

News from the Board

Reflections on our November Board meeting - Anna Bradley, SRA Chair

25 November 2024

A key theme this month has been engagement, starting with our annual Compliance Conference in Birmingham. I am delighted to report that around 1,300 people attended, which is a return to the peak numbers we saw pre-Covid. There is clearly an appetite for face-to-face engagement, which enables a depth of conversation that it is hard to recreate online.

In the same spirit we had an excellent evening event with solicitors, charities, consumer representative and academics from across the West Midlands when our Board met this month. We tested ideas on client money and the emerging risks around high-volume claims and heard what mattered most to those in the sector.

I was pleased to be invited to a Ministerial meeting with the sector to discuss the importance of legal services to economic growth. Perhaps the most significant aspect of this event was that it was co-hosted by the Lord Chancellor and the Secretary of State for Trade and Business. This allowed me to speak to the importance of our regulatory work not just for setting and maintaining professional standards but also for regulating entities and the market.

More of all these themes below.

Reflecting on our approach to regulation

This month's Board was two days of workshop sessions – a chance to focus on strategy, reflecting on where the legal sector is, and what this means for how we regulate.

The sector and the profession are changing rapidly, bringing both challenges and opportunities. We want to make sure we are delivering effective, targeted, proportionate regulation - this is key to both protecting the public from harm, while also working in the public interest to enable a vibrant and growing legal services market.

We discussed the challenge of targeting our resource appropriately. There will always be many competing calls for our regulatory capacity and we will not be able to meet all demands. This makes it critical that we have sound evidence of the risks in the sector so we can prioritise the issues that will have greatest public benefit and drive confidence and trust in legal services.

We are prioritising three significant areas at present: addressing the risks around high-volume consumer claims; developing our arrangements around holding and safeguarding client money; and driving the continuing competence of solicitors. Alongside this work we need to make sure we get our own capability, capacity, and underpinning infrastructure right so we can regulate as effectively as possible (see use of data below).

High-volume claims

The Board continued its discussion about how to respond to increasing concern about high-volume consumer claims. When this sector works well it can be an excellent way to help people gain access to justice. But the SRA is seeing evidence that too many firms are not serving their clients well and exposing them to inappropriate risks.

We have a programme of work to address bad practice and issue guidance to the sector as a whole. Firms doing this type of work need to critically examine the way they operate in this area of work and address any weaknesses.

The issues we are seeing span sectors, including insurance, claims management, and third-party litigation funding. So we are also keen to work with fellow regulators, government and other stakeholders to address consumer harm and increase consumer understanding about both benefits and risks of bulk litigation. A particular concern is the use of 'no-win, no-fee' agreements and what consumers might understand this to mean. The fact is that such agreements don't necessarily mean clients will be shielded from costs in all circumstances.

Continuing competence

We discussed our review of continuing competence requirements, and looked at the way different professional regulatory arrangements work. Returning to a tick-box hours-based system is not on our agenda, but we are open to change with a focus on making sure our arrangements drive the right learning and development behaviours. Ultimately, we want to be confident that solicitors maintain their competence, understand their changing professional obligations and have thought about how these apply to their practice.

Improving our use of data

We had an in-depth session to explore where the organisation is on the road to improving how it manages data, to help us identify risks and prioritise action.

In progressing this work, we are making sure we learn from other regulators, such as the FCA and ICO. This is a really significant, long-term programme of work, but we talked through areas of work we could prioritise to deliver benefits as swiftly as possible.

Finally, returning to the beginning, we will be running a virtual version of our compliance conference this week. Thousands are set to join us across 13 sessions, so [please do reserve your spot \[https://events.sra.org.uk/sra/frontend/reg/thome.csp?pageID=168759&eventID=709&CSPCHD=00100100000sLvNy3uSxtumOvCvAvA3RMJ\\$GCM7kq75f5rOcf\]](https://events.sra.org.uk/sra/frontend/reg/thome.csp?pageID=168759&eventID=709&CSPCHD=00100100000sLvNy3uSxtumOvCvAvA3RMJ$GCM7kq75f5rOcf)

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