A woman with voluminous, curly brown hair is looking down at a laptop screen. She is holding a teal credit card in her right hand. The background is a blurred indoor setting.

Legl

How client demand is changing the legal payments industry

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We live in an age of online payments - it has never before been easier to buy the things you need. This change is coming to legal services and it's being driven by client demand. With over 80% of UK consumers¹ using the internet to buy goods or services clients have an expectation that they will be able to pay for legal costs online, quickly and easily. We take a look at how client demand, coupled with a need for firms to increase efficiency, has driven a change in how legal services are paid for.

Client demand

Client demand is driven by three pillars:



Convenience

What is the one thing behind the success of Uber, Amazon and Deliveroo? Convenience. These products make it easier and more convenient for consumers to do the things they need to do every day. This trend of favouring convenience - simplicity over complexity - is what drives the demand for online payments. The comparison is stark when you compare the effort required to make a payment online against another payment method used in the legal industry, BACS transfer.

Online payments	2 steps	1 interface	90 seconds
BACs	12 steps	3 interfaces	9 minutes to weeks

The contrast is stark: paying online takes place immediately and easily, whereas other forms of payment require significantly more effort from the client which leads to delays in payment.

¹ <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/46776.pdf>

Security

Client demand for a more convenient payment method is followed closely by concerns around security. 2/3 of YouGov survey participants rated safe and secure payments as the most important factor in online checkout processes².

When it comes to security, it is industry accepted that online payments are a more secure and safer way of paying when compared with offline methods like taking payment over the phone.

Offline payment processing has barely changed in the past 40 years, whereas online payments have the benefit of using constantly evolving state-of-the-art technology, anti-fraud measures and data encryption techniques - most recently incorporating new requirements on Strong Customer Authentication (SCA).

Data collected and stored online can be easily secured and controlled, compared with offline collection. This explains why consumers are increasingly reluctant to provide bank card details over the phone in a non-secure format, which has driven firms to adopt new ways of accepting payments.

2/3

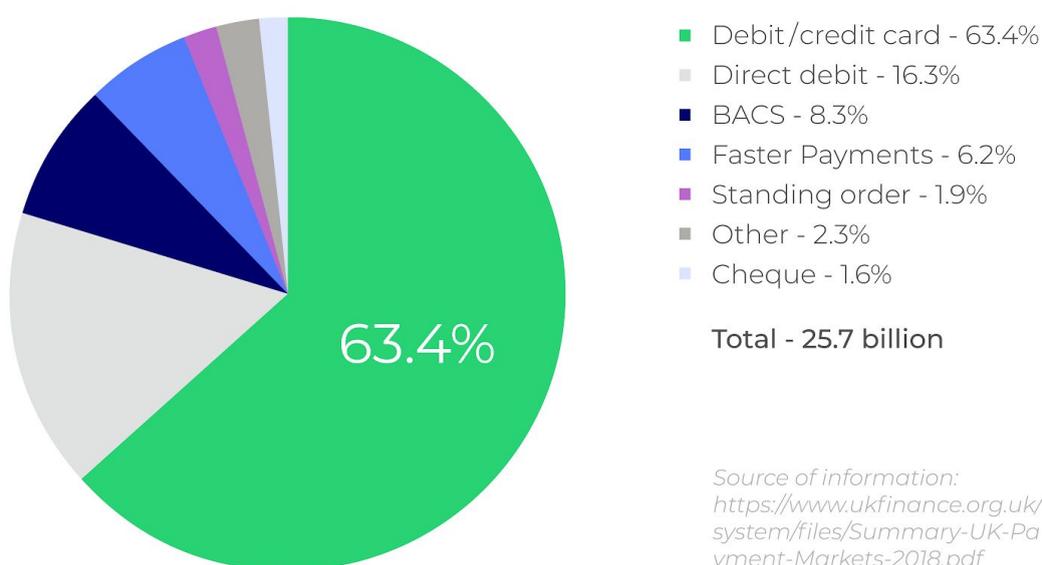
Number of survey participants who rate safety and security as the most important factors in online checkout processes



Flexibility

The third factor driving client demand for online payments is the desire for having options. When it comes to how people are choosing to pay for their services, debit and credit cards make up the majority of transactions compared with other alternatives. The UK Finance Payments Report 2018 shows that out of 25.7 billion non-cash transactions in 2017 63% of them were made via debit or credit card compared to only 8% made via BACS transfer. So when it comes to giving clients options to pay, firms are taking the view that it makes sense to offer the payment methods they use most in all other aspects of their lives.

Number of non-cash transactions (billions)



What this means for law firms

Making it easier and more convenient for a client to pay their legal bill doesn't just mean firms are providing a service their clients will love - it dramatically affects their bottom line. Reducing the number of steps a client has to complete before making payment increases the speed at which they make that payment. At the same time, it removes the manual steps the firm would typically need to do leading to improved efficiency and cost savings.

Rarely are law firms and clients' interests so aligned as when it comes to being able to pay for legal bills online - a fact which has undoubtedly been responsible for how the legal payments industry has, and is, changing.

Legl is the award-winning provider of online payments services built specifically for legal services. Using Legl's payment tool you can get paid faster, receive payments securely and reduce administrative time, all while giving your clients a better experience and more flexibility. You can find out more by visiting www.legl.com/payments or emailing info@legl.com.