

The Institute of Paralegals

Quality Standards for Legal Service Providers

These are the Institute's Quality Standards (IQS) for unregulated legal service providers.

The IQS are for those legal service providers who want to comply with national quality standards, but who are not covered by the quality standards set by legal regulators. In particular, the IQS will help paralegal businesses and sole traders.

These IQS have been developed by the Institute of Paralegals. We are a not-for-profit professional body for legal service providers. We have been granted institute status by the government of the United Kingdom. For more information on us please see www.theiop.org.

1. Who can/should use the IQS?

The IQS can be used free-of-charge by anyone, anywhere, anytime.

You don't to tell us or seek our prior permission (although there is a small annual charge if you wish to use our IQS Accreditation Service which allows you to display the IQS logo once you are compliant).

The IQS are designed to be relevant to any legal service provider keen to display a commitment to professionalism, or wanting to assure prospective clients that theirs is a quality assured business, benchmarked against independent quality standards especially designed for the legal sector.

The IQS have been drafted with two goals:

- (i) consumer protection
- (ii) helping legal service providers to improve their profitability and the quality of their working life by providing realistic, commercial and achievable goals to achieve.

The QMS are not jurisdiction specific, so can be used in any country/by any organisation wanting to work to an international benchmark.

2. Competency standards for individual paralegals

These IQS are for businesses. Individual paralegals who are employed should benchmark their skills and knowledge against the Competency Standards for Paralegals published for free by the Institute of Paralegals, see www.theiop.org/national-competency-standards/contract-terms.html.

3. Membership of the Institute

Individuals and businesses are also very welcome to join the Institute. Individuals potentially get a professional designation/title/qualification, such as *Qualified Paralegal* along with letters after their name: e.g.:

Sarah Khan, Q.Inst.Pa
Qualified Paralegal

Individuals see: www.theiop.org/membership/how-to-join/General-Information.html

Businesses see: www.theiop.org/membership/how-to-join/join-as-a-corporate-member.html

4. What do the IQS cover?

The IQS are applicable to all services provided by the legal service provider, whether paid or unpaid, legal or non-legal.

More specifically they cover the business, operational and quality management requirements to be expected of a well managed, quality assured legal service provider. These are not aspirational best-practice goals, they are the basic things that all legal service providers should be doing if they want to run a genuinely professional business.

The requirements are divided into the following categories:

4.1. Consumer protection

The 'consumer protection' standards are to ensure that clients receive a professional standard of service.

It includes providing clients with the information they need in order to make informed decisions about their case, how the provider can help them, and how much it will cost.

This section also deals with complaints so that if clients are not happy with the service they have received they know how to make a complaint, and have will dealt with promptly and fairly. It also encourages legal service providers to make sure that their clients understand the service they are getting: there is much confusion about issues like ownership of documents, duty of confidentiality etc.

4.2. Running a legal services business

The 'running your business' standards are to ensure that there are the necessary procedures in place to handle cases professionally and efficiently whilst protecting the interests of clients, and to mark out a business as being a 'best practice' legal service provider.

The standards comprising the IQS reflect that three of the main causes of client dissatisfaction and poor performance are:

- (i) errors caused through the lack of proper administrative systems
- (ii) lack of information provided to the client; and
- (iii) the way the client is treated, especially if they have a complaint.

Poor quality of work is also a major cause of client dissatisfaction, but surprisingly often this is due to point (i) e.g. important dates being missed because there is no proper diary system, or to point (ii) e.g. because poor communication leads to a misunderstanding about what service the client is going to get. The other major contributor to poor service complaints is providers taking on work that they don't actually know how to do properly. The IQS addresses all these issues.

