessary, we've issued critical reports highlighting areas where these organisations need to improve and for the first time we've raised our own conduct complaints against practitioners where we've judged it right to do so.

We've published guidance for the public on how to engage legal services and on some of the risks and pitfalls as part of our efforts to support legal capability. We've also strengthened our contacts with consumer interest groups and organisations which represent the most vulnerable members of our society.

But we are an independent and impartial organisation. We are neither a consumer champion nor a conduit for government to regulate the legal profession. We contribute to a stronger and more successful profession through our powers of guidance and oversight.

Better complaint handling is a significant business opportunity. By doing more to prevent complaints from occurring and dealing with them swiftly and openly when they do, practitioners

will see commercial benefit. Recent research by our counterpart, the Legal Ombudsman, demonstrated profits could be increased by around 3% through better engagement with complaints. In the past year we have provided free CPD training to advocates and solicitors across Scotland to help them realise this opportunity.

We prefer to resolve disputes as early and informally as we can. Promoting mediation and settlement ahead of formal determination of complaints restores confidence in legal services and gives an important voice to both parties in how disputes are handled. By using such approaches, we have ensured the SLCC is more efficient and have reduced our unit costs for the fourth year in succession despite the pressures of inflation. We are keenly aware of our duty to manage costs since we are funded by a levy on the legal profession and hence, indirectly, from fees charged to the public.

By bringing the professional bodies together with consumer organisations we've found common ground to make improvements to our governing legislation and to effective liaison and research.

In our 2011/12 Annual Report, we committed to the principles of public service reform – people, partnerships, prevention and performance. Two years on, we can reflect on considerable progress whilst recognising we must perform better still. We have demonstrated our expertise and insight



in our work around trends analysis, guidance and outreach. We have made a substantive shift towards dispute resolution and preventative work. We offer better support and guidance to both the public and the profession because of our deep knowledge of legal complaints and our stronger contacts across the consumer and professional landscapes.

In previous years, our Annual Reports gave considerable attention to detailing the process we use for working with complaints. This is still in this Annual Report, in the [SLCC Complaints Service](#) section, with even more information on our website. However, this time, we will also focus on some key trends in our work in the past year from complaint handling, oversight and outreach.

**Matthew Vickers**  
Chief Executive Officer



# 65%

Eligible complaints resolved or upheld

## £365,000

Compensation and fee reductions  
for complainers at all stages

## +35%

Increase in mediation uptake

# 1024

NEW  
COMPLAINTS  
RECEIVED

## 125

Complaints  
upheld

## 247

Complaints  
Resolved

## -10 MONTHS

Change in complaint  
handling time since 2012

## -37%

Reduction in cost per  
complaint since 2012

## 840

CPD and diploma  
course hours training  
given by the SLCC



## +20%

Increase  
in number  
of complaints  
resolved

Unless stated otherwise, figures cover the period from 1st July 2013 – 30th June 2014.

See our full complaints data [here](#)

# The SLCC Complaints Service

The Scottish Legal Complaints Commission is the single gateway for legal complaints in Scotland. This means we receive and assess service and conduct complaints about solicitors, advocates and commercial attorneys in Scotland.

**W**e investigate complaints about service. Where we have decided that a conduct complaint must be investigated, we refer it to the [relevant professional organisation](#) (RPO). We can also investigate how such investigations have been handled by the RPO at the request of the complainer.

The Legal Profession and Legal Aid (Scotland) Act 2007 created the Scottish Legal Complaints Commission as it was felt that complaints about inadequate professional service from legal practitioners should be handled by a body that was seen by the public as being [independent and impartial](#). The SLCC assumed its full powers in 2010.

*“The basis of the establishment of the SLCC was public concern, transmitted across political parties...[that] these aspects could not and should not be dealt with by those professional bodies regulating themselves.”*

Kenny MacAskill,  
Cabinet Secretary for Justice,  
addressing the Scottish Parliament’s Justice  
Committee, August 2014

We know that each complaint is different, so our complaints service is not a one size fits all service. We give both parties opportunities to tell their side of the story to see if they can resolve the complaint.

## Eligibility

Once a signed complaint form has been received, the complaint is assessed. This assessment checks that the complaint is within our time limits, has already been raised with the practitioner or firm,

and is not *“frivolous, vexatious or totally without merit”*.

We also classify complaints depending on whether they are about the conduct of the practitioner, the service provided or a mixture of both (we call these hybrid complaints). This is not always clear cut. In a complaint comprised of several issues, a single issue can itself be hybrid. All complaints involving conduct are investigated by the relevant professional organisation (i.e Law Society of Scotland, Faculty of Advocates or Association of Commercial Attorneys).

## Mediation

*“The mediator listened to what I had to say and took my points”*

SLCC complainer in mediation feedback

Complainers want their side of the story to be heard and be recognised. Many of our complaints touch on important areas of life connected to home, work and family with a real emotional resonance for complainers. At times this can be forgotten or ignored by practitioners who may take a more legalistic view of matters. We offer a free mediation service for all eligible complaints so both parties can put their view across and be heard. Mediation is quick, impartial and confidential and has proved to be very effective in resolving complaints. More than two out of every three complaints which are considered by our mediation service are resolved.

## Investigation

*“[I was] very impressed with the in-depth investigation report”*

SLCC complainer in feedback

In some cases, mediation isn’t possible or is unsuccessful and the case is passed on to an investigator. Investigations are detailed, painstaking and rigorous. Consequently they may also take considerable time. Throughout the investigation, we encourage parties to reach an agreement. If they can’t, an investigation report is produced setting out what has happened and what, if anything, the investigator recommends should be done to put things right.

