



Karen Adam MSP

Convener

Equalities, Human Rights and Civil Justice Committee
Scottish Parliament
Edinburgh, EH99 1SP

16 January 2025

Dear Ms Adam,

Regulation of Legal Services (Scotland) Bill at Stage 2

The SLCC Consumer Panel is an independent advisory panel, established by statute in 2014 to assist the Scottish Legal Complaints Commission in understanding and taking account of the interests of consumers of legal services. Panel members include representatives from Citizens Advice Scotland, the Competition and Markets Authority, Consumer Scotland, Scottish Women's Aid, Young Scot and academia.

Proposals in the Regulation of Legal Services (Scotland) Bill seeks to significantly extend the panel's remit across the whole regulatory system to ensure consumer needs inform regulation and that consumer interests and protection are at its heart. This is in line with repeated comments about the lack of consumer research and insight which is available to inform legal services regulation.

While we very much welcome this extended remit we are concerned that there is not sufficient clarity being provided in relation to the panel's funding and resourcing to support this. Although the Consumer Panel was established by statute in 2014, no provision was made for its funding. Panel members are volunteers, meaning its work is effectively being subsidised by the organisations those on the panel represent, many of them from the not-for-profit or third sector.

In order to genuinely discharge its expanded duties, the panel must be resourced to recruit, to involve and to engage with consumers and representative groups. This can only happen if resource is dedicated to support this work. This includes:

- resources to carry out dedicated consumer research and engagement
- resources required for its secretariat to support the panel's work
- plus the support required for panel members themselves to allow them to fulfil their enhanced role.

The current voluntary and subsidised nature of the panel is not sustainable at its current level if its role and remit is to be enhanced as proposed and this needs to be addressed.

Currently, secretariat support and resource for any projects identified by the panel are met from SLCC resources, with funding coming from the general levy on regulated professionals. That has limited the panel's scope to deliver new consumer insights. The Bill's financial memorandum makes no specific reference to any funding for the panel and simply states that "it will be for the legal profession to fund the ongoing costs of the Commission through the annual general levy".

We are concerned that these arrangements, and the clear need for funding to increase to support the panel's extended remit, have not been made explicit to all stakeholders in the debate. We are concerned this might lead to either false expectations of lower regulatory costs or pushback from the profession when the SLCC sets its budget to cover such costs.

We are therefore very pleased to see the amendments laid by Maggie Chapman MSP that require the SLCC to ensure that the panel is adequately funded and resourced to be able to discharge its functions. This would help to ensure funding for the panel that is both sufficient and transparent within the SLCC's wider budget. However, we remain concerned that funding for the panel's work could be seen as optional, discretionary or open to challenge, rather than a necessary part of the proposed regulatory model.

We urge the committee to support these amendments and clarify its expectations that these costs require to be met by the regulatory system for this model to work.

Equivalent consumer panels in other sectors and jurisdictions (e.g. the [Legal Services Consumer Panel](#) in England and Wales, the [Communications Consumer Panel](#) or the [Financial Services Consumer Panel](#)), receive appropriate funding from the relevant regulated sector to discharge their important duties. As an example, the Legal Services Consumer Panel in England and Wales is supported by a small policy secretariat hosted and funded by the Legal Services Board as part of its annual levy on approved regulators. Its [budget for 2024-25](#) is £290,940, which includes research costs, member remuneration and secretariat costs.

We believe this approach provides a model for a panel which can genuinely meet the expectations placed on it by this Bill to put consumer interests at the heart of legal services regulation. In its scrutiny of the Bill **we urge the committee to make clear its support for consumer focused regulation and the resource required to deliver it.**

Yours sincerely,

Gillian Fyfe

Chair

SLCC Consumer Panel

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www.scottishlegalcomplaints.org.uk/about-us/consumer-panel/