THOMPSONS SOLICITORS

Thompsons Solicitors Response to the Legal Ombudsman Consultation: Changes to Scheme Rules, Case Fees and Publication of Ombudsman Decisions

Introduction

Thompsons Solicitors is the UK's largest and most experienced trade union and personal injury law firm. We specialise in personal injury and employment law for trade union members and their families, as well as providing services to non-union clients.

At any one time, Thompsons, as a firm, will be handling over 20,000 personal injury, employment law and criminal cases in England and Wales. The firm participates regularly in government consultations on various issues relevant to our clients.

Executive Summary

Thompsons Solicitors welcomes the opportunity to provide its views on the principles and specific details of the proposals and the impact they will have on consumers, legal service providers and the wider legal sector.

We support the principles of addressing incoming levels of demand, focusing on complaints that can make a difference, ensuring the process is proportionate, effective and efficient and encouraging early resolution of complaints.

However, we are concerned that the proposed changes, particularly the revised fee structure, will not achieve these goals, will significantly impact financially on law firms and are likely to further restrict access to justice for the following reasons:

- ***Rising complaint volumes are driven by wider factors, not necessarily poor service or complaint handling***
- ***A 275% case fee increase is manifestly excessive and may incentivise settlement of unmerited complaints whilst simultaneously increasing the number of them***
- ***Firms facing the prospect of potentially incurring multiple complaint-related charges may stop undertaking lower-value, complex or higher-risk claimant work where recoverable costs are already restricted.***

We therefore call on the OLC to:

- ***Reconsider the proposed fee levels ensuring any demand-based charging model reflects uphold rates, case volumes and sector-specific factors***

- ***Carry out and publish an impact assessment on legal service providers and, more widely, access to justice***

- ***Clarify and codify the "all reasonable steps" test***

- ***Review and improve consistency and transparency within the Early Resolution process.***

- ***Consider and introduce technology-enabled triage and jurisdiction-filtering tools***

Increasing Complaint Volumes Do Not Demonstrate Deteriorating Standards

The Office for Legal Complaints (OLC) acknowledges in its 2026/27 Business Plan and Budget that recent increases in complaint volumes have been driven by a combination of changing consumer expectations, greater awareness of complaint routes and the increasing use of artificial intelligence (AI). The OLC Chair expressly recognises that these factors, rather than deteriorating standards of legal service, have contributed materially to the unprecedented rise in complaints[1]. The Legal Services Board refers to the level of increased complaints being “consistent with trends across other ombudsman/complaints schemes”[2].

This distinction is important.

Claimant firms increasingly face large volumes of AI-generated correspondence, complaints and enquiries. Such communications are often lengthy, repetitive and require significant additional resource to assess and respond to appropriately. Increased demand upon LeO should not automatically be interpreted as evidence that legal service providers are delivering poorer standards of service or handling complaints less effectively.

The consultation appears to be based on an assumption that reducing referrals to LeO is necessarily indicative of improved complaint handling or service. In our view that assumption is not supported by the evidence presented.

The Proposed Fee Increases Are Excessive and Insufficiently Justified

The proposed increase to £750 for investigations and £1,500 for Ombudsman decisions represents a substantial departure from the position adopted by the OLC during its July 2025 consultation.
The OLC concluded just over 12 months ago that an inflationary rise for the case fee to £600 would strike an appropriate balance between encouraging effective

[1] Foreword to the Legal Ombudsman Consultation: Changes to Scheme Rules, Case Fees and Publication of Ombudsman Decisions July 2026
[2] LSB paper (25) 56 27 November 2025

complaint handling and avoiding disproportionate burdens on providers and "mitigates the risk of an adverse financial impact on service providers"[3].

The present consultation now proposes an increase of up to 275% of the current case fee without adequately explaining how those figures have been derived or why the previous analysis is no longer considered valid, save that "a number of stakeholders asked LeO to explore more radical changes to its case fee approach"[4]. The only responses that we could locate were from The Law Society which publicised them themselves, and which broadly supported the increase to £600; there were no "stakeholder" responses on the LeO website.