## Determination

*“... Restored my faith in the Scottish legal industry.”*

SLCC complainer in feedback

If both parties don’t agree with the investigator’s conclusions, the complaint will go before a determination committee. The committee can count on the expertise of a legal member in the chair, but a majority of the committee must always be lay (non-legal) members. The committee will consider the complaint and decide whether to uphold it and whether sanctions and redress are appropriate. The decision is final and can only be challenged by an [appeal](#) to the Court of Session.

[Detailed complaints statistics](#) are available later in this Annual Report.

This section of our report will focus on a number of aspects of our complaints service:

- [Resolution](#)
- [Redress](#)
- [Service delivery complaints](#)
- [Our service users](#)



# Resolution

91% rated their overall experience of SLCC mediation as good, very good or excellent. 91% would recommend mediation to others.

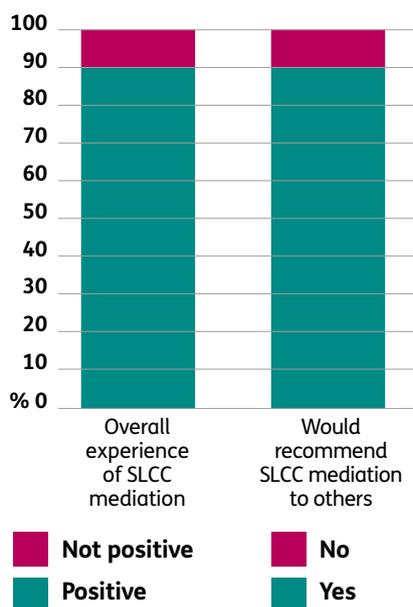
**55%** accepted mediation when offered  
**67%** of mediations were successful

We aim to resolve complaints as early as possible. We ask that complaints are raised with the practitioner or firm before they are brought to us. This ensures that there are opportunities to resolve the complaint and we provide guidance to the public and to the profession to help them make the most of these.

Our staff have been trained to recognise complaints which might be resolved and to assist the parties in resolving them. In the past year, 104 complaints were resolved at the eligibility assessment stage, that's about one in every ten complaints raised with us.

We promote the use of mediation for accepted service complaints and issues. It is free, confidential, voluntary and highly valued by those who use it.

Mediation allows both complainer and practitioner to resolve the complaint in a way that keeps the decision in their hands and allows them to agree a solution. Our feedback tells us that complainers who take part in mediation are grateful for the opportunity to have their voice heard and both parties are grateful for the opportunity to clear the air. In some cases, after the mediation, the complainer and practitioner are able to continue their working relationship. Consequently, we've been working to widen understanding of mediation amongst the public and the profession. Once the process is explained to people, they are much more likely to try mediation. Usually



mediation is face-to-face, but we've used telephone and Skype mediation to good effect too.

In the last year, the take up rate for mediation rose to 55%, the highest yet, and it has been on an upward trend for the last two years. This increase in the number of mediations has not led to a fall in the success

rate and in the last year, two-thirds of mediations were successful.

Our users tell us mediation is a better service, and it's quicker and more efficient too, allowing us to invest the time and resources freed up in other areas. As mediation success increased, we expected that it might limit the opportunities for settlement later in the process since cases which could be resolved would have all been resolved by mediation. In fact, we've found that our increased focus on mediation has stimulated informal settlement at later stages as well as encouraging the parties to consider different perspectives and to have a better understanding of each other's point of view. Eighty-one complaints were resolved at the investigation stage in the past year, an increase of 25% on the previous year.

Throughout our process, we've worked to shift away from using formal determination as the default method of dealing with complaints. The benefits of early resolution are starting to be felt across all the work that we do.





# Redress

Many of our complaints still require formal determination. When a firm or practitioner fails to follow our [committee's](#) decision to pay compensation, fees or complaints levy, it's a matter of serious concern for a number of reasons.

It is unfair on the complainers, who have had their complaint upheld only to have to wait for what is due to them. What's more, we end up incurring costs in pursuing non-paying practitioners through the sheriff courts. It impacts on the SLCC's running costs and in turn these costs are reflected in the general levy paid by all legal practitioners.

We highlighted this issue in [last year's annual report](#) and in the past year, there were still a significant number of firms paying late or not paying at all. We recognise that this is a

serious issue and have been taking a number of steps to address it. We have taken action to claim moneys due. In addition, we will raise [conduct complaints](#) with the Law Society of Scotland against practitioners who have paid late. We've also urged the Law Society of Scotland to look systematically at the issue and address this unacceptable behaviour which costs all their members.

In the past year, 30 cases required action to obtain redress for complainers.

## £365,000

COMPENSATION AND  
FEE REDUCTIONS FOR  
COMPLAINERS AT ALL STAGES

## £60,087

COMPENSATION RECOVERED  
FOR COMPLAINERS AFTER  
NON-COMPLIANCE ACTION

## £43,000

**estimated costs incurred  
enforcing compensation,  
fee refunds and levy payments**



# Service Delivery Complaints

We aim to provide a high-quality service that is centred on our users and we are always looking for ways to improve what we do. Last year, we received forty-five complaints about how we'd delivered our service. Of these, 8 were upheld or partly upheld, 33 were not upheld and 1 was withdrawn.

There were three key themes which emerged from our service delivery complaints

- Our process takes too long
- Complainers feel that we don't listen to them
- Complainers feel that their complaint is not being understood

To set the results in context, fewer than 5% of service users raised service delivery complaints and just under 1% were upheld. However, we've taken steps to address these concerns. Our work on early resolution has seen the time taken for complaints to be resolved fall markedly. We've carried out a programme of staff

training to make sure that we're giving complainers the opportunity to put their case across and we're listening to and understanding their concerns.