5. How the IQS should be interpreted

The IQS is not a legal document to be subject to close word-by-word scrutiny. Interpretation should be in line with the spirit of what the particular standard is trying to achieve. Three examples:

- a) The duty to not take instructions in a case where the provider has a conflict of interest does not refer to conflicts which arise after the provider has begun acting. Nevertheless, to honour the spirit of the standard (and thus be in compliance), the provider would be expected to take steps to protect the client's interest whenever a conflict arose.
- b) Where there is a duty to give information to the client, then in honouring the spirit of that standard the information given should be clear, complete, transparent and timely, and not be misleading directly or through omission.
- c) The expectation that providers will act fairly, reasonably and professionally in dealings with clients remains intact even when the provider deals with "difficult" clients or are subject to provocation.

If the IQS contain standards which are not applicable to a business then compliance with them is unnecessary, and "n/a" should be written in the 'Complied' box.

6. How to comply with the IQS

In creating the IQS, in accordance with our status as a not-for-profit organisation, we have sought to design a scheme that was accessible and cost effective for legal service providers whilst still providing robust and measurable protection for consumers.

The IQS can be best used in two main ways:

- a) Through adoption without our involvement. This way a legal service provider upon reaching compliance can claim to be meeting the national standard, but its clients will have to take its word for that, since there will be no independent certification of that claim by us. Such a provider would not be entitled to use the IQS logo.
- b) Join our certification scheme. This costs £200 for 12 months if you are an Institute corporate member, and £350 if not. Institute corporate membership costs £180 for 12 months, so it makes sense to join us first. To apply today visit www.theiop.org/membership/how-to-join/join-as-a-corporate-member.html.

To make it affordable, the IQS are self-certifying.

When joining for accreditation you certify yourself against the IQS by completing a compliance assessment form.

The form either confirms that you comply in full or shows partial compliance. You then have 7 months to become compliant or your membership terminates.

We audit a random selection of IQS holders each year to see that they are genuinely complying.

Registration is renewable annually. Registration entitles you to display the IQS logo on your marketing materials, stationery and website, etc.

Membership allows you to display the Institute's logo, but not the IQS logo unless registered..

7. Are the IQS recognised?

The Institute is the leading professional body for unregulated legal service providers and has regular discussions with government and regulators. The IQS have been lodged by us with all the relevant authorities including:

- Archbishop of Canterbury/Notaries Society
- Association of Costs Lawyers
- Barristers chambers
- Bar Standards Board
- Claims Management Regulation Division
- Consumer organisations
- Council for Licensed Conveyancers
- Information Commissioners Office
- Intellectual Property Regulation Board
- Judicial Appointments Commission
- Legal professional bodies
- Master of the Rolls
- Media organisations
- Office of the Immigration Services Commissioner
- Solicitors Regulation Authority
- The Legal Ombudsman
- The Legal Services Board
- The Legal Services Consumer Panel
- The Legal Services Commission
- The Ministry of Justice
- Trading Standards departments nationwide

Although lodging the IQS in such a manner does not give them official sanction or approval, it is an important part of the ongoing debate with government and regulators about the needs and development of the unregulated legal service provider sector.

The QMS are derived from the internationally recognised *ISO 9001 Quality Management System* and overlap with *Investors in People*, *Lexcel* (the Law Society's practice management standard) and the *Legal Service Commission's Quality Mark*.

8. IQS Accreditation Service: benefits of registering for accreditation

If you have ever applied for professional indemnity insurance you will already appreciate that much of what is asked of you by the IQS is also expected by PII insurers. In addition to making PII easier to obtain, and potentially cheaper, achieving the IQS could benefit your business in a number of other ways:

- effective risk management leading to fewer complaints or claims and fewer invoices written-off
- better customer service leading to a better reputation and increased client retention
- improved marketability and a tangible competitive advantage
- greater success in tenders, beauty parades and panel memberships
- consistency of service provided
- more loyal, motivated staff
- increased efficiency and thus greater profitability
- increased client confidence in unregulated legal service providers

You can register for IQS by contacting office@theiop.org.

9. Using the current edition of the IQS

The unregulated legal services sector is changing rapidly. Therefore the QMS will be updated as required, so please ensure that you have the latest version. **This is the January 2012 edition.**

By visiting us at www.theiop.org you can check whether this edition is the most recent version.

