



## TRANSPARENCY RULES 2018 – COMPLIANCE UNDER THE MICROSCOPE

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**The SRA has recently done a sweep of 500 firms' websites to check compliance with the Transparency Rules which came into effect in December 2018.**

The results were a mixed bag with 17% of firms showing no attempt to comply at all. A further 58% were partially compliant meaning that only 25% were found to be fully compliant. Further sweeps are promised every 6 months in which the SRA will look at 600 websites, so it is worth a quick recap on the requirements of the rules and a look at the areas where the SRA found firms were falling short.

It would be a good time for firms to review their websites so as not to be caught out in future.

The rules were produced following criticism from the Competition and Markets Authority (CMA) about the lack of information in the legal profession as to the services offered and the cost of those services. The CMA claimed that this was hindering the public and

small businesses from making informed decisions about the purchase of legal services. The SRA's first big decision was to identify which services to capture in its new rules. It initially decided to target the following but indicated that these areas could well be expanded:

- Conveyancing (residential)
- Probate (uncontested)
- Motoring offences (summary offences)
- Immigration (excluding asylum)
- Employment tribunals (unfair/wrongful dismissal)
- Debt recovery (up to £100,000)
- Licensing applications (business premises)

Price and service information must be provided and must be presented in a clear and easy to understand format. Price information can be the total cost or an average or range of costs. Disbursements must be explained, and the quotes must be clear about whether VAT is included. Service information

must include what services are included in the quoted price, what is not included, key stages, typical timescales and the qualifications and experience of the people providing the service.

Complaints handling procedures must also be displayed including details of how and when a complaint can be made to the Legal Ombudsman and the SRA.

The main findings of the SRA sweep were that the most common areas of non-compliance were a failure to:

- publish the required complaints information;
- specify the amount of VAT applied to costs and disbursements;
- display information on key stages and/or timescales; and
- provide a description of or the amount of likely disbursements.

Immigration work was the subject area which had the lowest level of compliance.

The SRA has announced its intention to target firms that provide immigration services in future sweeps. The SRA was particularly disturbed by this finding as immigration work often involves people at their most vulnerable.

Websites are a cheap and easy disciplinary target for the SRA. They are accessible remotely, so investigation officers need not conduct an onsite inspection. They do not require mountains of documentary evidence or unreliable oral evidence to secure a disciplinary finding. Whilst a breach in relation to these rules would not be the most serious example of professional misconduct, a disciplinary finding against your firm is best avoided because of the detrimental effect upon reputation, insurance and tendering for new work.

In terms of action to be taken, the SRA is writing to all the non-compliant firms giving them 2 months to make sure their websites are compliant. After that, if no progress towards compliance has been made enforcement action will be considered. For those partially compliant, the SRA is to tell them what steps they need to take to become compliant. In future sweeps, where non-compliance is found, it is likely that the SRA will be slightly less forgiving.

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