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LSRA REPORT PROPOSES REFORMS TO ENHANCE COMPETITION AND INCREASE EFFICIENCIES AND TRANSPARENCY IN CONVEYANCING SERVICES

The Legal Services Regulatory Authority (LSRA) today [Thursday 11 April 2024] publishes an independent expert report and makes recommendations for reforms to enhance competition and increase efficiencies and transparency in the delivery of conveyancing services for the benefit of consumers.

The LSRA identifies three priority areas of reform of how Ireland's complex conveyancing system operates and how conveyancing services are provided by solicitors to consumers. Its recommendations aim to:

- Digitalise the conveyancing system and ensure greater use of technology;
- Introduce enhanced transparency requirements for solicitors on the costs of conveyancing services; and
- Increase awareness among consumers to enable them to make informed decisions when seeking conveyancing services from solicitors.

The LSRA makes its recommendations to the Minister for Justice following detailed consideration of significant new evidence including:

- A 126-page independent expert research report prepared by Indecon Research Economists which includes a review of conveyancing systems in a range of other jurisdictions, a survey of solicitors and analysis of written submissions to the LSRA's wide-reaching statutory public consultation.
- A national survey conducted by Ipsos Ireland which found high levels of satisfaction with conveyancing services among consumers.

The LSRA has submitted the Indecon expert report as well as its own report with recommendations to the Minister for Justice in fulfilment of its obligations under section 34 of the Legal Services Regulation Act 2015 (as amended).

This requires the LSRA to report to the Minister for Justice, upon request, in relation to the creation of a new profession of conveyancer in Ireland. In requesting the report, the Minister asked the LSRA to consider a range of matters including the pros and cons of creating a conveyancer profession and models for its regulation, an analysis of any barriers to new providers, and a full consideration of how digital technology could transform the manner, cost and speed of carrying out a conveyance and should inform a decision to establish a conveyancer profession.

Based on the extensive evidence gathered, the LSRA report concludes that the creation of a new profession of conveyancer would only be viable as part of a wide range of other more significant and pressing reforms to digitalise conveyancing and ensure more costs transparency for consumers and enhance competition.



The LSRA report states: “The barriers, risks and regulatory costs associated with the establishment of a new profession of conveyancer in Ireland are too significant to justify its creation in the absence of these wider reforms. Priority should be given to the introduction of a range of significant reform measures to alleviate the barriers and risks identified in the Indecon report and to introduce more transparency and efficiencies into the conveyancing process for the benefit of consumers. The successful implementation of such alleviating measures could create conditions in which the creation of a new profession of conveyancer could be reconsidered for recommendation at an appropriate future date.”

Commenting on the report and its recommendations, the LSRA’s Chief Executive Dr Brian Doherty said:

“The comprehensive evidence gathered by the LSRA clearly shows that conveyancing in Ireland is very much a paper based system in a digital age, and there is not enough transparency in the market to enable consumers to make informed decisions. Our recommended reforms are aimed at bringing about an easier, more efficient and more transparent conveyancing process, whilst also protecting and empowering consumers and promoting enhanced competition.”

Expert Report Findings

The Indecon research study concluded that:

1. Ireland has a well-developed conveyancing market which is served by a large number of solicitor practices and there are high levels of overall satisfaction with conveyancing services among consumers.
2. There is a range of prices for conveyancing services available in the Irish market.
3. Most conveyancing services are provided on a fixed-fee basis.
4. There is a lack of transparency in the market arising from major gaps in the availability of comparative information on the cost of conveyancing services although some improvements have been made.
5. There is evidence of consumer inertia in the choice of conveyancing service providers.
6. A trained conveyancer could conduct routine conveyancing but would have a lower level of legal expertise than is needed to qualify as a solicitor.
7. Many of the legal firms providing conveyancing services have not significantly applied technology in carrying out conveyancing work.
8. Other jurisdictions have established a conveyancer profession.
9. The establishment of a new profession of conveyancer would increase competition for the provision of conveyancing services.



10. Enhancing competition and improving the efficiency of conveyancing services would require measures to ensure:
 - a. Greater use of technology and digitalisation in conveyancing services;
 - b. Significantly enhanced price transparency for conveyancing costs; and
 - c. Consumer awareness campaigns of the costs and other aspects of conveyancing.
11. There is a range of alternative models feasible for the delivery of conveyancing services.
12. Potential issues in introducing a new profession of conveyancer would be regulatory costs. These are also some risks to consumer protection but these could be addressed by appropriate regulatory actions. Models for regulation should prioritise consumer protection and the enhancement of competition.

