

# Protecting Consumers of Legal Services

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How do the reforms rate?

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We support:

- the differentiation of 'consumer matters' and 'disciplinary matters' ;
- the power of the Ombudsman to make determinations in consumer matters ;
- the obligation on practitioners to charge costs that are 'fair and reasonable' and to obtain informed consumer consent; and
- the powers to audit management processes in law firms.

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But is this enough for consumers?

What might consumers expect?

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Reforms in other sectors have given consumers access to an Ombudsman scheme that:

- Is free;
- Can make binding determinations (often up to \$280,000);
- Can respond to systemic issues;
- Consider what is “fair and reasonable”

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## Dispute Resolution

- Increase limits for determinations
- No appeals
- Handled independently from the profession
- Learn from industry ombudsman schemes
- Separate dispute resolution from discipline and regulation

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## Costs

- “Fair and reasonable”
- Informed consent
- Must be backed by clear, accessible remedies

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## Fidelity Funds:

- Adequate reserves
- Broaden coverage beyond “client”
- Review investment exclusion
- “Arms length” from the profession

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## Overall design

- Delegations – too many bodies
- Need to further separate dispute resolution and disciplinary matters
- Board composition and appointments



## Dispute role

### Governing Board

Independent from profession (could be "balanced")

No direct role in complaints handling

### Ombudsman

Independent from profession

Makes binding determinations

Protocols ensure exchange of information and reporting to Board of disciplinary matters and systemic problems

## Regulatory/Discipline

### Board

Independent from the profession

Range of expertise, including consumer and general regulatory expertise

Investigates disciplinary/regulatory complaints

Obtains "intelligence" from a range of sources including Ombudsman