



# The Look Out

*Professional Risks News from TLO*

## *In This Issue*

### **Avoid complaints through "Mystery Shopping"**

We consider how claims could have been avoided if there had been closer monitoring of initial complaints or if procedures had been in place to review service standards and closed files.

### **James Brindley joins TLO**

We are excited to announce the appointment of PI specialist James Brindley.



## *In Our Next Issue*

We focus on the many emerging risks around Cyber and Data.



## **Avoiding complaints through Mystery Shopping**

*Sue Bramall - Beners Marketing & James Brindley - TLO Risk Services*

During my many years handling and advising on professional indemnity insurance, I have witnessed first-hand the correlation between how a law firm handles complaints and the ease with which it can obtain professional indemnity insurance at a reasonable price.

You may initially find this a strange statement. Law firms do not need to notify every complaint they receive, otherwise chaos would ensue! Complaints fall into many different categories and the majority would not necessarily fall within the definition of a notifiable claim or a notifiable circumstance that could lead to a potential claim.

However, if firms do not manage and monitor their complaints properly when they first arise, key indicators of increased risk could be missed leading to avoidable claims in the future.

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# Avoiding Complaints

I have seen on several occasions multiple claims stemming from a systematic error or a service failure from a specific department or work emanating from one individual. These claims could have been avoided if there had been closer monitoring of initial complaints or if procedures had been in place to review service standards and closed files.

Firms can adopt service standard tests to help reduce the number of complaints and identify weaknesses in their customer care and practice procedures. Many industries test their customer service skills by employing mystery shopper techniques. Such techniques can also be usefully deployed in the professional sector, including legal services, as Sue Bramall of Berners Marketing explains.

‘Mystery shopping is a management tool which is used in a wide variety of businesses as part of a strategy of continuous improvement. Generally, it is used to test how well an organisation handles initial enquiries. Given how much a law firm may spend on marketing, it is a useful way of ensuring that every enquiry your firm receives has the best chance of conversion to an instruction’, says Sue.

According to the Legal Ombudman, nearly one in five complaints they receive relate to costs, with the biggest problem being a failure to give costs information and to thereafter manage clients’ expectations. It is not necessarily the case that the costs charged are wrong or even that they represent poor value; very often the issue stems from the fact that clients are not given adequate information on costs at the outset and are not then advised as costs mount up.

This is no surprise when you look at the results of any mystery shopping exercise for legal services. I have seen many emails which say little more than “Mr X’s hourly rate is £... Please call if you would like to proceed.” This approach almost invites complaints. While quoting for legal work is not always easy there are ways in which information about costs can be presented to help clients understand the basis of charging and so reduce the risk of a complaint down the line.



Poor communications are behind many of the complaints, with clients becoming increasingly frustrated. Mystery shopping often highlights an appalling lack of care in collecting

accurate contact data for clients (spelling of name, preferred salutation, email address, mobile phone number, preferred means of communication, hours of availability). Information is not always passed on, calls are not returned and enquiries rarely followed up. And this is before work has even started on the matter!

Managing partners often know which solicitors are not meeting the highest standards of client care, and mystery shopping provides some very useful evidence for use in performance management. It is important to see mystery shopping as a positive activity which helps a firm to identify ways to gain a competitive advantage.

“The happiest clients make the best referrers of new clients.”



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# Mystery Shopping

Mystery shopping highlights where poor practices exist so that management can take steps to improve policies and procedures, address technical issues and plan for the training and coaching of staff. While the primary objective is usually to increase the percentage of enquiries which convert to instructions, these improvements will also reduce the risk of complaints.

Sue Bramall is Managing Director of Berners Marketing and a member of the Law Consultancy Network. @Berners4Law [www.bernersmarketing.com](http://www.bernersmarketing.com)

*TLO Risk Services (TLO) is a privately owned insurance broker. Since 1996, we have specialised in helping firms that provide professional advisory services, from accountants and law firms, through to investment agents, surveyors and estate trustees. For more information visit [www.tlorisk.com](http://www.tlorisk.com) or speak to our experts on 0121 212 9090 or 020 7183 4925*

## James Brindley joins TLO Risk Services

TLO are delighted to announce the appointment of James Brindley to their Professional Risks team.

Jim has over 20 years experience in general insurance broking, spending the last 9 years specialising in the professional risks sector.

He has previously worked for global and national brokers placing insurance for a diverse range of clients from sole practitioners to multi partner ABS firms. He is also a qualified Lexcel consultant and regularly presents to local law societies and law groups on a number of topics relating to professional indemnity and risk management.

