

# Falconer's special offers include the 'Tesco law'

By Frances Gibb  
Legal Editor

PEOPLE will be able to obtain legal advice when they do their supermarket shopping under reforms of legal services announced yesterday.

In what he dubbed "Tesco law", the Lord Chancellor said that he favoured allowing corporations to set up legal businesses for consumers.

The review of the legal services market will also see banks handling the affairs of the bereaved. Solicitors may also be allowed to go into business with accountants and tax advisers to offer a "one-stop shop", Lord Falconer of Thoroton added.

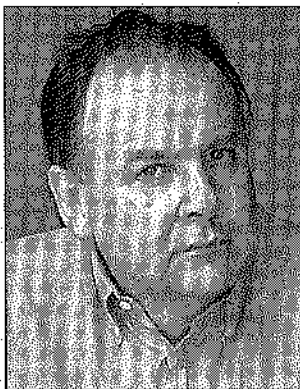
But firm proposals will not be brought forward until the completion of a review of the way legal services are regulated, he said.

As a first step, banks, building societies and insurance companies will be allowed to handle the financial affairs of people who have died.

The legal services market will enable lawyers to be employed by organisations such as Tesco or Marks & Spencer and for lawyers and other professionals to set up one-stop shops with a range of legal services under one roof.

Law firms would be able to attract outside investment and even float on the Stock Exchange as public corporations, the Lord Chancellor said.

The review of legal services



will be carried out by David Clementi, a former Deputy Governor of the Bank of England and chairman of the Prudential. He will look at what regulatory framework will best promote competition and innovation, serve consumer interests and be more accountable than present arrangements.

Asked whether the Law Society, which represents 90,000 solicitors in England and Wales, would lose its self-regulation powers, Lord Falconer said: "I think there's a significant chance that they will. A case has got to be made which answers the question: 'Is it in the interest of the consumer and the public that lawyers regulate themselves?'"

"If you're giving a particular group a monopoly in the provision of services — which in some areas they [lawyers] are given — then that monopoly carries with it a need to

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provide a service that meets the needs of the consumer. It may be that external regulation will bring more benefits for the consumer."

This month Zahida Manzoor, the Legal Services Ombudsman, published the latest in a series of reports to criticise the Law Society's handling of complaints. She said that three of every ten complaints against the Law Society led to her making criticism or recommendations in 2002-03.

Lord Falconer said: "The ability of the Law Society to deal with complaints by the public has raised the question repeatedly of whether they are on top of that. The document we have published is saying the current system of regulation does not work."

The background report published by the Lord Chancellor yesterday proposes a super-regulator for all legal services. The existing regulation frame-

work was insufficiently transparent, the report says.

Lord Falconer said that the changes should cause prices to fall. "Having opened up the conveyancing market — although the take-up was quite small — it was accompanied by a significant reduction in price. We think there will be a take-up with probate and, just as significantly, there will be an impact on price."

Probate is the legal process after someone dies, with or without leaving a will. It establishes the right of executors to handle the deceased's assets.

Janet Paraskeva, the chief executive of the Law Society, said: "We have already been in discussion with the Government about the necessary legislation to allow the establishment of multi-disciplinary partnerships and to enable solicitors employed by businesses to advise the public directly."

The challenge for the Government was to ensure proper regulation and consumer protections and that liberalisation did not reduce access to justice, she said, adding: "Our concern is that new entrants might cherry-pick the more profitable and less complex areas of work, threatening ... established local firms that offer a full range of services."



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