Office for Legal Complaints

Changes to Scheme Rules, case fees, and publication of ombudsman decisions

A response by the Association of Personal Injury Lawyers

September 2026

Introduction

APIL welcomes the opportunity to respond to the Office for Legal Complaints' (OLC) consultation on proposed changes to the Legal Ombudsman's Scheme Rules, Case Fees, and publishing decisions policy.

We agree with the principles underpinning the proposed changes to the scheme. The changes to the scheme rules and publication requirements fairly balance the interests of consumers and legal service providers. However, we do not support the increases in case fees proposed.

While we acknowledge that changes are required to handle the recent unprecedented annual increase in complaints, it must also be recognised within the proposals, as is set out in the foreword from the OLC chair, that this increase has been "driven by a combination of changing consumer expectations, greater awareness of routes to redress, and (…) the growing role of artificial intelligence".[1] This increase has not been driven by worsening standards of service or complaint handling (aside from firms failing to provide a final response within 8 weeks, which we address further below), and firms should not be expected to foot the bill for an increased demand on the Legal Services Ombudsman (LeO) due to factors outside of their control.

APIL supports standardising how complaints are made to the LeO. We believe that the use of an online form as a standard method (except for exceptional circumstances) will bring positive change as law firms are increasingly facing issues with AI generated complaints. Linked to this, we would suggest that the LeO goes further and considers the development of a digital filter for complaints. Often, consumers file complaints dealing with a cohort of different issues, including misconduct, which should be dealt by the Solicitors Regulation Authority. The suggested digital filter, based on decision trees, could help ensure that only complaints within the LeO's jurisdiction move forward in the process. With appropriate human oversight, the use of AI and technology could help manage complaints volumes. LeO should also consider providing more guidance and education for consumers on the distinction between service-related complaints and allegations of solicitor misconduct.

Case Fees

The level of the increases proposed to case fees, paired with the introduction of new fees, is unreasonable and a significant departure from the OLC's position in previous consultations. We acknowledge the need for an adjustment for inflation; however, we do not understand how the level of fees proposed in this consultation have been calculated and are concerned with the significant increase. The OLC's consultation in July 2025 proposed an increase from

[1] Foreword to the Legal Ombudsman Consultation: Changes to Scheme Rules, Case Fees, and Publication of Ombudsman Decisions July 2026 page 3

£400 to £600 for the case fee and acknowledged that any further increase would have a negative impact on firms. The consultation noted that the increase to £600 would strike an appropriate balance between encouraging effective complaint handling and avoiding disproportionate burdens on providers and "mitigates the risk of an adverse financial impact on service providers"[2].

There is no explanation in this consultation regarding the significantly higher £750 and £1500 fees proposed, nor is there any acknowledgment of the previously flagged concerns in relation to introducing disproportionate burdens and/or adverse financial impacts on providers if fees are increased too steeply. There is no impact assessment of the current proposals for the legal sector.

In the current consultation, the OLC Chair does acknowledge the "challenging environment" for firms. Personal injury claimant firms have been especially affected due to the cumulative impact of reforms in recent years, including LASPO[3], the extension of fixed costs in 2023 and the whiplash reforms. The proposed fees could impact access to justice and the availability of firms willing to take on low value cases or cases where the litigation risk is greater. The costs of non-compliance with the complaints process can outweigh the fixed recoverable costs available in low-value road traffic collisions and employers' liability portal claims, leaving little incentive for law firms to undertake such work as they have to make commercial decisions based on risk. This risks widening the existing justice gap[4] and reducing the availability of experienced representation for injured people and other vulnerable consumers when it is clear that representation is vital to ensure access to justice. For example, only 12% of consumers use the Official Injury Claim (OIC) portal[5] without a lawyer[6]. Our members who support claimants through the process also report behaviours from defendant insurers which indicate that those who are not legally represented are at substantial risk of being undercompensated.

Early resolution fee

We disagree with the introduction of a £200 fee for early resolution. As it currently stands, the early resolution process is informal and there is a lack of consistency regarding whether the early resolution team becomes involved in a particular case, whether it suggests a revised award, and the level of any such award, which vary based on the decision-maker dealing with the complaint.

If a fee is introduced, there must be significant improvements in terms of consistency between decision-makers and greater clarity in the guidance available for both LeO and firms on settlement award levels. The current guidance on remedies[7] provides a vague indication of the amount expected for "modest awards" but the range of £50 to £250 is too wide, which creates uncertainty for firms trying to settle a complaint before LeO involvement.

