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Regulation of Legal Services (Scotland) Act 2025

Consultation on proposed commencement of second tranche of provisions

About us

Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, we are accountable to the Scottish Parliament. The Act defines consumers as individuals and small businesses that purchase, use or receive in Scotland goods or services supplied by a business, profession, not for profit enterprise, or public body.

Our purpose is to improve outcomes for current and future consumers, and our strategic objectives are:

- to enhance understanding and awareness of consumer issues by strengthening the evidence base
- to serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors
- to enable the active participation of consumers in a fairer economy by improving access to information and support

Consumer Scotland uses data, research and analysis to inform our work on the key issues facing consumers in Scotland. In conjunction with that evidence base we seek a consumer perspective through the application of the consumer principles of access, choice, safety, information, fairness, representation, sustainability and redress. We welcome the opportunity to respond to this targeted consultation and have done so from this perspective.

Consumer Scotland submitted evidence at all stages of the Regulation of Legal Services Act's passage through the Scottish Parliament and to the targeted consultation on the first phase of commencement. We are a member of the Scottish Legal Complaints Commission's independent advisory panel, set up to assist the Commission in understanding and taking account of the interests of consumers of legal services and this also informs our response.

Our response

1. General comments

We share the desire of the Scottish Legal Complaints Commission Consumer Panel to see swift commencement of the wider Act. The passage of the Act has been long awaited, and all stakeholders have been clear about the problems inherent in the current regulatory system. The new Act brings some important improvements for consumers and we wish to see those changes brought into practice as soon as reasonably practicable. We look forward to working with the Scottish Government and other stakeholders to support implementation and to avoid any further delay.

2. Consultation on Ministerial Objectives

Question 1.

- a) Do you agree that sections 1–4 should be commenced at this stage?

Consumer Scotland welcomes the commencement of these provisions and agrees that commencing these provisions at the earliest opportunity will embed the core regulatory framework with a clearer focus on consumer protection.

- b) Are there any dependencies, including on the Lord President’s review and intervention powers (sections 18 and 19), that should be addressed before these sections are brought into force, and can the regulatory objectives and professional principles operate effectively together in advance of those provisions?

Sections 1-4 should be commenced at the earliest practicable opportunity, as they provide the framework required for further commencement of the Act’s provisions. We also consider it is important that the review and intervention powers are commenced at the earliest opportunity and, ideally, at the same time. However, should simultaneous commencement not be feasible, we believe it would be preferable to proceed with the introduction of one set of powers rather than delay both.

- c) If you support commencement of these provisions at this stage, what commencement date would you consider most appropriate?

These provisions should be commenced at the earliest practicable opportunity.

Question 2.

- a) Do you agree that sections 5 to 8 should be commenced at this stage? In particular, are there any dependencies or sequencing considerations, including in relation to the exercise of regulatory functions and the establishment of regulatory categories, that should be addressed before these provisions are brought into force?

Sections 5-8 provide the statutory definitions of legal services and legal services providers. Commencement at the earliest opportunity will allow regulators to begin operating fully under the new statutory regime and will provide clarity and certainty for legal services providers.

- b) Should the parts of section 7 which relate to accredited regulators and bodies approved under section 25 of the 1990 Act (i.e. subsections (4) to (11)) be excluded from commencement at this stage?

During passage of the Act, we argued that the existence of multiple regulators inevitably creates complexity for consumers and we remain of that view. However, we recognise that a need for, or desire to establish, a new category 2 regulator may arise in future.

We see no reason to delay commencement of subsections (4) to (11). Bringing these provisions into force would ensure that a framework is in place to facilitate the creation of a new category 2 regulator should the need arise.

- c) If you support commencement of these provisions at this stage, what commencement date would you consider most appropriate?

Question 3.

- a) Do you agree that sections 9 to 12 and 14 to 15 should be commenced at this stage? In particular, do you consider that provisions imposing reporting obligations on regulators can operate effectively in advance of the Lord President's review and intervention powers (sections 18 and 19) being commenced, or should their commencement be aligned?

