

# First Tier Complaints Report 2023

23 May 2024

## Why did we carry out this analysis?

Solicitors have a duty to provide a good standard of service, as we set out in our [Principles](https://higher-rights.sra.org.uk/solicitors/standards-regulations/principles/) and as set out in the Legal Services Act. Complaints are an important indicator of service quality. We ask firms to report annually to us on the number of complaints:

- they receive from their clients
- they resolve.

Publishing complaints data is part of our commitment to improve information about legal services.

Please note that, due to technical issues which impacted the quality of data available, we were not able to publish any information relating to 2020.

Sharing these findings will:

- benefit people by raising awareness about complaint handling
- help firms to use this information to improve their standards of service.

If properly contextualised, complaints data can be an important indicator of quality. [This report is part of our wider work on quality indicators](https://higher-rights.sra.org.uk/sra/research-publications/quality-indicators-legal-services-report/) and we are carrying out further analysis to inform the development of our approach on this issue.

## Complaints process

When clients are dissatisfied with the service of a firm, they can raise complaints. These are known as 'first-tier complaints' (FTCs). Law firms have eight weeks after receiving an FTC to provide their final written response.

The outcome can be:

- resolved - firm resolves the complaint to the satisfaction of the client
- unresolved - firm is unable to resolve the complaint.

When a firm is unable to resolve the complaint, clients can contact the Legal Ombudsman (LeO).

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## [Number of complaints 2023](#)

The number of FTCs received has generally increased over time, rising from 25,689 in 2013 to 36,887 in 2023.

Reasons for this increase may be the correlation between the growth of the solicitor practising population in the same period (rising from approximately 127,000 to more than 160,000). Another reason could be that, over this time period, consumers feel more comfortable to complain and challenge when not satisfied with the service they receive.

In 2018, [we introduced our Transparency Rules](https://higher-rights.sra.org.uk/solicitors/standards-regulations/transparency-rules/) [https://higher-rights.sra.org.uk/solicitors/standards-regulations/transparency-rules/]. Under these rules, law firms must publish information on how they handle complaints and details on how and when a complaint can be made to us and to LeO. This rule change could also have led to an increase in complaints.

The drop from 2019 to 2021 is likely to be because of the effects of the Covid pandemic and the subsequent lockdowns. As fewer transactions took place while law firms adjusted to the new socio-economic landscape during the pandemic, fewer complaints will have been made as a result.

### **Year Amount received**

|      |                   |
|------|-------------------|
| 2013 | 25,689            |
| 2014 | 27,900            |
| 2015 | 27,729            |
| 2016 | 27,672            |
| 2017 | 28,460            |
| 2018 | 28,254            |
| 2019 | 30,836            |
| 2020 | No data available |
| 2021 | 22,964            |
| 2022 | 33,715            |
| 2023 | 36,887            |

### **Proportion of complaints received by size of firm**

Small, medium, and large firms receive proportionally more FTCs compared to their volume of work. Very large firms receive proportionally less FTCs compared to the volume of their work.

This is likely to be because very large firms generate most of their turnover from large corporate clients who would not use the same FTC process as individual clients. They will typically have other routes to redress if there is poor service.

| <b>Size</b> | <b>Proportion of number of all firms 2023</b> | <b>Proportion of turnover of all firms 2023</b> | <b>Proportion of all FTCs received 2023</b> |
|-------------|---|---|---|
| Small       | 54%   | 2%  | 3%  |
| Medium      | 35%   | 11%   | 20%   |
| Large       | 9%  | 28%   | 64%   |
| Very large  | 1%  | 59%   | 12%   |

Please note, totals may not add up to 100% due to rounding.

### **Most common complaints**

The most common complaints received by firms in 2023 were about:

- delay (20%)
- failure to keep informed (17%)
- failure to progress (12%)
- failure to advise (10%)
- excessive costs (9%).

These most common reasons for complaint tend to be the same each year. Although 'other' complaints is one of the most common categories, we have no information about these complaints and are, therefore, unable to draw any conclusions from the data.