We request that the OLC:

- ***Publishes all the responses to the July 2025 consultation***
- ***Provides all documents relating to the decision not to introduce the increase of the case fee to £600 in April 2026 and***
- ***Explains how the proposed fee changes will mitigate the risk of an adverse financial impact on service providers identified by the OLC in July 2025***

Early Resolution Fee (£200)

We do not support the introduction of a £200 fee for a complaint that reaches Early Resolution.

There is a substantial risk that the proposed fee will encourage firms to offer higher levels of compensation than they consider justified simply to avoid LeO involvement.

In our experience, there is inconsistency in how complaints are handled at the Early Resolution stage, exacerbated by the guidance on remedies having wide ranges of award levels making it difficult for legal providers to assess the reasonableness of an offer.

The consultation therefore risks creating a "pay to avoid escalation" culture. Firms may settle complaints for commercial reasons rather than because the complaint has merit. This would undermine confidence in the fairness of the complaints process

[3] Proposed Changes to the Legal Ombudsman Case Fee Structure July 2025 p4 "Given the noted pressures on the legal services sector, the desire to maintain a level of fairness and to not create any perception of case fees being in any way punitive the Legal Ombudsman now proposes to pursue an inflationary only increase and to reposition the case fee at £600"
[4] P16 Legal Ombudsman Consultation: Changes to Scheme Rules, Case Fees and Publication of Ombudsman Decisions July 2026

Access to Justice

The cumulative effect of the proposed fees is likely to be felt most acutely in sectors already subject to significant economic pressures, for example, personal injury, following LASPO 2012[5], whiplash reforms and the extension to fixed costs in 2023.

The prospect of incurring multiple complaint-related charges may discourage firms from undertaking lower-value, complex or higher-risk claimant work where recoverable costs are already restricted.

This risks widening the existing justice gap and reducing the availability of experienced representation for injured people and other vulnerable consumers when for example, only 12% of consumers use the Official Injury Claim (OIC) portal without a lawyer[6].

Absence of a Robust Impact Assessment

We are particularly concerned by the apparent absence of any detailed impact assessment accompanying these proposals.

The consultation does not appear to provide:

- a clear financial rationale for the proposed fee levels;
- modelling of behavioural effects on providers;
- assessment of impacts on different sectors of the profession;
- consideration of access to justice consequences; or
- analysis of the cumulative effect of recent regulatory and economic pressures on legal service providers.

Without a transparent evidence base it is difficult to conclude anything other than the aim of the proposals is to generate revenue rather than target reforms designed to improve complaint outcomes.

We request sight of a comprehensive impact assessment of the proposed changes

The Proposals Represent a Move Away From a Fault-Based Charging Model

A fundamental concern is that the proposed fee structure moves away from the longstanding principle that providers should not face financial penalties where they have acted reasonably and where complaints are unmeritorious.

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[5] Legal Aid, Sentencing and Punishment of Offenders Act 2012
[6] OIC Claims Data April to June 2026

Under the current arrangements, firms are protected from case fees in circumstances where complaints are resolved in their favour and appropriate efforts have been made to resolve matters internally.

The proposed model risks creating a system in which firms incur substantial costs simply because a complaint progresses through the LeO process, regardless of whether any service failure has occurred. The focus therefore shifts from fault and conduct to procedural engagement.

This represents a significant change in principle which is not fully acknowledged within the consultation.

Fee Waiver Test and "All Reasonable Steps"

We welcome the retention of the fee-waiver provision where complaints are resolved in favour of the provider and all reasonable steps have been taken to resolve matters internally.

However, the current proposals fail adequately to define "all reasonable steps". Both service providers and consumers require a clear and transparent framework.

The current Guidance on Scheme Rules FAQs[7] provides useful guidance on what LeO would expect to see in a reasonable response but this should be incorporated into the Scheme Rules themselves so the consumers and legal service providers are clear as to what constitutes "reasonable steps".

Without such objective criteria firms face:

- uncertainty regarding compliance;
- retrospective assessments based upon hindsight;
- inconsistent decision-making between investigators; and
- increased difficulty in identifying whether waiver criteria have been satisfied.

