



IPReg Guidance – Improving Information for Consumers and Small Businesses

Introduction

This Guidance has been developed following the Competition and Markets Authority's Legal Services Market Study. The study found that consumers and small businesses who may need legal advice often do not have clear information about the price and service they would receive, the redress that is available and the regulatory status of providers. They therefore have difficulty comparing providers and it is hard for them to make informed choices. This weakens competition and reduces access to justice.

This Guidance is designed to help regulated firms (including sole traders) improve the information they provide on their websites and in other client-facing material. It supplements, and should be read in conjunction with, the requirements in IPReg's [Rules of Conduct](#).

Who does this guidance apply to?

1. All firms and attorneys are welcome to adopt this Guidance, however it applies specifically to firms (including sole traders) that advise individual consumers and small businesses (i.e. those with up to 10 employees) on IP-related matters. Firms and attorneys should analyse their client base and decide whether this guidance applies to them.

What outcomes should we try to achieve?

2. The outcomes that you should be seeking for individual consumers and small businesses are:

- Outcome: consumers and small businesses that may need IP advice make informed choices about which provider to use, based on clear and accurate pre-engagement information that is prominently displayed on providers' websites and in their client-facing communications; and
- Outcome: as their matter progresses, clients are provided with information about changes to prices and/or services.

All the information that you provide must be sufficient, reliable and presented in ways that are relevant to consumers and small businesses.

What information should we provide about price and service?

3. In order to improve information for consumers before they decide whether to instruct you, you should consider providing the following types of information on your website and in other client-facing communications including offline promotional material that you produce:

- Clear descriptions of the different types of services provided;

- Typical timescales and key stages for different types of services;
- Price of different types of services. This should be in a clear and understandable format and could include:
 - A description of the service and price; whether the price is fixed and, if so, what services are included in the fixed price; and what factors might incur additional costs (and the likely price of them);
 - If the price is not fixed, the basis for charges including hourly rates and the likely number of hours needed for different services;
 - Scenario-based pricing (where illustrative examples are given including likely cost and timescales);
 - Whether VAT is included;
 - An explanation in plain English of likely disbursements and the cost of those disbursements. Any additional “administration” fees (e.g. filing fees in the UK and elsewhere, court fees, administration charges, foreign exchange charges including any uplift on currency conversions, etc.) should also be made clear;
 - Any referral arrangements and related fees; and
 - General factors that could increase or decrease costs.
- Whether a free or fixed fee scoping meeting is available. This would provide inexperienced or first-time clients with information about cost, likely process, risks and timescales, and what services will be provided following the meeting.
- Experience and qualifications of individuals who carry out the services together with supervisory arrangements.

4. The information you provide should avoid technical terms and legal jargon wherever possible. If this is unavoidable, the meaning of such terms should be explained in straightforward language.

What information should we provide about regulatory status and access to redress?

5. Regulatory status

- You should explain you are regulated by [IPReg](#) and are subject to its [Rules of Conduct](#) and other regulatory arrangements. You could provide links to the [IPReg Register\(s\)](#) and the [Disciplinary Findings webpage](#).
- Firms and attorneys that are regulated by [IPReg](#) may use the IPReg logo on their websites and other communications. Note, however, that if you are regulated by IPReg as an individual but

your firm is not regulated by IPReg, you may not use the IPReg logo on your website. [IPReg](#) will take action against any mis-use of its logo; and

- You should explain that being regulated by IPReg requires certain standards of training (e.g. before admission to the register and CPD) and conduct. You may also want to set out any additional training initiatives that you undertake.

6. You should explain the protection that your professional indemnity insurance provides. You should also explain that [IPReg](#) has put in place an insurance policy that may provide additional protection in the event of dishonesty or fraudulent use of client money.

7. The [Legal Ombudsman](#) can provide redress for individuals or micro enterprises (a business or enterprise with fewer than 10 employees and turnover or assets not exceeding €2 million) and you should therefore explain how to make a complaint using your own complaints procedure, how to contact the [Legal Ombudsman](#) and what the [Legal Ombudsman](#) can investigate. (See also [IPReg Rules of Conduct](#) 'Rule 12 – Complaints Handling' and its accompanying Guidance - in particular that written details of your complaints procedure must be available whenever a client requests them and that clients should be informed in writing when first engaging you that such a procedure exists.)

Does this guidance also apply to client care letters?

8. A key aim of improving information for consumers and small businesses is to enable them to make informed decisions before they enter into a contract with an IP attorney or firm. However, it is also important that consumers receive clear information once they have decided to instruct you.

9. You should therefore also consider whether you need to amend your client care letters to include some or all of the information on price, service, regulatory status and redress set out above. You should also consider whether to make standard information that is included in your client care letters available on your website as part of increasing overall transparency. If you decide to do so, you should take into account the CMA's observation that a more useful requirement than simply publishing a standard client care letter would be to:

"translate the letter into accessible client facing disclosures embedded appropriately into the content of a provider's website."

In any event, you should consider the findings of [research](#) which identified [eight key principles for client care letters](#).

Where can I find more about the type of information that consumers and small businesses need?

A great deal of research has been conducted about the type of information that consumers want in order to make an informed choice about which lawyer to instruct. Key research findings that we consider relevant are:

1. [Legal Ombudsman and Solicitors Regulation Authority 'Better Information Research'](#)

The importance of good information was reinforced in the '[Better Information Research](#)' which was jointly commissioned by the Solicitors Regulation Authority and the Legal Ombudsman. This found that when

choosing a legal services provider, 85% of people want information before making their decision. The information they want is usually about price (53%) and quality (37%), with over a quarter (27%) wanting information on regulatory protection. The research also found that when people were given access to information on price and regulatory protection, they were willing to make a trade-off between the type of provider and their associated regulatory protection, and the cost of the service. The research found that 54% of participants said that they would be willing to pay more to have more regulatory protection. Regulatory protection and price were both found to be important and the research found that people do not simply choose the cheapest option.

2. [UK Competition Network \(Financial Conduct Authority and Competition Markets Authority\): Helping people get a better deal](#)

The ‘three As’: a well-functioning market typically relies on consumers being able to follow the ‘three As’:

- **access** information; for example, on the prices and quality of alternative products;
- **assess** this information; for example, by comparing rival offers and making an informed choice between them; and
- **act** on the information; for example, by being able to switch supplier easily or to move to a better product from an existing supplier.

3. Solicitors Regulation Authority - a [study of small businesses](#) with legal issues

The findings suggest that publishing prices may help firms to win more business, both from competitors and from new clients who do not currently access professional support due to incorrect assumptions, such as how much it might cost.

Main barriers: when they have a legal need, small businesses say that a lack of readily available price information, and the complexity of the information currently available, are the main barriers to finding a new solicitor.

Cost: more than 60% of small businesses (70% of sole traders) perceived cost as a barrier that might limit access to legal services; small businesses without access to pricing information assumed solicitors were more expensive (by around 22%).

Internet searching: 42% of small businesses already spend time searching the internet when looking for legal service providers; 75% would spend more time doing so if more accessible information was available online.

Winning business: the research found evidence that by increasing price transparency, solicitors would win more business from alternative providers and professions that do not publish their prices.

4. Legal Services Board: [Small Business Legal Needs Research 2013-17](#)

This research indicates that price transparency could result in a substantial increase in small business clients. The Legal Services Board states:

“Our analysis shows that there is a strong relationship between perceptions of price transparency and likelihood of seeking legal advice – which supports the Competition and Markets Authority's recommendations on transparency”.

“Our work suggests that the market for legal advice would grow if better information on small business rights and the range of services on offer was available.”

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