

SRA BOARD
9 September 2025

CLASSIFICATION – PUBLIC



This paper will be published

Chief Executive's Report

Purpose

- 1 This report provides an update to the Board on our priorities and any key developments that it needs to be aware of. It also provides information on important external developments and our engagement activity with key stakeholders.

Recommendations

- 2 The Board is asked to:
 - a) consider the Chief Executive's report.

If you have any questions about this paper please contact: Paul Philip, Chief Executive, paul.philip@sra.org.uk, 0121 329 6940.

Chief Executive's Report

Update against priorities / key developments

High profile cases

- 3 We have 95 high volume consumer claims cases, plus live investigations across 76 firms with potentially 200,000 plus claims between them, most commonly relating to financial products, housing disrepair and cavity wall insulation.
- 4 We have [updated](#) our online information regarding both advice to former clients, and details of our ongoing investigations, linked to the SSB Group and Pure Legal. We have also [updated](#) information on our ongoing work, including to former clients, regarding the closure of Scottish firm WW&J McClure.
- 5 As the Board is aware, we have more than 20 live investigations into solicitors and law firms who were working on behalf of the Post Office/Royal Mail Group. Volume 1 of the Post Office Inquiry report addressing human impact and redress was published in July; the issues most relevant to our investigations will be contained in Volume 2, which is expected to be published in the coming months. We continue to progress our investigations.

High Volume Consumer Claims

- 6 We issued a joint warning with the Financial Conduct Authority to law firms and Claims Management Companies about how they deal with motor finance claims. This was ahead of a Supreme Court ruling on the issue. Our announcement was widely covered in national, consumer and legal trade media with 170 million 'Opportunities to See' the story.
- 7 Alongside the publication of a thematic review looking into how law firms handle high-volume consumer claims, we wrote to over 500 law firms active in the claims sector requiring them to complete a mandatory declaration confirming that they are compliant with the relevant rules and obligations. We will shortly issue a further warning notice to the sector setting out what we expect in dealing with this type of work.
- 8 We also issued information directly to law firms reminding them of their obligations when engaging clients on claims relating to infected blood. The material reiterated the fact that prospective clients must be made aware of the availability of free legal support from the Infected Blood Compensation Authority (IBCA) when considering such claims. Our publication of this advice was featured across the legal trade media.

Increase in reports about solicitors

- 9 The Board is already aware of the significant increases we are seeing in the number of reports received per month about potential misconduct. The numbers continue to increase. In 2024/25 (November to July), we have received an average of 1,303 reports per month, an increase of 27% on the previous year. In my July report, the figures were an average 1,231 reports per month.
- 10 We are continuing to try to understand the reason behind the increase, but as yet, we have not been able to identify any single issue. We have also been looking at data available from our website. Initial analysis indicates an increase in click throughs via Google and its generative AI search functionality. Further work is ongoing to better understand the increases.
- 11 We have introduced several short-term operational changes which are continuing to improve our closure rates. In July, we closed a record 1,562 matters. However, receipts are continuing to exceed closures rates, which is continuing to create associated operational pressures with increased volumes and capacity challenges.
- 12 A new improvement project has been initiated to target more medium- and longer-term changes, including how we can best use technology to improve the user experience and introduce automation where possible. We will keep the Board updated as this work progresses.

Anti-Money Laundering (AML) update

[REDACTED]

- 14 We [published](#) our updated Sectoral Risk Assessment on 31 July, informed by the National Risk Assessment (updated in July), and findings from our AML Proactive and Investigations programme. Significant changes from the previous sectoral risk assessment include increased concerns around capital flight from high-risk jurisdictions, client account vulnerabilities, and evolving firm business models.
- 15 We have reviewed HM Treasury's response to its consultation on 'Improving the Effectiveness of the Money Laundering Regulations' (published on 17 July). The response confirms limited legislative amendments, with most clarifications delegated to sectoral supervisory bodies such as the Legal Sector Affinity Group (LSAG). This will necessitate updates to LSAG guidance in due course.
- 16 At the time of writing, no update has been provided on the expected publication date for HM Treasury's second consultation regarding the future of the AML supervisory regime.

