

LC NO



HOUSE OF LORDS,
SW1A 0PW

12 December 1983

L186/177/02

My Dear Margaret.

Restrictions on Conveyancing for Reward

I have now seen the Lord President's report of our discussions at H, which we are to consider at Cabinet on Thursday. I should emphasise that so far as the proposal in Mr. Austin Mitchell's Bill to permit non-solicitors to undertake conveyancing is concerned my objection is based on the over-riding need to protect the house purchaser and on the impossibility of doing that effectively without an adequate test of competence.

I recognise that colleagues do not share my view that we should concentrate on improving competition between private solicitors, by building on the progress which has already been made in relaxing the restrictions on individual advertising. However, as you know, that was the conclusion of the Royal Commission on Legal Services. I do not think we should lightly depart from the Royal Commission's recommendations, particularly as the consequences for the availability of legal services and for public expenditure on them are so difficult to predict. We must also make sure that the problems of conflicts of interest, which rightly concerned the Royal Commission, could be overcome.

I suggest that, whilst we cannot give any support to Mr. Mitchell's Bill, we should indicate in the debate that we are attracted by the possibility of permitting solicitors employed by organisations such as building societies to undertake conveyancing. We could announce that we will consult further on that, perhaps in the context of the Green Paper on the powers of building societies which is to be issued in the New Year. That would give the profession and the public at large proper opportunity to comment on the proposal and to put forward ways in which conflicts of interest might be avoided. It would also give us time to form a more realistic estimate of the likely consequences. Finally, it would avoid leaving us open to the charge that we were cavalierly disregarding one of the main recommendations of the Royal Commission without proper consultation.

Yrs.,

The Right Honourable
The Prime Minister
10 Downing Street
London SW1

P.S. Copies of this letter go to other members of the Cabinet, the Solicitor-General and Sir Robert Armstrong.

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