10. Checkaprofessional.com

Checkaprofessional.com is the U.K.'s leading online business generation website for legal professionals.

We strongly recommend it for those businesses wanting to have a national presence and access to up to 250,000 potential clients *every month*, for less than £800 a year.

All legal service providers accepted for inclusion in Checkaprofessional.com must be a corporate member of the Institute of Paralegals unless they are regulated by one of the legal regulators authorised under the Legal Services Act 2007.

For those legal service providers required to be a corporate member of the Institute, continued listing on Checkaprofessional.com is dependent upon them remaining a corporate member of the Institute and thus, in turn, complying with the IQS.

For more information please visit www.theiop.org/membership/how-to-join/join-as-a-corporate-member.html/checkaprofessional/.

11. Professional indemnity insurance

Both regulators and prospective clients (not to mention other legal service providers looking to refer work) now take it as unarguable that professional legal service providers have professional indemnity insurance. That is why standard number 55 makes holding appropriate PII cover mandatory.

Cover can be purchased anywhere. The Institute is currently reviewing this service provision and will update our members via our website in due course.

12. Questions and enquiries

Please address any questions or enquiries to:

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**INSTITUTE OF
PARALEGALS**

Setting Standards. Promoting Professionalism.

The Institute of Paralegals

Quality Standards for Legal Service Providers

January 2012

IBA Internal Bar Association International Principles on Conduct for the Legal Profession
 ISO ISO 9000
 Lexcel The Law Society of England & Wales practice management standard for solicitors' firms
 LSC Legal Services Commission General Quality Mark for legal aid providers

Section One: Consumer Protection		Complied v	Equivalent in other legal standards			
			LSC	Lexcel	ISO 9000	IBA
1.	Be aware of, and observe, all laws and regulations relevant to the business.					
2.	Treat clients fairly and without discrimination.		D1.1	1.4		
3.	Conduct business with honesty and integrity.					
4.	The business shall be directed by people with the necessary competence.					
5.	Not take instructions to act unless the people doing the work have the necessary skill and knowledge. This standard can be satisfied by using agents/ outsourcing, e.g. seeking the advice of a barrister.		-	7.1		
6.	Keep professional knowledge current and have ready access to up-to-date information on relevant practice areas(s) and, if a member of the IOP, comply with the IOP's annual CPD					

	requirements.					
<p>Client Confidentiality & Data Protection</p> <p>Clients rarely view getting legal advice/assistance as a purely consumer/commercial transaction. They expect a much higher level of discretion and secrecy about their affairs than is required by standard business/consumer law. This provision imposes a much higher level of confidentiality.</p>						
7.	Treat as strictly confidential all information/documentation about (a) prospective clients who confided their situation when looking for advice (b) clients and (c) ex-clients, except where compelled to disclose information by reason of a legal or regulatory obligation or the prospective/ex/client gives prior permission.		F4.1	7.1		
8.	If required to do so, be registered under the Data Protection Act 1998 and comply with obligations imposed by that legislation.		F4	7.1		
9.	Comply with the "Data Protection Provisions" in annexe A to these standards.		F4	8.5		
10.	Files are kept safe and secure.		-	-		
11.	Electronic data is backed-up regularly and stored securely.		-	4.2		
12.	You will have procedures for the secure use, storage and destruction of emails.		-	-		
13.	Staff are made aware of their duty to keep all client and case information confidential both while acting for the client and afterwards.		-	-		
14.	You only outsource services with your client's permission and when you are satisfied that the provider has taken all appropriate steps to ensure that your clients' confidential information will be protected.		-	-		

