



Law Matters Newsletter

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Hiatus

This is the first edition of Law Matters for some time, following developments in the career coaching part of the business. Regular service is now restored.

Tesco Lurking?



For all the talk of “Tesco Law”, Tesco have not publicly committed to providing legal services, unlike the Co-op and W H Smith (with QualitySolicitors). Indeed their “Law Store” selling DIY legal kits has disappeared.

Where they are developing a presence is in estate agency. Their previous attempt was thwarted by the OFT, but now the rules have been relaxed. iSold is a joint venture with Spicerhaart (the biggest chain of estate agents. It provides a basic service for £1,499 plus VAT, as well as an enhanced service. All the usual additional

services, such as surveys can be added, and, of course sign up is electronic. The service is however cut down – viewings are not accompanied.

The going rate for estate agents of 1½% to 2½% of purchase price means that this service potentially offers substantial savings. That makes it much more attractive to Tesco than say marginally profitable simple wills. They take on little work, but have the connected ability to furnish the new property, insure it, and provide the mortgage. They can even supply food and drink for the house warming party!

The package also gives an indication of how Tesco (or another supermarket) might operate a legal service. First, it is starting as a joint venture, where the retailer’s brand and nationwide presence attracts customers, but the JV partner provides the technical expertise. This is what Tesco did with banking, although they now have their own bank. At present, Tesco are offering an extra 5000 Clubcard points for signing up, the kind of incentive that professionals do not provide. The Clubcard link again enables tracking the new address as well as targeting offers and information at the time when they are most likely to be relevant.

So estate agents are up against the marketing and brand power of Tesco, who can provide incentives not available to professionals. Meanwhile Tesco can add their other services to the mix, so they make additional profit beyond the estate agency service.

Will Tesco move into legal services? They are not saying. My own view is that they will concentrate on iSold for the present, and build legal services (if at all) on the back of that.

November Newsletter: Defend your territory

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