
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under the Legal Services Act 2007 (c. 29) (“the 2007 Act”). Parts 6 and 7 of the 2007 Act make provision in relation to the Office for Legal Complaints (OLC), including provision for the OLC ombudsman scheme to be extended to include complaints about regulated claims management companies. The Compensation Act 2006 (c. 29) (“the 2006 Act”) provides for the designation of a Regulator for regulated claims management services. Where no one is designated as the Regulator and the Secretary of State carries out the function by virtue of section 5(9) of the 2006 Act, the Lord Chancellor may charge periodic fees on those providing regulated claims management services to recover the expenditure incurred by the OLC. Claims management services means advice or assistance in relation to the making of a claim (as defined in section 4(2) of the 2006 Act). Regulated claims management services are those services prescribed in an order of the Secretary of State under section 4(1)(e) of the 2006 Act and include claims management services provided in relation to matters such as personal injury and financial products and services.

Regulation 3 provides for the Lord Chancellor to charge the complaints fees set out in the Schedule, calculated according to the annual turnover bands set out in Table 1 of paragraph 1 and Table 2 of paragraph 3 of the Schedule. Paragraph 1 provides for the fees payable from 28th January 2015 until 31st March 2015 and Paragraph 3 provides for the fees from 1st April 2015 payable on an annual basis. Paragraphs 2 and 4 provide for these respective fee rates to be calculated on a pro-rata basis for authorisations granted during a relevant fee calculation period. Paragraph 1 provides for a calculation of turnover with reference to the Regulator’s Fees Determination 2014-2015, which is available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/310912/CMR-fees-determination-2014-2015.pdf and from the Ministry of Justice, Claims Management Regulation Unit, 102 Petty France, London SW1H 9AJ.

Regulation 4 provides that the person exercising the functions of the Regulator may collect fees on behalf of the Lord Chancellor, regulation 5 sets out when the fee is due to be paid, and regulations 6 and 7 provide for the consequences of non-payment of the complaints fee, including the procedure for cancelling or suspending an authorised person’s authorisation. Regulation 8 relates to payment by cheque and regulation 9 makes provision about when a notice sent by means of a fax transmission or by an electronic communication is taken to have been received.

A full impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector was produced with the Government’s response to the consultation *The Legal Ombudsman and complaints about claims management companies: Consultation on the fee framework* and is available at <https://consult.justice.gov.uk/> and from the Ministry of Justice, Legal Services Policy, 102 Petty France, London, SW1H 9AJ.