We are determined to practise what we preach on complaints. We have undertaken in our operational plan to appoint an external service delivery complaint reviewer, to reinforce confidence in the process. We will also be carrying out case reviews on a sample of cases to see what we could do to improve our own service. As part of changes to our governing legislation, we argued for the creation of a consumer panel to ensure a stronger voice for consumers in advising us on policy, practice and research.

## READ MORE

<http://www.scottishlegalcomplaints.org.uk/making-a-complaint/unhappy-with-our-service.aspx>



# Our Service Users

We monitor a range of characteristics in relation to our service users to make sure that our service is accessible to all consumers of legal services. We compare the profile of our service users with that of the wider Scottish population to ensure that there aren't any groups experiencing difficulty accessing our services.

In common with other ombudsman and complaint handling schemes, we receive more complaints from men than from women. We are exploring this further to see if there are any steps which we need to take to make our scheme more accessible to women.

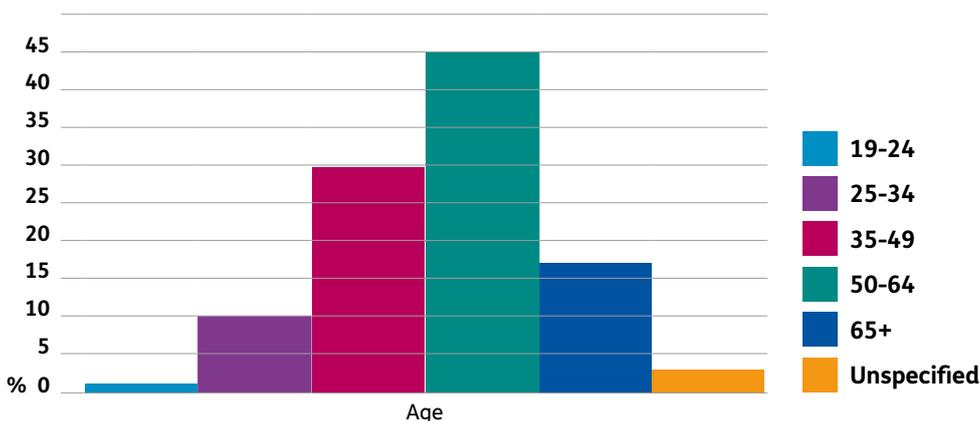
**Gender:**

Male 53%;  
Female 42%;  
Unspecified 5%

More than 50% of our complainers are fifty years old or more, compared to 37% of the Scottish population as a whole. Only 1% of our complaints came from complainers in the 19-24 age bracket – 8% of Scotland's population. This is out of step with known data on users of legal services and we will be making this an outreach priority over the next year.

**Age:**

19-24 1%  
25-34 10%  
35-49 29%  
50-64 40%  
65+ 17%  
Unspecified 3%





**Ethnic Group:**

	Our complainers	Scotland's Population
Scottish	78%	84%
Other British	12%	7.9%
Any other white background	2.7%	3.2%
Pakistani	2.3%	0.9%
Irish	1.3%	1%
All other backgrounds (all backgrounds with 1% or fewer users)	2.8%	3%
Unspecified	0.9%	-

**Resident in Scotland:**

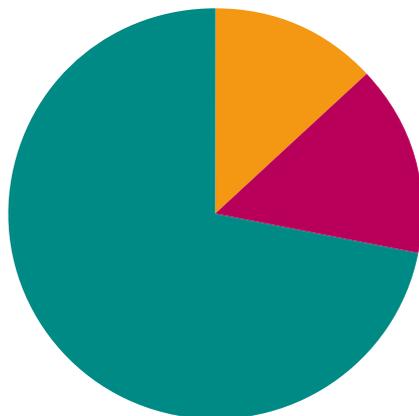
Yes 85%; No 11%; Unspecified 4%

We've also for the first time looked at which areas of Scotland service complaints have come from. This is to ensure that our service is accessible where it's needed.

It's clear from this that our service users come from across the country. Whilst the majority of legal practitioners do provide good service, there is a clear need for our work right across Scotland.

**Disability:**

Yes 15%; No 72%; Unspecified 13%



- Yes
- No
- Unspecified

Given that 15% of our complainers have a disability, we regularly look at our service to make sure that it is as accessible as possible. Previous work in this area has included our website and in providing large print format leaflets. In the past year, we have been working with providers of Independent Advocacy services to make sure we can support access to our service. This work will continue in the next year.

Complainer Postcode	Percentage
G	21.30%
EH	18.15%
AB	7.50%
ML	6.87%
KA	5.73%
KY	5.29%
PA	4.35%
DD	4.10%
FK	4.10%
IV	3.97%
PH	3.65%
DG	3.09%
TD	1.51%
KW	0.95%
HS	0.38%
ZE	0.19%
Outside Scotland	8.88%

More than **50%** of our complainers are fifty years old or more.

We receive more complaints from men than from women, and **15%** of our complainers have a disability.



# Outreach to the profession

We've spoken to over five hundred practitioners and diploma students at events around the country in the past year discussing how to prevent complaints and providing advice on how to deal with them when they do occur.

Our outreach work with Scotland's legal profession is focussed on two main areas – complaints prevention and best practice in complaints handling. In our complaints prevention work, such as the [guide for the profession](#) we produced in August 2013, we emphasise how important it is for practitioners to address questions of customer service and customer perspective as well as providing technical legal expertise to clients. The guide outlines 12 best practice steps including communication, written records, managing workload and so on. The guide goes hand in hand with the [Best Practice Notes](#) we periodically issue, including four we issued in October 2013 on Third Party Documentation, Responding to Complaints, Responding to Third Party Complaints and Costs Updates.

