



Financial problems relating to those we regulate

25 November 2019

[Lawyers](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#lawyer) [\[https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#lawyer\]](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#lawyer) and those working with them are trusted to hold large amounts of money belonging to [clients](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#client) [\[https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#client\]](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#client).

Like any other type of business, a [law firm](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#firm) [\[https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#firm\]](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#firm) can experience financial problems. Those involved may find themselves unable to pay bills, employees, tax, insurance, or individuals that we regulate may have their own personal financial problems.

Those who we regulate are also bound by our [Principles](https://consultations.sra.org.uk/solicitors/standards-regulations/principles) [\[https://consultations.sra.org.uk/solicitors/standards-regulations/principles\]](https://consultations.sra.org.uk/solicitors/standards-regulations/principles) to run their business "in accordance with proper governance and sound financial and [risk](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#risk) [\[https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#risk\]](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#risk) management principles" and to "protect client money and [assets](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#assets) [\[https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#assets\]](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#assets)". If they are facing financial difficulties, this might mean that they are not acting according to our Principles, or that they are unable to do so.

If the situation is having an effect on clients, we may need to take action to protect clients' money and assets. The actions we can take include

- placing controls on who is permitted to access client accounts
- requiring firms to submit their financial accounts to us more frequently, or in extreme cases
- closing the firm (known as an "[intervention](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#intervention) [\[https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#intervention\]](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#intervention)").

If you suspect that an individual or firm regulated by us experiencing financial difficulties, you should report them to us **immediately** via

- [report a solicitor](https://consultations.sra.org.uk/consumers/problems/report-solicitor/) [\[https://consultations.sra.org.uk/consumers/problems/report-solicitor/\]](https://consultations.sra.org.uk/consumers/problems/report-solicitor/), or
- our [contact centre](https://consultations.sra.org.uk/home/contact-us/) [\[https://consultations.sra.org.uk/home/contact-us/\]](https://consultations.sra.org.uk/home/contact-us/).

If we have had to take regulatory action against a solicitor or firm that you were using, we may hold your money and papers. We may be able to award you [compensation](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#compensation) [\[https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#compensation\]](https://consultations.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#compensation) if you have lost out as a result. Find out more about [how to claim your money and papers from us](https://consultations.sra.org.uk/consumers/problems/claim-papers/) [\[https://consultations.sra.org.uk/consumers/problems/claim-papers/\]](https://consultations.sra.org.uk/consumers/problems/claim-papers/).