Consumer Survey Findings

An Ipsos Ireland national survey of 300 consumers who had hired a solicitor to carry out residential conveyancing services in the past four years found that:

- 93% of consumers surveyed said they were satisfied with conveyancing services, while 4% indicated any level of dissatisfaction.
- The most common reason for satisfaction amongst respondents was the provision of “very professional/competent/efficient” conveyancing services (48%).
- The majority of respondents (81%) chose their solicitor based on previous experience or by recommendation from family, friends or colleagues.
- Almost two thirds (65%) received a written quotation upfront from the solicitor, and 59% said they paid between €1,001 and €3,000 for the solicitor services.
- On average, a conveyance process lasted 4.7 months.
- Although the majority are happy with how conveyance process works, over 50% believe that conducting more of the process online could save some time.

Authority Report Conclusions

The Authority’s report with recommendations to the Minister concludes that:

- Establishing a conveyancer profession based on one of the models identified in the expert Indecon report would further the Authority’s statutory objective of promoting competition in the delivery of legal services.
- Whilst it would potentially be possible to devise a regulatory model for the creation of a new profession which would ensure adequate consumer protections, there is considerable uncertainty as to the resources that may be required and the scale of potential barriers and risks that would need to be addressed.
- While the creation of a new profession of conveyancer could potentially fulfil the Authority’s statutory objectives as set out in the Act, it would only be viable as part of a wide range of other more significant and pressing reforms.

- The barriers, risks and regulatory costs associated with the establishment of a new profession of conveyancer in Ireland are too significant to justify its creation in the absence of these wider reforms.
- Priority should be given to the introduction of a range of significant reform measures to alleviate the barriers and risks identified in the Indecon report and to introduce more transparency and efficiencies into the conveyancing process for the benefit of consumers. The successful implementation of such alleviating measures could create conditions in which the creation of a new profession of conveyancer could be reconsidered for recommendation at an appropriate future date.

Authority Report Recommendations

The Authority's report makes the following three recommendations:

1. Digitalisation of the conveyancing system

- All relevant stakeholders should consider giving urgent priority to the digitalisation of the conveyancing system in Ireland. A system of electronic conveyancing (e-conveyancing) would take time to introduce and would require significant action by the government and by local authorities as well as, potentially, other State agencies. The Authority agrees with the Indecon report's analysis that e-conveyancing would be a complex undertaking and would initially require a detailed evaluation of the costs and risks of such an investment in comparison with the wider benefits that would be incurred. Given the wider government objectives in relation to achieving greater digitalisation for the Irish economy and the importance of the property sector in Ireland, the Authority considers this merits careful consideration.
- Key stakeholders in the legal services sector need to work intensively to increase the application of technology by solicitors' practices in order to streamline existing conveyancing processes by facilitating and encouraging solicitors to integrate digital technology into their practices.

2. Enhanced price transparency requirements

- The LSRA should be given statutory powers to, following appropriate stakeholder engagement, introduce enhanced transparency requirements for solicitors in relation to conveyancing services and their costs. As the Indecon report shows, in some jurisdictions transparency of information is a requirement of regulations, while in other cases it has developed as a result of market forces. In the absence of significant organic developments in this arena in Ireland, the Authority considers it appropriate to use legislative means to bring about increased transparency.
- The Authority considers there is strong merit in advancing measures to enhance price transparency in conveyancing services, building on the initiatives previously introduced by the Act.



3. Targeted consumer awareness campaigns

- The LSRA will lead and engage with a range of stakeholders in developing national awareness campaigns for consumers aimed at allowing them to make informed decisions when seeking conveyancing services. These could be sponsored by a range of agencies, including the LSRA.

ENDS

Consideration of a new profession of conveyancer: Report to the Minister for Justice (the Legal Services Regulatory Authority) is available [here](#).

Research Study on the Creation of a new Profession of Conveyancer (Indecon Research Economists) is available [here](#).

Consumer Survey, Views on solicitors services during conveyancing process (Ipsos Ireland) is available [here](#).

Notes for Editors:

The Legal Services Regulatory Authority is an independent statutory body set up under the Legal Services Regulation Act 2015 with a range of functions. It is responsible for regulating the provision of legal services by legal practitioners (barristers and solicitors) and ensuring the maintenance and improvement of standards in the provision of legal services.

The membership of the Authority comprises eleven nominees who are appointed by the Government following nomination by a total of ten organisations listed in the Legal Services Regulation Act 2015. The Authority's six lay members are nominated by the Citizens Information Board, the Higher Education Authority, the Competition and Consumer Protection Commission, the Irish Human Rights and Equality Commission, the Institute of Legal Costs Accountants and the Consumers' Association of Ireland. Its five non-lay members are nominated by the Bar of Ireland, the Law Society of Ireland (2 nominees), the Legal Aid Board and the Honorable Society of King's Inns.