The past year also saw the launch of another guide – [Best practice in complaint handling for solicitors](#). This guide sets out a number of principles



for solicitors to follow when they have received a complaint. We want as many complaints as possible to be resolved at the first tier – with the practitioner directly – so making sure that they have the knowledge they need to do this is crucial.

Research undertaken for the SLCC in previous years indicated that sole practitioners found resolving complaints more difficult than other types of law firm. This year we have worked with a panel of sole practitioners to explore some of the issues. This is being used as the basis for a programme of training.

Our research work last year included [Five years on – facts and figures](#) an analysis of five years of our complaints data. It brought many insights, including where the top business areas our complaints have come from. Of these, conveyancing, family law and executries, wills and trusts all deal with some of the most stressful life events which many of us face.

In every year except 2012-2013, the leading business area for complaints has been residential conveyancing – the buying and selling of homes. In fact, looking at the Five years on – facts and figures, they account for almost one in five complaints.

We will now discuss several key themes from our Outreach and Oversight work in a little more detail:

- [Conveyancing](#)
- [Outreach to Advocates](#)
- [SLCC Communications](#)
- [Oversight of the relevant professional organisations](#)

**840** CPD and diploma course hours given to practitioners and diploma students in the past year



# Outreach Focus: Conveyancing

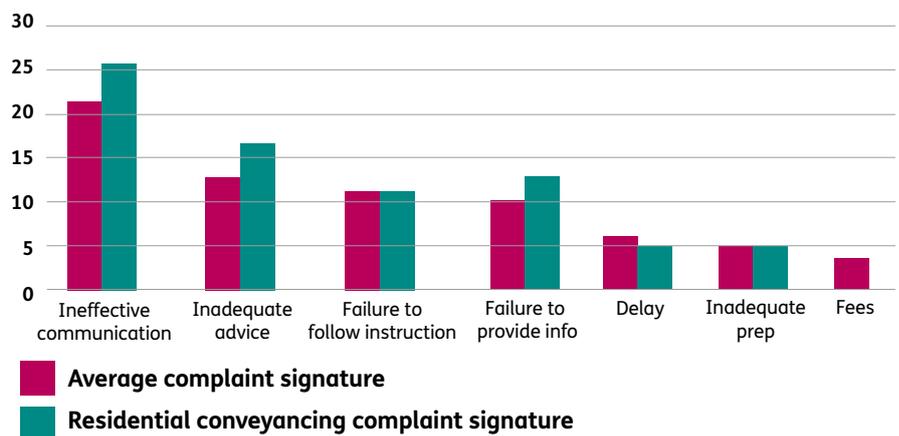
We drew on our data to produce a guide for consumers on what to expect when they are using a solicitor. It was obvious to us that the first of these should be on residential conveyancing. We looked at what issues our complainers experienced in relation to residential conveyancing and how this compared with the typical complaint.

The chart shows the percentage of complaints where each of the causes mentioned was the main cause of complaint, comparing conveyancing with what we see across the range of complaints. This produces a distinctive complaint “signature”.

Ineffective communication and inadequate advice were notably more important in complaints about residential conveyancing. We approached a number of experts in this business area for their feedback to hone our advice. We then ran a series of outreach events, including the Glasgow and Edinburgh conveyancing forums, the Aberdeen Faculty and many other groups to discuss the risks which are attached to conveyancing complaints and how to manage them.

We took this information and produced a guide with six practical tips for consumers to help them get the best out of their solicitor when buying or selling a home. The guide, [Buying or Selling your Home – a guide for legal consumers](#) was published in February 2014 and was welcomed by Citizens Advice Scotland’s Chief Executive and the Community Safety Minister. We will be releasing further consumer guides in 2014-2015.

Average complaint signature -v- residential conveyancing complaint signature



“ Citizens Advice Scotland is pleased to support this publication which will help everyone who is buying or selling their home understand the process involved. Buying a house is the biggest purchase we will ever make in our life so getting the right service and advice is vital. Providing information in advance though is always the best way of avoiding problems in the future. The SLCC are to be commended for providing that information.”

Margaret Lynch, Chief Executive, Citizens Advice Scotland

“ An important factor in reducing complaints is making sure that members of the public understand what is involved when they buy or sell a house. This guide should prove very useful in helping consumers to better understand the process and what to expect from their solicitor. We also welcome the work the SLCC is doing with the profession in complaint prevention and promoting best practice.”

Roseanna Cunningham, Community Safety and Legal Affairs Minister

“ We have explored ideas for accreditation, branding, marketing, and standards for solicitors. What we’re now looking at is effectively a code of conduct for property lawyers, something like you have for criminal lawyers in addition to the general code of conduct for solicitors. The SLCC issued its paper on conveyancing complaints a few months ago, and the code is influenced by that.”

Ross Mackay, Law Society of Scotland ( Law Society of Scotland Journal August 2014) <http://www.journalonline.co.uk/Magazine/59-8/1014337.aspx>



# Outreach to Advocates

Along with our outreach work with solicitors in Scotland, we have also been working with advocates.

**R**esearch carried out for the SLCC in 2012 by TNS-BMRB suggested that there were few complaints about advocates. This is unsurprising given the different nature of advocates' work and the lesser degree of interaction with clients. However, the research also suggested that, perhaps as a consequence, many advocates were unaware of the role of the SLCC. Some were open in admitting that they hadn't received training on complaints and were uncertain of how they would deal with one.

In the past year, we've been working with the Faculty of Advocates on training events. Our first training event was training for the "Devils" – the new intake of advocates, covering the SLCC's processes and some best practice tips. We also ran a more general session on complaints avoidance and good complaint handling with members of the Faculty.

The year to come will see further work with the Faculty of Advocates which will include an audit of their **conduct complaint handling** processes and the launch of a guide on good complaint handling for advocates.