Conflict of Interest						
15.	You will not act for a client if you have, or there is a real risk you may have, a conflict of interest with them, e.g. you have a personal or business interest in the same thing as the client.		E1.2	6.9		
16.	You will not act for a client if they have, or there is a real risk that they may have, a conflict of interest with another client of yours, e.g. your client wants to claim against someone who is also a client of yours or you have confidential information from one client which may help another client if you disclosed it.		E1.2	6.9		
17.	Have a list of present and former clients and use it to do a conflict check for new matters so that you can see if they are involved in any matters for other clients.		E1.2	6.9		
Client Engagement Letter						
A continuing cause of complaint are disagreements about what the provider agreed to do, by when and for how much and whether essential information was provided by the client. Use of a client engagement letter (along with the costs information below) largely solves these problems.						
18.	Provide clients with a client engagement letter/contract at the outset of the matter (a copy of should be kept on the file and signed by the client if possible) giving full information about their case, including:		F1 F2	7.2 7.3		
19.	a) the issues involved and the options available to the client.		F1 F2	7.2 7.3		
20.	b) Scope of work to be done/services to be offered.		F1 F2	7.2 7.3		
21.	c) the next steps to be taken.		F1	7.2		

			F2	7.3		
22.	d) how often/when you will keep the client informed of progress.		F1 F2	7.2 7.3		
23.	e) if possible, the timescale in which the matter will be dealt with.		F1 F2	7.2 7.3		
24.	f) the name, title (if any), location and telephone contact number of the person in your business dealing with the matter.		F1 F2	7.2 7.3		
25.	g) the name and title (if any) of any other person responsible for the supervision of the matter.		F1 F2	7.2 7.3		
26.	h) any limitation of liability imposed.					
27.	i) If consulted on a potentially litigious matter that the case correspondence, documentation and oral advice given can potentially be disclosed as part of any such litigation.					
<p>Costs Information</p> <p>A continuing cause of complaint is disagreements about how much the provider agreed to charge (or failure to provide that information clearly), about liability for future work and disbursements and, finally, about how costs are calculated. This provision requires all such information to be given upfront and in writing and to be regularly updated (if necessary) as the matter progresses. This certainty from the outset protects both client and provider.</p>						
28.	Provide clients with the following costs information at the outset, either in the client engagement letter/contract or otherwise (but always in writing):					
29.	a) the best information possible about the likely overall cost of the matter and keep this information updated as the matter progresses.					
30.	b) how your charges will be calculated and what, if any, expenses/disbursements may be due.					

31.	c) if the charges are to be increased.					
32.	d) any likely payments which you or your client may need to make to others.					
33.	e) how and when the client will have to pay you.					
34.	f) if the client has any potential liability for any other party's costs.					
<p>Case Progression</p> <p>Lack of information about the progress of their matter is a common cause of client complaint.</p>						
35.	Ensure that clients are kept regularly informed of the progress of their case, and, at a minimum, are updated at least every three months. However, the client should be notified promptly of any significant event.					
<p>Competency to Act</p> <p>Providers taking on work that they are not actually able to do and then charging clients for the privilege of being an "experiment" is appallingly unprofessional.</p>						
36.	Never act for a client where you have an actual or significantly potential conflict of interest. A conflict may include having a personal interest in the matter, acting for or having a close connection to another party to the matter. You can act where you have made a full written disclosure of the conflict and its implications, and the client(s) has given written confirmation that you can act/continue to act nevertheless.					
37.	Ensure that appropriate training is provided to all staff and that case workers and client		D2.3	5.2		

	advisors receive a minimum of 12 hours per year of professional development training relevant to the type of work they do.			5.7		
<p>Handling Client Complaints</p> <p>Many providers handle client complaints poorly – they respond in an unprofessional and hostile manner, they delay or are extremely reluctant to admit that they have made a mistake. Gracious and sympathetic handling of complaints (regardless of actual outcome) can actually improve the standing of the provider in the eyes of the client, whilst poor handling guarantees a lost client.</p>						
38.	Have a written complaints procedure, which will be supplied a the client who wishes to complain and which will include:					
39.	a) what the complaints procedure involves/how it works and its time-line.		G1	7.5		
40.	b) a named person to whom the client can complain (if reasonably possible not the person handling the actual case).		G1	7.5		
41.	b) how the complaint will be handled and the timescales involved.		G1	7.5		
42.	Complaints must be responded to in writing giving reasons for the actions taken or requested but denied.					
43.	Respond fully, constructively and promptly to IOP enquiries pertaining to actual or potential complaints.					
<p>Ownership of Client Papers</p> <p>All too often this is a grey area, with potential dangers of both client and provider.</p>						