## Number of complaints received and resolved by year

| Year | Received          | Resolved          |
|------|-------------------|-------------------|
| 2013 | 25,689            | 18,272            |
| 2014 | 27,900            | 20,265            |
| 2015 | 27,729            | 21,771            |
| 2016 | 27,672            | 21,964            |
| 2017 | 28,460            | 22,305            |
| 2018 | 28,254            | 22,847            |
| 2019 | 30,836            | 24,776            |
| 2020 | No data available | No data available |
| 2021 | 22,964            | 18,025            |
| 2022 | 33,715            | 27,354            |
| 2023 | 36,887            | 29,835            |

## Resolving complaints

The number of complaints received and resolved has generally increased over the past 10 years. The number of resolved cases is increasing at a higher rate than the number of cases received. This suggests that a higher proportion of complaints are being resolved by law firms.

The rate of resolution of complaints has risen from 71% in 2013 to 81% in 2023.

## Proportion of complaints resolved

| Year | Proportion Resolved (%) |
|------|-------------------------|
| 2013 | 71%                     |
| 2014 | 73%                     |
| 2015 | 78%                     |
| 2016 | 79%                     |
| 2017 | 78%                     |
| 2018 | 81%                     |
| 2019 | 80%                     |
| 2020 | No data available       |
| 2021 | 78%                     |
| 2022 | 81%                     |
| 2023 | 81%                     |

## Proportion of complaints resolved by firms by complaint type 2021 to 2023

The proportion of complaints that are resolved varies by complaint type. For example, in 2023, 74% of complaints about a failure to keep the client/customer informed were resolved. This is compared to 89% concerning a failure to progress a

matter. In both categories, the numbers received and resolved were in their thousands.

### 2023 data - proportion of complaints resolved by firms by complaint type

| <b>Complaint category</b>                   | <b>FTC received</b> | <b>FTC resolved</b> | <b>Resolved (%)</b> |
|---|---------------------|---------------------|---------------------|
| Conduct                                     | 2,699               | 2,104               | 78%                 |
| Costs excessive                             | 3,314               | 2,462               | 74%                 |
| Costs information deficient                 | 855                 | 683                 | 80%                 |
| Criminal activity                           | 13                  | 13                  | 100%                |
| Data protection/breach of confidentiality   | 564                 | 503                 | 89%                 |
| Delay                                       | 7,529               | 6,455               | 86%                 |
| Discrimination                              | 54                  | 50                  | 93%                 |
| Failure to advise                           | 3,660               | 2,760               | 75%                 |
| Failure to comply with agreed remedy        | 70                  | 54                  | 77%                 |
| Failure to follow instructions              | 1,899               | 1,489               | 78%                 |
| Failure to investigate complaint internally | 82                  | 68                  | 83%                 |
| Failure to keep informed                    | 6,226               | 4,618               | 74%                 |
| Failure to keep papers safe                 | 189                 | 147                 | 78%                 |
| Failure to progress                         | 4,300               | 3,821               | 89%                 |
| Other                                       | 5,433               | 4,608               | 85%                 |

### 2022 data - proportion of complaints resolved by firms by complaint type

| <b>Complaint category</b>                   | <b>FTC received</b> | <b>FTC resolved</b> | <b>Resolved (%)</b> |
|---|---------------------|---------------------|---------------------|
| Conduct                                     | 2,529               | 1,880               | 74%                 |
| Costs excessive                             | 2,669               | 1,938               | 73%                 |
| Costs information deficient                 | 865                 | 645                 | 75%                 |
| Criminal activity                           | 11                  | 8                   | 73%                 |
| Data protection/breach of confidentiality   | 606                 | 471                 | 78%                 |
| Delay                                       | 8,579               | 7,132               | 83%                 |
| Discrimination                              | 71                  | 49                  | 69%                 |
| Failure to advise                           | 3,574               | 2,589               | 72%                 |
| Failure to comply with agreed remedy        | 96                  | 79                  | 82%                 |
| Failure to follow instructions              | 1,684               | 1,329               | 79%                 |
| Failure to investigate complaint internally | 105                 | 76                  | 72%                 |
| Failure to keep informed                    | 5,463               | 4,914               | 90%                 |
| Failure to keep papers safe                 | 259                 | 212                 | 82%                 |
| Failure to progress                         | 3,239               | 2,725               | 84%                 |
| Other                                       | 4,160               | 3,461               | 83%                 |