# SLCC Communications

As the single gateway for legal complaints in Scotland, we are only as effective as we are visible. We've been exploring new ways of engaging with consumers and the legal profession.

We know from research by the Law Society of Scotland and others that social media is being used by an increasing percentage of the profession. This year we launched our Twitter account [@slcccomplaints](#) where we provide information and updates on our complaints service and our outreach work. We also raised the profile of our [LinkedIn page](#) and plan to develop it further to provide guidance and best practice advice to the profession.

We're working on improving the quality and ease of use of the information on our website, by including [videos](#) and slides.



We know that consumer organisations such as Citizens Advice Scotland and parliamentarians are often approached with complaints, so we have worked hard this year to make sure that we do all we can to help signpost complainers towards our service. We ran an event for parliamentary office staff at Holyrood (see above)

and plan to run similar sessions for constituency office staff. We've liaised with Citizens Advice to improve the quality and consistency of the advice which they deliver on legal complaints and have had some useful feedback from them on how we can make our processes simpler and more accessible.

# Oversight of the Relevant Professional Organisations

Although much of our complaints-handling work involves complaints about inadequate professional service, we also have a number of important duties relating to conduct complaints.

Firstly, as the single gateway for legal complaints, we have a duty to receive all legal complaints and as part of our assessment process, determine whether they are conduct, service or hybrid complaints.



While the percentage of service-only complaints has remained stable over the past three years, there has been a fall in the number of complaints that have been categorised as conduct-only but a rise in the number of hybrid complaints, which contain both service and conduct elements. This trend can have a significant impact on the parties to the complaint, as hybrid complaints have to undergo two separate investigations (i.e. by the SLCC and the relevant professional organisation), which can lead to timescales being doubled, and in those cases which result in prosecutions to the Scottish Solicitors Discipline Tribunal, tripled. Since the 2007 Act requires the SLCC and RPOs to seek to avoid duplication in investigations, the current average time taken to investigate hybrid complaints is of real concern to us,

and this is something that we and the RPOs are looking to address in the next operational year.

The second important duty is to monitor the RPOs' systems and processes for carrying out conduct investigations. This oversight role is vital to reinforce public confidence in the effectiveness and impartiality of the legal profession's regulators.

As a way of monitoring trends in the RPOs' reporting and decision-making, we review the RPOs' reports and decisions each month, keeping a record of the outcome of all conduct investigations, the timescales involved and any sanction applied. Any issues arising from such reviews are raised with the RPOs, either at the time or during regular liaison meetings which usually take place on a quarterly basis.



# Handling Complaints

As well as the general monitoring function, we scrutinise the (Relevant Professional Organisation) RPO's conduct complaint process during the investigation of "handling complaints", i.e. complaints received from the public about the way that the RPO investigated their conduct complaint.

In carrying out a handling investigation, we not only look at the specific issues that the complainer has raised concerns about, we also take the opportunity of carrying out a full review of the RPO's file, to identify any areas where there might be scope for improvement or change to the RPOs' systems for dealing with complaints.

Last year, we issued 11 final handling reports. In eight final reports, we made formal recommendations to the RPOs. We also made more general recommendations to the RPOs about their procedures for and methods of dealing with conduct complaints in three reports. Each final report includes our finding as to whether the RPO's handling of the complaint was satisfactory, generally satisfactory or if we are critical of it.

Two final reports related to the Faculty of Advocates' conduct investigations. We made the following findings/recommendations:

Critical	2
Reinvestigate and reconsider the whole complaint	1
Reinvestigate and reconsider part of the complaint	1
RPO to pay compensation to the complainer	2
RPO to reimburse part of the cost of making the handling complaint to the complainer	2

During the course of these two handling investigations, we recommended that the Faculty of Advocates should revise its complaints investigation process and associated Disciplinary Rules. We were pleased to note that the Faculty gave an undertaking to revise its procedure and the associated literature, and to complete this action within 6 months. We are intending to carry out an audit of the Faculty's new complaints process later in the 2014-2015 operational year.

Nine final reports related to how the Law Society of Scotland carried out its conduct investigations. We made the following findings/recommendations:

Generally satisfactory	4
Satisfactory	3
Critical	2
RPO to pay compensation to the complainer	6
RPO to reimburse part of the cost of making the handling complaint to the complainer	5

In one final report, we recommended to the Law Society of Scotland that it should revise its standard letters, leaflets and information about the process to appeal against its decisions and the associated timescales. It has agreed to carry out this work. We also asked the Law Society of

Scotland to update us on its review of the information which is provided to parties during an investigation and also on changes to its policies, processes, timescales and other information.

In the last year, we have recommended that the Faculty of Advocates should pay a total of £850 by way of compensation and £40 costs to complainers, and that the Law Society of Scotland pay a total of £2,200 compensation and £90 costs. The Faculty of Advocates is in the process of reinvestigating the two complaints that we recommended should be looked at again. We also assessed two handling complaints as ineligible for investigation, as the Law Society of Scotland investigations were still in process and we did not consider that intervention was justified at that time.

As of the end of June 2014, there were three ongoing handling investigations and two suspended handling complaints; one pending the outcome of an appeal by the complainer to the Scottish Solicitors Discipline Tribunal and one pending further enquiries.



# Accounts Summary

In the past operational year, we successfully delivered against our budget, with actual expenditure £115,000 less than we had anticipated.

The increased productivity arising from early resolution allowed us to reduce staff and admin costs.

Additionally, our improved financial discipline allowed us to make better use of our reserves, which in turn allowed us to freeze the levy.

We also undertook to consult with the profession on further changes to the levy next year.

