# Online delivery of legal services

## What is online delivery of legal services?

* Online delivery of legal services can typically be referred to as:
  + making legislative documents, and information about the application of laws available online
  + allowing people to search for and connect with lawyers online, including solicitors, and find out about the services they offer
  + the usual correspondence consumers would expect with their solicitor, but delivered electronically (via internet or email).
* Online delivery is progressing, and now may also refer to:
  + Online portals - providing the ability to create, store, access and sign legal documents (contracts, letters & agreements) electronically online.
  + The use of Artificial Intelligence (AI) to launch legal ‘chatbots’ which ask intelligent questions, provide advice and help to build forms and claims. This began with assisting high volumes of consumers in challenging parking fines, and has since been improved and extended into areas such as criminal law, divorce and immigration.
* What is online legal advice? The difference between offering legal advice and offering a licence to use software that allows you to advise yourself using that software.

## What regulation applies and should they be regulated?

* Demand is driving rapid change in the legal market, law firms are finding new ways to meet the needs of consumers – but non-lawyers are also entering the market place – using technological advances to help people solve legal problems and navigate legal processes.
* So what do we regulate? We regulate solicitors and businesses authorised to deliver reserved activities.
* The legislature have set out six reserved activities that can only be carried out by regulated lawyers or businesses.
* These reserved activities are:

1. exercising rights of audience
2. conducting litigation
3. preparing certain documents relating to probate
4. preparing certain documents relating to conveyancing
5. acting as a notary
6. administering oaths.

* Important that once regulated all the solicitor’s and firm’s legal services are regulated. Though we have a narrow approach for multi disciplinary practices where other legal services are regulated by another professional body – such as tax advice by an accountancy firm.
* These activities are quite narrow and provide fertile soil in which innovation can grow – particular around litigation and the buying and selling of property. And we are seeing solicitors begin to embrace this – but others are embracing it too.
* The key therefore is that there is a large alternative legal market beyond the regulated one. So yes, if you have a chatbot that can deliver employment law advice, you can compete with a regulated solicitor.
* The common response of lawyers, law societies and regulators is to ask for these alternative services to be regulated – citing the need for a level playing field. But our approach is to make sure our regulation is flexible enough to allow solicitors to compete.
* SRA Policy Statement – May 2014 (updated in November 2015) very clear presumption that we must justify all of our regulation on evidence of real harm or detriment rather than having to prove that any innovation is safe before we allow. That is a strong presumption in favour of innovation and growth.
* This is driven by the fact that we know many people cannot afford to access legal services – and small business face almost identical challenges. No access is perhaps the most serious harm of all.

## What is the appetite for online delivery?

* The 2017 Legal Services Consumer Panel Tracker Survey[[1]](#footnote-1) reports a continuing increase in consumers’ preference for legal services to be delivered electronically. There has been a move away from traditional methods such as telephone and post, and online delivery of services has increased steadily over the last five years from 20 percent in 2012, to 27 percent in 2017. This increases to around 50 percent in the areas of conveyancing and personal injury.
* Consumers’ tendency to shop around for legal service providers continues to increase[[2]](#footnote-2), and research suggests that consumers are more satisfied than in 2012 with the choice available to them.[[3]](#footnote-3) In a 2015 survey, 40 percent of consumers indicated they are interested in the convenience and low cost of online legal services.[[4]](#footnote-4)
* Firms are recognising this shift. In 2013 firms indicated that website development ranked fourth in their priorities for change.[[5]](#footnote-5) By 2015 it was the most common change firms were looking to make.[[6]](#footnote-6)

## Our view on innovation

* We are committed to supporting innovation and the use of technology to help firms improve the quality, accessibility and affordability of legal services. This will benefit firms and everyone using legal services.
* We do not want to restrict this through regulation. We want to support firms to grow and develop. We believe that regulation should pose as few barriers as possible to the development and introduction of new working practices. This is reflected in our ongoing reform programme, and in initiatives such as **SRA Innovate** which are encouraging legal services providers to respond to the changing market in new, creative ways.
* SRA Innovate aims to remove regulatory barriers to encourage innovative services, delivered in new ways, that will benefit the public. It is open to existing firms, new entrants, alternative business structures (ABS) and traditional law firms. We are already offering multi-disciplinary partnerships, and allowing specific rules to be waived in some cases to aid innovation. We have also created a virtual reference group that people can join to help us develop our thinking.
* As part of our ongoing ‘Looking to the future’ initiative, we have two consultations currently open. The underlying aims of this initiative are to simplify legal services for firms and consumers, as well as improve transparency and accessibility.

## Closing / stance on innovation / success stories

* We believe that we should encourage innovation in the legal sector until it is shown to be unsafe, rather than banning until proven safe. Even then, evidence to support the need for greater regulation would need to be clear. We would need evidence of actual detriment and harm rather than just having identified potential risks.
* Using the example of divorce work, recent research aimed to see whether consumers' experiences were affected by whether legal services were delivered face to face or online. No evidence was found to suggest that consumers of online services receive poor outcomes.[[7]](#footnote-7)
* In unbundling, data indicates there is only a small difference in service satisfaction between consumers who opted for a full legal service (84 percent) and an unbundled service (81 percent).[[8]](#footnote-8)
* Our internal research on ABS firms has shown no evidence that these types of firms pose a significantly increased level or type of risk compared to traditional firm structures. Analysis of allegations reported to us has found that they are less likely to have a serious issue than non-ABS firms.
* Regardless of the business or delivery mode used by solicitors and law firms, our key aim remains the upholding of high professional standards when a solicitor or law firm provides any service. These high standards together with the harnessing of new technology, means solicitors are well placed to take on the challenges of the modern legal market.