- 17 Our 2025 AML and sanctions data collection exercise closed on 15 August, with 90% of firms submitting their response by the deadline. The data plays a critical role in deepening our understanding of risk and guiding resource allocation. It also supports the refinement of our risk model used to select firms for inspection under our AML supervisory remit.
- 18 We have continued to run insight-based testing of different approaches for how we drive better engagement with our regulatory messaging on AML across both our SRA Update bulletins and wider social media channels. Initial insight and findings from this activity are revealing valuable learnings, which we are already incorporating into ongoing communications campaigns, while a full report on what we have learnt will be published later this year.

Differential outcomes in legal professional assessments

- 19 We are making progress with a number of the actions to which we committed in response to the findings of the University of Exeter research into the causes of differential outcomes in legal professional assessments.
- 20 Our forum to share good practice and disseminate research has met twice and has been well attended.
- 21 Kaplan has recently run six sessions to help Solicitors Qualifying Examination (SQE) training providers better understand how single best answer multiple choice questions of the type used in SQE1 are constructed. The sessions were well attended and well received. Kaplan will produce a publicly available video on the same topic.
- 22 We have surveyed law schools and law firms to map the extent and impact of collaborative schemes between law schools and firms designed to support aspiring solicitors. The feedback will inform what we might do to facilitate these partnerships in the future.
- 23 We are seeking views from SQE candidates on any additional information they would have found useful ahead of their assessment days and how such information should be made available.
- 24 We have put on hold our planned thematic review on recruitment and retention due to other priorities.

SQE Access and Reinvestment Fund

- 25 We have awarded eleven organisations a share of the £360,000 currently in the SQE Access and Reinvestment Fund. The funding will be used to support people from disadvantaged backgrounds with the cost of sitting the SQE.

- 26 The fund has been building since the SQE launched in 2021, and this marks its first distribution. The money has come from contractual performance-based payments from Kaplan, the SQE provider.
- 27 The eleven successful organisations provided a range of legal, educational and social mobility services. Their remits range from making the legal industry more accessible to people from underrepresented groups to providing, through volunteering, legal advice to veterans and their families.

SQE evaluation

- 28 During September we will consider responses to our invitation to tender to undertake a technical review of the SQE. The focus will be on evaluating the validity, reliability and fairness of the SQE. We aim to appoint a supplier by the end of 2025 and for the technical review to start in early 2026. This is in line with our SQE evaluation framework.
- 29 We will also review the Statement of Solicitor Competence to ensure it continues to encompass the competencies solicitors need to perform their roles effectively.

Continuing competence

- 30 In July we [published](#) our annual assessment of continuing competence.
- 31 We analysed the reports we received between 1 January 2023 and 31 December 2024 to help us identify competence risks and challenges across the profession.
- 32 The number of reports we received in this period increased from 11,177 in 2023 to 12,046 in 2024.
- 33 Our analyses show a decrease in reports received for some areas of law during this period, including in residential conveyancing and commercial law, and increases in other areas, including criminal and civil law. We will explore the findings in more detail to understand if and how solicitors practising in these areas are maintaining their competence.

Technology and innovation

- 34 The Ministry of Justice (MoJ) has published its AI action plan for Justice. There is a focus on:
- putting in place the foundations for effective use of AI for example, around governance, data, ethics
 - embedding AI across the justice system including to improve access to justice through the use of consumer facing tools

- investing in people and partners, including developing partnerships with regulators and providers to support AI-driven legal innovation
- 35 We have regular discussions with the Innovation Team at the MoJ and recently met with their AI Justice Unit Director. Our innovation work is complementary to the MoJ action plan. Officials have welcomed our work to support innovation, including the research we are in the process of commissioning around consumer facing AI in the legal sector and looking at the potential benefits of and demand for an innovation sandbox.
- 36 We ran the second of two SRA Innovate events in Birmingham, with almost 100 attendees; similar numbers to our first event in Leeds. Providing practical innovation tips alongside wider insights on technology and innovation in the legal sector, 97% of attendees said they would attend a similar event in the future. Recordings from both events have been viewed more than 500 times online. After the Innovate event, we also ran consumer focus groups and a 'Meet the senior team' event with local solicitors.