This section will summarise some of our key statistics for the year past under the following headings:

- [Our Accounts](#)
- [Our Complaint Statistics](#)
- [Our Freedom of Information request responses](#)

## Statement of Comprehensive Income and Expenditure for year ended 30 June 2014

	2014	2013
	£'000	£'000
<b>Operating Income</b>	(2,757)	(2,720)
<b>Expenditure</b>		
Staff Costs	1,874	1,886
Other Administration Costs	789	961
Depreciation and Amortisation	94	111
Total Expenditure	2,757	2,958
<b>Net Operating Cost</b>	<b>0</b>	<b>238</b>
<b>Other Comprehensive Income</b>		
Actuarial Loss/(Gain) on Pension Scheme	41	(14)
<b>Net Deficit for Year</b>	<b>41</b>	<b>224</b>

All amounts relate to continuing activities.

**Statement of financial position**

as at 30 June 2014

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Non-Current Assets</b>		
Property, Plant and Equipment	68	121
Intangible Assets	116	60
<b>Total Non-Current Assets</b>	<b>184</b>	<b>181</b>
<b>Current Assets</b>		
Trade and Other Receivables	49	54
Cash and Cash Equivalents	1,056	827
<b>Total Current Assets</b>	<b>1,105</b>	<b>881</b>
<b>Total Assets</b>	<b>1,289</b>	<b>1,062</b>
<b>Current Liabilities</b>		
Trade and other payables	(445)	(221)
<b>Total Current Liabilities</b>	<b>445</b>	<b>221</b>
<b>Non-Current Assets plus Net Current Assets excluding Pension Liabilities</b>	<b>844</b>	<b>841</b>
Pension Scheme Liability	(56)	(11)
<b>Non-Current Assets plus Net Current Assets including Pension Liabilities</b>	<b>788</b>	<b>830</b>
<b>Non-Current Liabilities</b>	(51)	-
Provision for Dilapidations	-	(47)
<b>Assets less Liabilities</b>	<b>737</b>	<b>783</b>
<b>Equity</b>		
General Fund	737	778
Donated Asset Reserve	0	5
<b>Total Equity</b>	<b>737</b>	<b>783</b>

The General Fund represents net assets available to the SLCC at the balance sheet date, excluding the remaining assets held within the Donated Asset Reserve which represents the assets donated to the SLCC by the Scottish Government.



# Complaints Statistics

## Enquiries

	2013/14	2012/13
Enquiries in hand at the start of the year	98	4
Enquiries received	4020*	5142
Enquiries dealt with	4104*	5136
Enquiries in hand at the end of the year	11	98

\* This year we moved to an updated case management system which meant that there were two periods within the year where we were unable to record all enquiries accurately.

## Complaints

	2013/14	2012/13
<b>Complaints opened/brought forward</b>		
Complaints in hand at the start of the year	627	783
Complaints received	1024	1123
Previously premature complaints reopened	69	48
Complaints reassessed as eligible on appeal	0	4
Complaints in hand at the end of the year	487	627
<b>Eligible complaints</b>		
Accepted as an eligible service complaint	156	166
Accepted as an eligible conduct complaint	62	100
Accepted as an eligible hybrid complaint (hybrid includes both conduct and service complaint)	101	100
<b>Ineligible complaints</b>		
Premature – practitioner not given reasonable opportunity to resolve the complaint	138	169
The complaint was made outside time limits	204	184
“Frivolous, vexatious or totally without merit”	257	305
The complaint was by a practitioner acting in a judicial capacity	0	5
Ineligible for another reason	7	12



**Other complaints received**

Resolved before an eligibility decision was taken	104	86
Complaint withdrawn before an eligibility decision was taken	64	84

**Complaints dealt with**

Eligible service complaints dealt with and closed by SLCC	361	386
Complaints closed in previous year with compliance work completed in 2013/14	30	12