## Case Studies of solicitors embracing and promoting innovation

* The introduction of Alternative Business Structures (ABS) was intended (amongst other things) to promote innovation and diversity in the provision of legal services. Our research suggests that this ambition is being realised. The adoption of ABS status has a positive effect on innovation. Our research has shown that, all else being equal, ABS Solicitors are 13-15 percent more likely to introduce new legal services. The implication is that the wider adoption of ABS status would be likely to increase the range and reach of legal services on offer.
* The introduction of unbundled services, where legal service providers and consumers agree to share the legal work between them, has shown that innovation can work. Almost one in five transactions now involves some degree of unbundling. It reduces costs and allows consumers more control in their legal matter. Consumers typically report very positive experiences, and people agree that unbundling allows clients access to expert legal advice that might otherwise be unavailable.[[9]](#footnote-9)
* Some firms have used technology to overcome issues of people finding legal services expensive, complex and difficult to access. Examples include enabling consumers to go online and create customised contracts online, access simple legal information, and discuss legal issues for free with solicitors.
* We have seen the introduction of new case management systems intended to ease communication and improve performance while providing a simple, inviting and intuitive interface like everyday consumer apps offer. This helps to make law firms work more effectively and efficiently, and make it easier and more rewarding for users to use these systems.
* Partnering with legal organisations, technology providers have held ‘hackathon’ events. Here programmers are challenged to come up with creative solutions such as automated translation systems for consumers facing language problems, or creating technology to help people navigate legal information more easily.
* An increasing number of firms are making use of artificial intelligence systems such as IBM’s ‘Watson’ to automate aspects of their work, improving efficiency and providing new insights and ways of working.[[10]](#footnote-10)
* In the next few weeks, more than 50 solicitors, barristers and in-house counsel volunteers will take part in a [ground-breaking lawyer versus machine challenge](http://www.legalfutures.co.uk/latest-news/lawbot-team-plans-lawyer-v-machine-case-prediction-challenge). They will be asked to outsmart artificial intelligence software in predicting whether real PPI cases were upheld or rejected by the Financial Ombudsman.[[11]](#footnote-11)

## Case studies of others embracing and promoting innovation

* EBay’s online dispute resolution (ODR) platform has proved highly successful, and is now the most widely used legal service in the world, settling around 60 million disputes each year.[[12]](#footnote-12)
* Premonition uses technology to predict the outcome of cases at the high court and offers this service to law firms and litigation funders to help them predict success rates.
* Legal Zoom/Rocket lawyer and others offer a suite of online documents for people and businesses – everything from wills to company formation documents and employment contracts. A common feature is to offer access to a human being – not always a qualified lawyer, to look over it and advise on any complex issues.
* We also see computer programmes that can be used to challenge parking fines, or enforce consumer rights against companies – flight delays or PPI for example.
* The Civil Justice Council (CJC) has proposed that an online system running alongside traditional courts would increase access to justice and streamline the legal process. It has also highlighted an online system launched by the Traffic Penalty Tribunal, which arbitrates on disputes between motorists and councils in England and Wales.
* The digitisation of courts is on-going making slow but steady progress.

1. Tracker Survey 2017, Briefing note: how consumers are using legal services, Legal Services Consumer Panel, 2017. [↑](#footnote-ref-1)
2. 27% of consumers compare services or prices before choosing their provide, up from 25% in 2016 - Tracker Survey 2017, Briefing note: how consumers are choosing legal services, Legal Services Consumer Panel, 2017. [↑](#footnote-ref-2)
3. 71% of consumers reporting having a fair or great deal of choice - Tracker Survey 2017, Briefing note: how consumers are choosing legal services, Legal Services Consumer Panel, 2017. [↑](#footnote-ref-3)
4. UK Legal Services Market Report 2015 – Press Release, IRN Research, 2015. [↑](#footnote-ref-4)
5. Brave New World, LexisNexis Bellwether Report: 2014, LexisNexis, 2014. [↑](#footnote-ref-5)
6. Age of the Client, LexisNexis Bellwether Report: 2015, LexisNexis, 2015. [↑](#footnote-ref-6)
7. Comparing methods of service delivery: A case study on divorce, BDRC Continental – commissioned by the Legal Services Board and Legal Services Consumer Panel, 2015. [↑](#footnote-ref-7)
8. Tracker Survey 2014, Briefing note: A changing market, Legal Services Consumer Panel, 2014. [↑](#footnote-ref-8)
9. Qualitative Research Exploring Experiences and Perception of Unbundled Legal Services, Legal Services Board, 2015. [↑](#footnote-ref-9)
10. IBM Lays out massive potential for Watson in the law, Legal Futures, 2015. [↑](#footnote-ref-10)
11. Legal brains will have a week to defeat AI in lawyer v machine challenge, Legal Futures, 2017 [↑](#footnote-ref-11)
12. Description of EBay’s ODR can be found here: <https://20160dr.wordpress.com/2016/04/14/odr-platforms-ebay-resolution-center/> [↑](#footnote-ref-12)