### 2021 data - proportion of complaints resolved by firms by complaint type

| <b>Complaint category</b> | <b>FTC received</b> | <b>FTC resolved</b> | <b>resolved (%)</b> |
|---------------------------|---------------------|---------------------|---------------------|
|---------------------------|---------------------|---------------------|---------------------|



|   |       |       |     |
|---|-------|-------|-----|
| Conduct                                     | 1,939 | 1,491 | 77% |
| Costs excessive                             | 1,996 | 1,443 | 72% |
| Costs information deficient                 | 645   | 512   | 79% |
| Criminal activity                           | 11    | 10    | 91% |
| Data protection/breach of confidentiality   | 375   | 312   | 83% |
| Delay                                       | 5,941 | 4,905 | 83% |
| Discrimination                              | 69    | 49    | 71% |
| Failure to advise                           | 2,797 | 2,025 | 72% |
| Failure to comply with agreed remedy        | 40    | 33    | 83% |
| Failure to investigate complaint internally | 352   | 199   | 57% |
| Failure to keep informed                    | 2,326 | 1,925 | 83% |
| Failure to keep papers safe                 | 179   | 140   | 78% |
| Failure to progress                         | 1,933 | 1,583 | 82% |
| Failure to follow instructions              | 1,214 | 903   | 74% |
| Other                                       | 3,197 | 2,509 | 78% |

### **Firm size and location**

Larger firms are more likely to resolve a complaint. This is likely to be because larger firms have dedicated resources to handle complaints.

|                              | <b>Small</b> | <b>Medium</b> | <b>Large</b> | <b>Very large</b> |
|------------------------------|--------------|---------------|--------------|-------------------|
| Received 2021                | 1,205        | 5,651         | 13,646       | 2,462             |
| Resolved 2021                | 828          | 4,353         | 10,975       | 1,869             |
| Proportion resolved 2021(%)  | 69%          | 77%           | 80%          | 76%               |
| Received 2022                | 2,167        | 8,197         | 18,366       | 4,985             |
| Resolved 2022                | 1,840        | 6,258         | 14,939       | 4,317             |
| Proportion resolved 2022(%)  | 85%          | 76%           | 81%          | 87%               |
| Received 2023                | 1,043        | 7,443         | 23,549       | 4,576             |
| Resolved 2023                | 711          | 5,881         | 18,588       | 4,496             |
| Proportion resolved 2023 (%) | 68%          | 79%           | 79%          | 98%               |

### **Conclusion**

Over the past 10 years firms have received an increasing number of FTCs. As mentioned, this could be due to a number of factors. These include the growth of the UK legal market and population.

As part of our Transparency Rules, first introduced in December 2018, firms must publish details of how and when consumers can make a complaint. This may have also contributed to the change. The exception to this was the number of complaints firms received in 2021. As previously mentioned, this is likely to be because of the pandemic, the subsequent lockdown, and a fall in the number of legal transactions taking place in that period.

However, firms' reports to us show that they are also resolving a higher proportion of complaints. In 2023, the proportion of resolved complaints was 81%, the same as in 2022.

When comparing 2023 to 2019, firms have seen an approximate 20% increase in both the number of complaints they received and resolved. The proportion of

complaints that are resolved internally has remained relatively constant, increasing a small amount from 80% to 81%. This matches the longer-term trend of firms receiving and dealing with more complaints.

Firms can use this information to:

- Help improve their standards of service by encouraging an open culture of complaints within their businesses. This can improve the way complaints are handled and how individuals learn from complaints.
- Benchmark themselves against this aggregate data and take action to improve their service and complaints process where needed.

[Our three-year evaluation of the Transparency Rules also provides a wider evaluation of the rules' introduction. \[https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/3-year-transparency-review/#:~:text=The%20transparency%20rules%20require%20all,not%20have%20a%20web%20presence.\]](https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/3-year-transparency-review/#:~:text=The%20transparency%20rules%20require%20all,not%20have%20a%20web%20presence.)