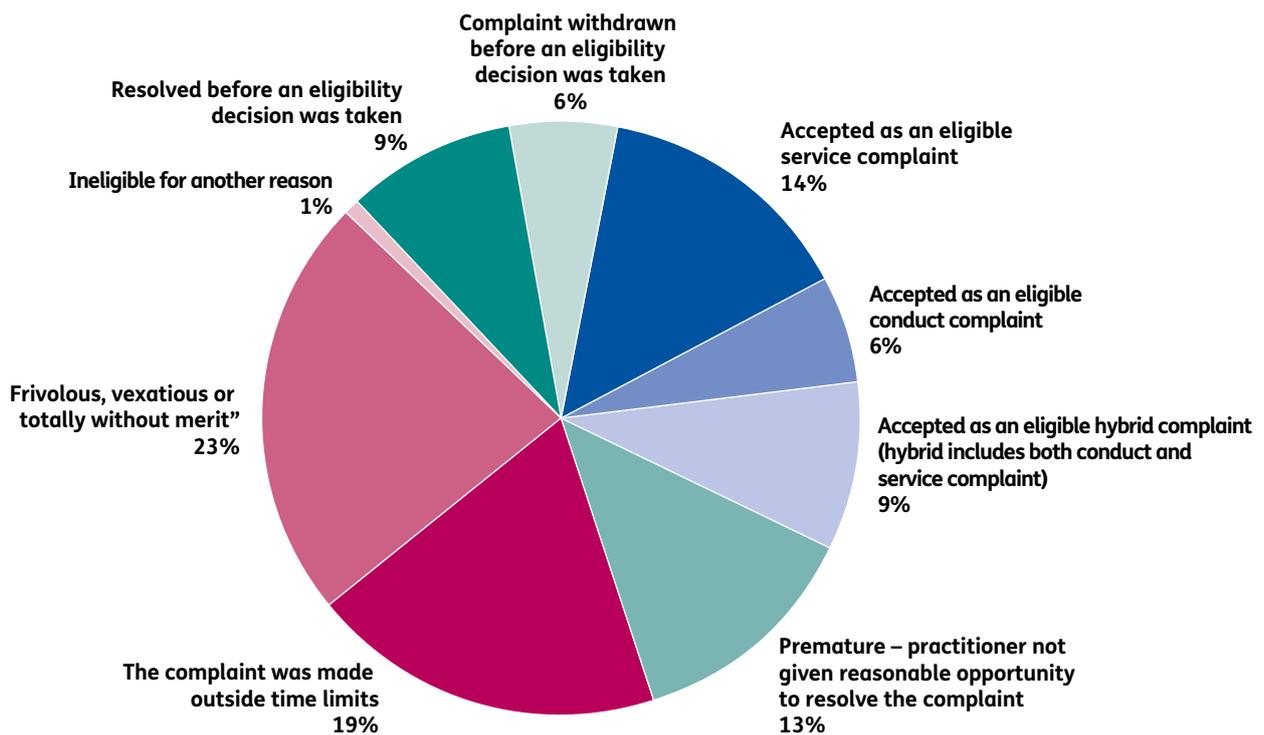
**By practitioner type**

**Complaints received:**

Solicitors	1005	1108
Advocates	19	15

**Complaints accepted as eligible:**

Solicitors	315	365
Advocates	4	1





# Complaints Statistics cont.

## Mediation

	2013/14	2012/13
Resolved at mediation	62	44

## Investigation

	2013/14	2012/13
Resolved at investigation by report	52	46
Resolved at investigation by conciliation	29	19
Withdrawn at investigation	28	16

## Determination

	2013/14	2012/13
Complaints wholly/partly upheld at determination	118	125
Complaints not upheld at determination	92	135
Total number of cases determined	210	260

## Appeals

New Appeals	7
Appeals Heard	1
Appeals Conceded	3
Appeals Refused	1

## SLSO Legacy Work

We continue to deal with a small number of [handling complaints](#) that, under transitional arrangements, fall under the powers of the ex-Scottish Legal Services Ombudsman.

Complaints in hand at 1 July 2013	1
New complaints received	4
Complaints not accepted for investigation	3
Complaints investigated and closed	1
Complaints in hand as at 30 June 2014	1



# Freedom of Information (FOI)

As a public body we have statutory duties under the Freedom of Information (Scotland) Act 2002 to respond to information requests.

In the past year, we responded to forty-nine information requests.

We supplied the information for twenty-five requests, partially supplied the information for twelve requests and withheld information in six cases.

Additionally, there was one case where we didn't hold the information requested and one request which was withdrawn. Four requests are ongoing.

**49** INFORMATION REQUESTS  
RESPONDED TO IN THE PAST YEAR

Member of public	21
Media	13
Legal Profession	9
MSPs/MPs	4
Other	2



# Public Services Reform (Scotland) Act

Under the Public Services Reform (Scotland) Act 2010, we have a duty to report the steps we have taken to promote and increase sustainable growth and to improve efficiency, effectiveness and economy in the exercise of our functions.

The legal services market in Scotland is worth approximately £1 billion. Effective complaint handling is an indispensable element of building trust and confidence from consumers in using those services. The SLCC's work on guidance and oversight, which is set out in fuller detail elsewhere in this report, encourages higher standards of complaint handling within the legal profession. Recent academic research commissioned by our counterpart in England and Wales, the Legal Ombudsman, suggested that effective complaints handling could add up to 3% to the profitability of a law firm.

We are very mindful that we are funded not by taxpayers, but by a levy on the legal profession. We have a duty to keep the cost of this levy as low as we can without compromising the exercise of our functions. Our operations emphasise preventative outreach work, early resolution of complaints, proportionate investigative techniques, tracking and improving our productivity and rigorous control of our non-staff costs. We have reduced our operating costs by 6.8% in 2013/14 versus the previous year. Over the past two years, our unit costs have reduced by 37%. Consequently, despite the pressures of inflation and of recovering bad debt from individual practitioners, we have frozen the levy for all sections of the profession for 2014/15 and reduced it for some.

We are also required to publish a statement of expenditure for:

- Public relations
- Overseas travel
- Hospitality and entertainment
- External consultancy

This statement is below.



Payee	Description	Annual Expenditure
1 July 2013 to 30 June 2014		
<b>Public Relations</b>		
Meltwater News UK	Media Monitoring Service	£3,600
Gareth Easton	Photography	£257
Morton Ward	Annual Report	£4,160
Brightwire	Website	£8,277
Holyrood Communications	FOISA Conference	£478
Core Solutions	Networking event	£40
Solid media	Media Training & event	£2,250
NLA Media	Media access	£365
	<b>Total</b>	<b>£19,426</b>
<b>Overseas Travel</b>		
		<b>NIL</b>
<b>Hospitality and Entertainment</b>		
		<b>NIL</b>
<b>External Consultancy</b>		
Scott Moncrieff	Internal Audit and ICT Consultancy Services	£9,300
Odru Limited	Consultancy on Complaints Procedure	£250
Hay Group	Evaluation of jobs	£1,800
Badenoch & Clark	Recruitment costs	£7,200
Audit Scotland	External Audit Fees	£11,160
City of Edinburgh Council	Actuarial fee	£1,830
Space Solutions	Office Planning	£1,200
	<b>Total</b>	<b>£32,740</b>
<b>Suppliers paid in excess of £25,000</b>		
Threadneedle Property Unit Trust	Rent and Service Charges (paid quarterly)	£184,605
NVT Group	IT Equipment and Support & telephone	£53,232
CAS	Case Management System Support & Upgrade	£129,562
Anderson Strathern	Various Expert Advice	£63,868
Shepherd and Wedderburn	Various Expert Advice	£64,119
City of Edinburgh Council	Business Rates (paid monthly)	£68,388
	<b>Total</b>	<b>£563,773</b>



# The SLCC's Staff

## Our Values

The work of the SLCC's team is underpinned by five core values:

**Respect** – We respect others and are respected

**Trust** – Our decisions and outcomes can be trusted

**Efficiency And Effectiveness** – We make a positive, measurable impact

**Leadership** – We are decisive in taking well-informed action

**User Focus** – We are mindful of the needs of our service users

We also have strong [governance](#) arrangements in place, including codes of conduct for our board members and staff, declarations of interest and publishing any gifts or hospitality received.