44.	Unless otherwise agreed in writing with the client, the client will own the contents of the case file and will be entitled to the papers upon request (assuming there is no dispute). This provision does not apply to internally generated papers relating to the administration of the file and does not preclude you keeping a copy.					
<p style="text-align: center;">Client End-Of-Matter Letter</p> <p>The failure to communicate with a client at the end of a matter about outstanding issues, fees, the outcome of their case etc is a continuing source of client discontent.</p>						
45.	All clients must be given an end-of-matter letter at, or very soon after, you cease to act for any reason. The letter will cover all matters relevant to the termination of your retainer, for example:					
46.	a) a full explanation of where matters stand, including any outstanding actions, decisions, problems and issues.					
47.	b) a note of any outstanding fees and what they are in respect of.					
48.	c) what client monies are being held (if any) and when they will be returned (which date shall be as soon as reasonably possible).					
49.	d) what property or other documents or items are being held (if any) and when they will be returned (which date shall be as soon as reasonably possible).					
50.	d) the disposition of the client's papers/evidence, etc. If you are willing to hold the papers for the client then the terms of holding must be made clear (duration, format, and any holding, copying or retrieval charges the member intends to impose, etc).					
51.	e) clear and unambiguous confirmation that you have ceased acting.					

52.	f) advice as to whether you think the matter needs to be revisited at some point and, if so, when.					

Section Two: Running Your Business		Complied √	Equivalent in other legal standards			
			LSC	Lexcel	ISO 9000	IBA
<p>Holding Client Money</p> <p>One of the recognised tests of professionalism is how money is held on behalf of clients by legal providers</p>						
53.	If any monies are held on behalf of clients then it will be held in a dedicated client bank account and that money held in the client account shall never be used except for its intended purpose, nor shall it ever be used as security.					
54.	If client money is to be held then the provider will comply with any relevant anti-money laundering regulations.					
Professional Indemnity Insurance						
55.	Have professional indemnity insurance sufficient to meet potential claims.					

File Management						
56.	Keep clear, orderly and accurate records of contacts and dealings with clients.		D3.1	6.2		
57.	Record-keeping and information systems must be appropriate to the levels of service you provide.					
58.	Important dates e.g. time limits, will be recorded on files and diarised (paper and/or electronic).		F1.2	6.7		
59.	Files will record that a conflict of interest check has been carried out.		E1.2	6.9		
60.	If the file has been reviewed a note of the review is on the file.		E.2	6.12		
61.	A timely response is made to telephone calls and correspondence from the client and others.		-	8.3		
62.	There will be a record on the file of all relevant telephone conversations with clients and others.		-	-		
63.	Clients will be informed if the person dealing with their matter changes, or there is a change of person to whom any complaints should be addressed.		F2.5	8.3		
64.	Documents, files, deeds or any other items relating to the matter are noted so that they are identifiable and traceable.		E1	8.5		
65.	The current situation, the action taken and to be taken can be easily checked by other members of staff.		"	"		
66.	Documents are stored on the file(s) in an orderly way.		"	"		
67.	Where appropriate, the client will be consulted in relation to selection of advocates or other professionals.		F5.4	-		

68.	The client will be informed of the name, title and cost of any professional instructed and the timescales for their response.		F5.1	8.6		
69.	If your charges are based on time spent, your time will be clearly recorded on the file or elsewhere.		-	3.3		
70.	Files will be monitored regularly for inactivity.		E1.2	6.11		
Checkaprofessional.com						
71.	If registered with CheckaProfessional.com then you will deal fully, frankly and honestly with CheckaProfessional.com and honour Checkaprofessional.com's terms and conditions.					