Changes to identity verification to access mySRA

- 37 We have improved the security of the mySRA system by switching to app-based verification. Instead of receiving a code by text message, customers will use an authentication app to generate the code. This switch is going well with, at the time of writing, approximately 55,000 users enrolling and no significant contact into the Contact Centre.
- 38 To prepare for the switch, we conducted moderated user testing sessions with solicitors and other mySRA users. We used our findings to help design user communications and identify potential workarounds for people who did not have access to a smartphone or other suitable mobile device. We created step-by-step guides and a suite of explainer videos (using AI-generated avatars and voiceovers) demonstrating how to download an authenticator app, enrol it with mySRA and use it to log in to the portal. We also issued targeted, direct email communications to mySRA users telling them about the changes.

Thematic Risk programme

- 39 We are pausing our programme of thematic reviews in order to support our work on High-Volume Consumer Claims in relation to pro-active inspections.
- 40 As the Board is aware, we have communicated with firms that undertake High Volume Consumer Claims work seeking assurance that their systems and processes are in line with our standards and regulations. Until the newly formed Proactive Investigations Directorate is fully staffed (recruitment is ongoing), our Thematic Risk team will operate the pro-active inspection and review process.

- 41 The team will still complete the Landlord and Tenant project, a commitment made in the annual continuing competence assessment, which is due to conclude this month, as well as the mandatory annual report to the Financial Conduct Authority (required as part of the Designated Professional Body arrangements with the FCA). This will have minimal impacts on the pro-active High Volume Consumer Claims work.

Economic Crime and Corporate Transparency Act 2023 (ECCTA)

- 42 This legislation introduces a new failure to prevent fraud (FTPF) offence, focused on where an organisation could be a beneficiary of a fraud committed, in particular by employees. We have obtained legal advice and carried out a risk assessment to consider the specific risks where we might benefit from a fraud. This risk assessment was considered by the Audit and Risk Committee at its 2 September meeting. All risks are considered low residual risks other than the possibility that we overcharge customers in our fees and charges.
- 43 There are three main actions arising from our assessment. We plan to periodically review our fees and charges, on a planned cyclical basis, prioritising based on materiality. We will develop and promote a new policy covering all economic crimes, including money laundering (proceeds of crime), bribery, false accounting, sanctions, together with FTPF. We will also deliver training for key roles involved in mitigating higher specific FTPF risks and review its effectiveness.

Legal Services Board (LSB)

- 44 At the time of writing, we were due to submit the first quarterly report to the LSB that sets out our progress against the actions we have committed to in the implementation plan following the Directions issued as a result of the independent review of our actions in the lead up to the closure of Axiom Ince. We will meet the LSB to discuss progress on 8 September, and we will provide an update at the Board meeting. For background purposes we have provided some PowerPoint slides providing further context and background on this issue on Directors Desk.
- 45 The LSB approved our 2025/26 practising certificate fees on 22 August. In its Decision Notice, it set out expectations for next year's application in terms of information it expects us to have considered and include, as well as the expectation to update it of any changes to our priorities as and when they occur. At the time of writing, we were still waiting on the LSB's decision on Compensation Fund contributions.

Stakeholder engagement

- 46 In July, I gave oral evidence to the House of Commons Committee on Standards as part of its ongoing inquiry into changes to the rules relating to outside interests

and employment in the Code of Conduct for MPs. The Committee has been taking evidence from a wide range of sectors on how they approach regulatory issues regarding outside interests and employment, to inform its work on whether the MPs' Code of Conduct requires reform.

- 47 The Justice Select Committee has [announced](#) an Inquiry into access to legal services. The Inquiry will examine the current state of the legal services and representation market, and how it, and associated operating pressures, affect access to justice. The inquiry will also assess potential new funding options and the scope for future innovations and potential adaptation of services, funding, regulation and technology to support access to justice.
- 48 We attended a roundtable on AI at Number 10 Downing Street with other regulators. The meeting was chaired by the Prime Minister's advisor on AI, who recognised our innovative approach in authorising Garfield Law.
- 49 We hosted Sikhs in Law's legal careers evening at the Cube and a table of aspiring solicitors at the Birmingham Black Solicitors annual awards eventing. We have also welcomed local sixth form students as part of the Birmingham cohort of the Social Mobility Business Partnership for a day, building skills for a career in the professions.