We agree that sections 9-12 and 14-15 should be commenced at the earliest practicable opportunity. During scrutiny of the Act, we consistently argued for greater transparency, accountability and oversight of the regulatory bodies. These provisions should make it easier for consumers and consumer advocacy bodies to assess the effectiveness of the regulatory system and how it is working. As such, they have the potential to provide meaningful benefits to consumers and consumer bodies and should not be subject to any further delay.

We also welcomed the inclusion of the Lord President's review and intervention powers, which provide an important mechanism for independent oversight of the regulatory bodies.

Concurrent commencement of these powers would make this phase of commencement more coherent, but we do not believe it is required. If there are technical or operational reasons why the Lord President's powers cannot be commenced at the same time, sections 9-12 and 14-15 should nonetheless be brought into force at this stage.

- b) If you support commencement of these provisions at this stage, what commencement date would you consider most appropriate?

Question 4

- a) Do you agree that sections 16 and 17 should be commenced at this stage? In particular, are there any dependencies or sequencing considerations that should be addressed before these provisions are brought into force?

Section 16 provides for a publicly searchable register of legal services providers which will include information on the length of time the body has been regulated to provide legal services and details of any recent sanctions resulting from disciplinary action. This register will enhance transparency and assist consumers in making informed choices when selecting a legal services provider and work to implement the register should ensure it is as consumer friendly as possible. We therefore support commencement at this stage.

Section 17 provides for regulations requiring professional indemnity insurance, an important protection for consumers of legal services. We support commencement at the earliest practicable opportunity to ensure these protections are available as soon as possible.

- b) If you support commencement of these provisions at this stage, what commencement date would you consider most appropriate?

Question 5

- a) In relation to the commencement of Part 3, should these provisions be commenced as a single package, or on a phased basis?

We recognise the arguments for a phased commencement of these provisions. However, but believe that the single commencement approach would minimise confusion for consumers and provide greater clarity regarding the operation of the new regime.

The retention of the dual role of professional bodies inevitably results in a degree of complexity due to the involvement of multiple bodies and their distinct processes. For many consumers, the complaints process has historically been complex and opaque. Implementing reforms to the complaints system in multiple stages could add further complexity and

uncertainty at a time when clear communication is essential. By contrast, a single commencement provides an opportunity for the new regime to be effectively communicated to consumers at a single point in time, helping consumers to better understand their rights and the routes available for resolving complaints

- b) If commenced as a single tranche, which of the indicative timeframes (July 2027, January 2028, or July 2028) would best balance timely reform with operational readiness?

We support early commencement, which from the options provided would be July 2027.

- c) What dependencies, risks or implementation considerations should inform the timing and sequencing of commencement?

We understand the importance of the need for operational readiness to ensure that the commencement of these provisions does not cause unnecessary delay in the handling of complaints. However, these provisions have been under discussion for many years. In our view, the consumer benefits of commencing the provisions as soon as practical outweigh the potential risk of system unreadiness.

Question 6

- a) Do you agree that the provisions in Part 4 (including sections 83–88, 90–94, 98 and 99, and related provisions in schedules 1 and 3) should be commenced at this stage? In particular, are there any dependencies, sequencing considerations or operational impacts that should be taken into account, including whether the offences and associated enforcement powers should be commenced together?

As we argued during passage of the Act, consumers using legal services must be confident that their interests are protected and that effective remedies are available where providers cease to operate or deliver poor service. There must be sufficient safeguards in place to reduce risks of harm to consumers and to allow any issues to be resolved quickly and fairly.

The provisions in these sections confer important powers which are intended to strengthen consumer protection and public confidence in legal services. Commencing the criminal and civil enforcement mechanisms concurrently will enable more robust and timely action to prevent, mitigate and address ongoing or anticipated harm. These provisions should therefore be commenced without further delay.

Section 94 provides Scottish Ministers with the flexibility to respond to consumer harms as the legal services market evolves. Given the pace of change across consumer markets, this is an important power to guard against new and emerging forms of consumer detriment. It should therefore be available to Scottish Ministers as soon as possible.

We support the commencement of all provisions in Part 4 at the earliest practicable opportunity.

- b) If you support commencement of these provisions at this stage, what commencement date would you consider most appropriate?