[2] Proposed Changes to the Legal Ombudsman Case Fee Structure July 2025 page 4
[3] Legal Aid, Sentencing and Punishment of Offenders Act 2012
[4] APIL The Justice Gap Facing Victims of Negligence July 2026 https://www.apil.org.uk/publications/the-justice-gap/
[5] The Official Injury Claim (OIC) portal was introduced for low value road traffic claims as part of the whiplash reforms and was intended for use by litigants in person in England and Wales.
[6] OIC Claims Data June 2026
[7] Legal Ombudsman, Guidance on remedies https://www.legalombudsman.org.uk/for-legal-service-providers/learning-resources/good-complaints-handling/guidance-on-remedies/

There must also be more guidance in relation to what 'all reasonable steps' entails – please see our comments below in relation to the fee waiver test.

We are concerned that the £200 fee becomes a compulsory charge based on whether there is any engagement with the early resolution team even if providers intended to settle the complaint directly with the consumer. Fees should only be charged where there has been fault on the part of the provider, or they have not handled the complaint correctly. There is a risk that if this proposal is implemented, firms may be driven by commercial interests to offer higher settlement amounts than they feel appropriate, to avoid any LeO involvement. For example, firms may feel compelled to offer the maximum level of the remedy for "modest award" to avoid LeO involvement, as any involvement could potentially increase the amount payable by the firm from £250 to £450 (£250 being the maximum amount for moderate award plus the £200 fee) or more if the claim is escalated further to investigation and/or final decision. The proposed fees risk undermining the legitimacy and integrity of the complaints process.

As noted above, the wider context of personal injury litigation means that the complaint fee could become disproportionate when compared to the value of a claim. For example, in a claim worth £300, a settlement recommendation of £250 by the early resolution team plus the £200 pounds fee, would exceed the value of the claim itself.

Fee waiver test

We have concerns regarding the application of the case fee waiver test. The criteria for "all reasonable steps" must be clear and consistent so that firms know what to expect if they do not adhere to the steps set out in the guidance. As mentioned above, our members report a lack of consistency in decisions made by different handlers in the early resolution team. Considering the financial impact at risk, we believe that the factors included in the Legal Ombudsman Scheme Rules FAQs[8] (reaching a view on Part B of the test (Scheme Rule 6.2(b)) should be included in the Scheme Rules to ensure that the standard applied under the fee waiver test is understood by all parties involved.

Additional fee for providers who do not respond to complaints within eight weeks

APIL agrees that the high number of consumers who do not receive a final response from their service provider within 8 weeks is unacceptable. However, the proposed approach may not provide sufficient flexibility to account for the facts and circumstances which led to a response not being provided withing the 8-week timeframe. We recommend that there should be consideration of the reasons why the response was delayed before the fee is applied. Fees should only be charged where there has been fault on the part of the provider, or they have not handled the complaint correctly. The behaviour of both providers and complainants during the process should be considered.

If the OLC is not minded to move away from the flat fee approach, we would suggest that the fee is reduced to £200 pounds, or that a tiered approach with clear and comprehensive criteria is established where the fee liable would start at £200 and increase to a maximum of £400 depending on the provider's conduct. Whether the complainant has engaged with the

[8] Legal Ombudsman, Scheme Rules FAQs April 2023 (page 8)
https://www.legalombudsman.org.uk/media/4glh5rrq/guidance-scheme-rules-faq-april-2023.pdf

firm's internal complaints process or chased a response should also be considered when determining the amount of the fee if a tiered approach is adopted by the LeO.

Significant demand

We do not object, in principle, to the proposal to explore a model where providers who place a disproportionate demand on the LeO's resources bear a greater share of its costs. Volume of engagement with LeO is not a reliable indicator of poor service or poor complaint handling, however. PI claims are highly personal and emotional in nature, many injured clients are very vulnerable, and recent reforms in the sector have significantly changed how certain claims are progressed, which may differ from client expectations. In particular, high-volume firms dealing with PI claims across various different tracks (such as OIC portal) could trigger more complaints as claimants may experience different processes that differ from their expectations. It is important to take into account the sector in which the firm operates, the percentage of complaints upheld, and the relationship between the number of complaints received and the volume of claims processed by the firm.

Publishing ombudsman decisions

We welcome the proposals regarding publication of decisions. However, APIL would suggest that the high-level statistical data published each year should also include each firm's number of live cases. Firms could be given the opportunity to provide the figure of live cases from January to December. This would allow the number of complaints made to the LeO about a firm to be compared against the total number of live cases that the firm had during the same period.