For example, a firm that offers £200 during its internal complaints process should not automatically be regarded as having acted unreasonably simply because LeO subsequently recommends £250. Such marginal differences are inevitable in any evaluative process and should not result in mandatory fee exposure.

[7] Guidance on Scheme Rules FAQs April 2023

Additional Fee for Failure to Provide a Final Response Within Eight Weeks

We agree that complaint handling should be timely and that persistent failures to engage with complainants appropriately should have consequences.

However, we do not support an automatic fee triggered solely by the absence of a final response within eight weeks.

Delays may arise due to:

- ongoing efforts to resolve matters consensually;
- complexity of the complaint;
- third-party dependencies;
- client vulnerability;
- ongoing litigation; or
- the complainant's own conduct.

The circumstances of each case should be considered before any fee is imposed.

If LeO remains minded to introduce such a fee, a graduated or tiered approach would be preferable to a rigid flat-rate charge and would better reflect the varying degrees of culpability which may arise.

Systemic Causes of Complaints

Particularly within personal injury, industrial disease, serious injury, clinical negligence and employment litigation, complaints frequently arise from factors over which firms have little or no control.

These include:

- court delays;
- judicial capacity constraints;
- insurer conduct;
- delays in obtaining medical evidence;
- complexity of causation issues;
- economic pressures on clients;
- client vulnerability; and
- unrealistic expectations generated by online information and AI systems.

Dissatisfaction arising from these systemic factors should not automatically create financial consequences for individual firms.

The proposed fee structure risks attributing responsibility for wider structural failings within the civil justice system to legal service providers who are themselves affected by those failings.

Significant Demand on LeO Resources

We agree in principle that firms generating disproportionate and avoidable demand upon LeO resources should contribute an appropriate share of costs.

However, complaint volumes alone are an inadequate measure of service quality.

Any model should take account of:

- the legal sector in which the provider operates;
- complaint uphold rates;
- total case volumes;
- effectiveness of first-tier complaint handling; and
- the complexity and nature of the work undertaken.

A claimant firm managing 30,000 matters annually may generate more referrals in absolute terms than a smaller practice yet still demonstrate significantly better complaint outcomes as a proportion of its caseload.

Technology and Demand Management

If technological developments and AI-generated complaints are contributing materially to increased demand, technology should form part of the solution.

We support:

- standardisation of complaint submission processes;
- increased digitalisation;
- greater use of automated triage tools;
- AI-assisted filtering mechanisms subject to human oversight; and
- improved routing of complaints at an earlier stage.

In particular, LeO should consider developing a digital filtering system capable of identifying

- complaints that fall outside jurisdiction;
- matters more appropriately referred to regulators;
- allegations of professional misconduct; and
- complaints lacking essential information.

Greater consumer guidance regarding the distinction between service complaints and regulatory misconduct allegations would also reduce unnecessary demand on LeO resources.

Publication of Ombudsman Decisions

We broadly support the proposals regarding publication of Ombudsman decisions.

However, care should be taken to ensure that published data is presented in an appropriate context.

Any publication of decisions should include:

- total complaint numbers;
- uphold rates;
- number of live matters handled by the provider; and
- relevant sector-specific comparisons.

Without appropriate context, publication of complaint volumes alone may create misleading impressions regarding service quality.

Conclusion

Thompsons supports the objectives of improving efficiency, encouraging early resolution and ensuring that LeO resources are used proportionately. However, we do not believe the proposed fee regime achieves those objectives in a fair, transparent or evidence-based manner.

In particular, we urge the OLC to:

- Reconsider the proposed fee levels ensuring any demand-based charging model reflects uphold rates, case volumes and sector-specific factors

- Carry out and publish an impact assessment on legal providers and more widely access to justice

- Clarify and codify the "all reasonable steps" test

- Review and improve consistency and transparency within the Early Resolution process.

- Consider and introduce technology-enabled triage and jurisdiction-filtering tools

Only through a proportionate, evidence-based and transparent approach can the OLC achieve its stated objectives while maintaining confidence in the complaints system amongst both consumers and legal service providers.