In the last year, we have provided training for staff in customer service and dispute resolution.

## Our Staff

The SLCC relies on its skilled, motivated and dedicated staff to carry out its functions. Every year, staff vote for a charity to support through a range of events.

This year, we supported [The Sick Kids Friends Foundation](#) and raised £2,122.51 over the year.

In 2014-2015, the SLCC staff have voted to support two charities – [Alzheimer's Scotland](#) and the [MS Society Scotland](#).

Staff also took part in awareness raising on Health and Safety issues for Health and Safety week.

**£2,122**  
money raised for the  
Sick Kids Friends Foundation



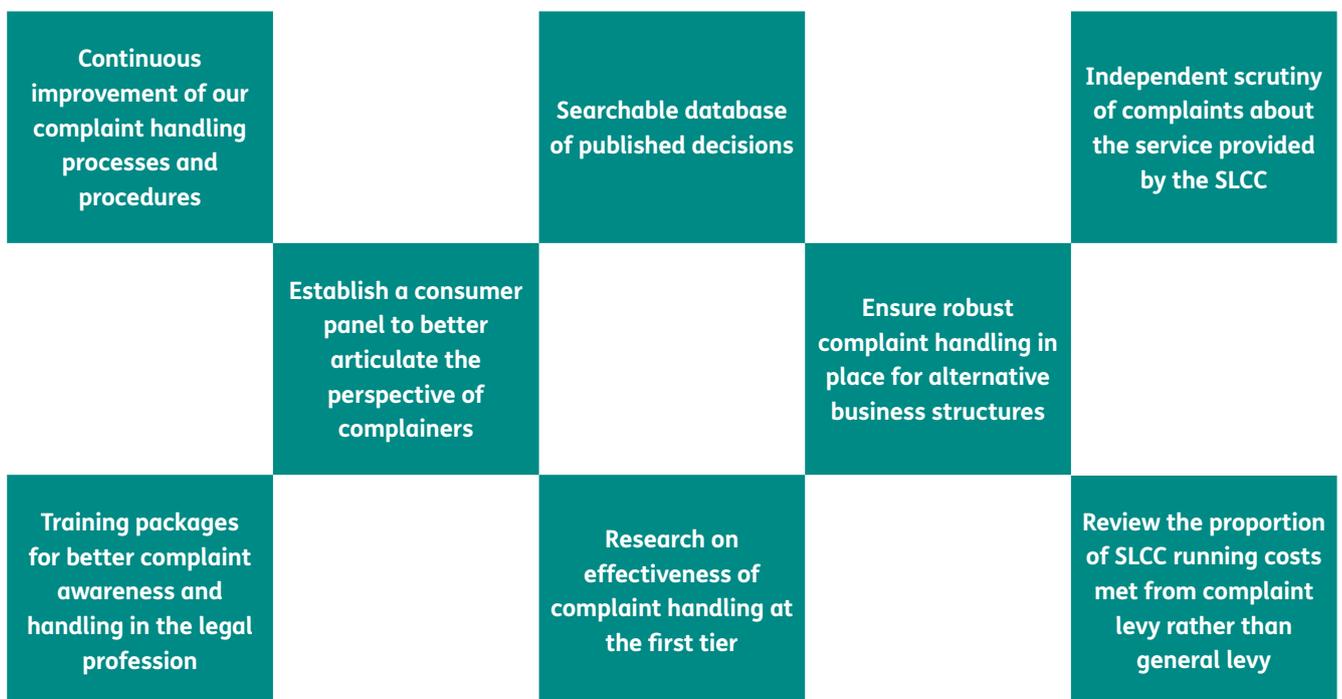
# Operating Plan

We laid our Budget and Operating Plan for 2014-2015 before the Scottish Parliament on the 25th April, following a consultation with the three Relevant Professional Organisations. Focussing on three key objectives, the operating plan draws on our [strategic objectives](#) and major themes in our [2012-2013 Annual Report](#).

The three key objectives are:

- Excellence in complaint handling
- Sharing expertise
- Risk and redress

A sample of the Operating Plan's detailed objectives is shown below. In order to see the full plan, please visit [SLCC Operating Plan 2014-2015](#).





# CEO's Closing Remarks

As ever, we find ourselves on shifting ground. The implementation of the EU directive on alternative dispute resolution and the opportunities to create a simplified, more accessible model of consumer protection and redress pose questions around where the SLCC sits within the wider context of complaint handling and ombudsman schemes. The Legal Services Act still holds out the prospect of alternative business structures and of different entities. The Law Society of Scotland has consulted on what outcomes focussed and entity regulation might offer.

The improvements we have made over the past few years stem from a combination of evidence based insights; from understanding and engaging with the issues facing the profession; from specialist knowledge of the needs of consumers of legal services; and from a commitment to make systemic improvements by bringing all of this to bear. We look forward to working with government, consumer groups and the professional regulators to ensure our contribution continues to grow and that we are fully playing our part in building trust and confidence in legal services in Scotland.



**Matthew Vickers**

Chief Executive Officer



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