

Annual Review 2017/18

www.sra.org.uk





About us

The Solicitors Regulation Authority (SRA) is the regulator of solicitors and law firms in England and Wales. We work to protect members of the public and support the rule of law and the administration of justice.

We do this by overseeing all education and training requirements necessary to practise as a solicitor, licensing individuals and firms to practise, setting the standards of the profession and regulating and enforcing compliance against these standards.

We are the largest regulator of legal services in England and Wales, covering around 80% of the regulated market. We oversee some 192,000 solicitors and more than 10,400 law firms.

Setting high professional standards

We make sure that those entering the profession are fit to practise and meet the high professional standards the public expects. We do this by overseeing professional education and training, setting the entry standards, and checking that applicants are of a suitable character before allowing them to become a solicitor.

Similarly, we assess law firms and other types of legal businesses to make sure they are fit to offer legal services before allowing them to do so. And, once those individuals and firms are in practice, we provide guidance and rules, such as requiring continuing professional development, to make sure that those standards are maintained.

Information and guidance

We provide information about solicitors, their work and the standards the public is entitled to expect. We are working towards increasing the availability of relevant and timely information, to help people make good choices when purchasing a legal service.

Safeguarding the users of legal services

We make sure the public is protected by taking action when things go wrong. We set and monitor indemnity insurance requirements and we operate a compensation scheme. The discretionary fund can, in some circumstances, make payments to members of the public and small businesses to replace money taken or improperly used by their solicitor.

Disciplinary action

We monitor and supervise the conduct of solicitors and firms against the standards we have set. If solicitors or firms do not meet these standards, we investigate their practice and compliance with our rules, where necessary taking regulatory action, such as issuing a fine or reprimanding the solicitor. When we have serious concerns about a solicitor or a firm's conduct, we prosecute at the Solicitors Disciplinary Tribunal. When necessary, we take possession of a firm's files and money to protect clients and the wider public and return papers and money to their owners.

Affordable and accessible legal services

Most people and small businesses do not use legal services when they have a legal problem. We know that legal services are seen as expensive and hard to access, so we are working to create an open, modern and competitive legal market, providing more affordable and accessible services. To do this, we have reviewed our regulatory requirements to make sure they are proportionate. We are also reducing unnecessary bureaucracy, so solicitors and firms can do business more easily and offer new services, while maintaining consumer protection.



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Laying foundations for the future

As the new Chair of the SRA, I am delighted to be writing this foreword to our third Annual Review. Much of this is about our work in 2017/18, and I hope that it gives you as much comfort as me that the SRA has been doing a good job in meeting its objectives. I can claim no credit, so I would particularly like to thank colleagues across the organisation for their hard work and commitment, and, of course, my predecessor, Enid Rowlands.

The organisation has come a long way over the last few years, developing and maturing its approach to working in the public interest and establishing its identity. This Annual Review covers an important period, during which we set the foundations for the future.

Importantly, we finalised our long-term programme of work to refocus our regulation on what matters – the high professional standards that underpin public confidence. We hope to contribute to increased access to justice while maintaining public protections. This will be a result of the work we have done to remove many outdated constraints on modern legal practice. We believe that solicitors will be better able to offer new services in new ways.

Research shows that people want to see prices and other details of key services to help them decide when to use legal services and to choose the right one for them. We responded by setting out the information we expect firms to publish for clients and prospective clients.

Public confidence in solicitors is also based on their specialist knowledge and training. We took major steps towards delivering a new qualifying examination that will ensure consistent standards across the profession. It will also create the potential for new routes to qualify as a solicitor, supporting more diversity in the profession. Our new Solicitors Qualifying Examination (SQE) is a

once-in-a-generation transformation of how the solicitors of the future will qualify. The new examinations will be taken by all aspiring solicitors – including those following the “earn as you learn” routes. The rules needed to introduce the SQE have been approved. We have appointed a provider to deliver it and we will introduce the new examination in 2021.

Money laundering is a global problem and we have taken on a range of new responsibilities in line with new legislation. We have developed an approach that assesses firm and practice area risks, raises awareness and takes action where firms fall short. There is, of course, more to do, but we were pleased to see the positive and constructive feedback on our work from both the Financial Action Task Force and the Office for Professional Body Anti-Money Laundering Supervision. You can read more about what these organisations do and our anti-money laundering work on page 90.

I am looking forward to the next phase in our work towards a modern, open and competitive legal sector that can offer affordable, accessible services to those that need them. In the next period, we will see our new SRA Standards and Regulations free up solicitors to offer services in ways that suit their clients. We will help people to understand what consumer protections they have, by requiring all firms to display an SRA digital badge. In addition, we will implement our rules on publishing information about law firm services and prices. And, the joint regulators’ Legal Choices website will provide more information and useful tools to support people to find help. 2018/19 will also see us develop the detail of the SQE assessment, where we will work with the profession and academics, as well as doing more on anti-money laundering. We will also be making operational changes as we develop new IT systems to support the customer service we want to provide.



“The organisation has come a long way over the last few years, developing and maturing its approach to working in the public interest and establishing its identity”



We will keep everyone up to date on these changes and, as ever, we encourage you to get in touch and let us know what you think. I hope you find this Annual Review a useful and enjoyable read.

Anna Bradley
CHAIR OF THE SRA BOARD

Who funds our work?

Every year, we collect practising fees from solicitors and law firms in England and Wales and from solicitors and law firms practising English and Welsh law overseas. A portion of this will go towards our funding. The rest of it goes towards funding five other organisations (see overleaf).

We manage a Compensation Fund. Law firms and solicitors pay an annual levy towards the fund, and we consider claims and make payments. It can compensate members of the public and small businesses who suffer a financial loss as a result of a law firm's or solicitor's dishonesty or failure to return client money. The amount we levy on the profession through the Compensation Fund can be found overleaf.

To cover our administrative costs, we charge for some of our services. For example, authorising alternative business structures to offer legal services under our regulation and issuing certificates of good standing. We seek to recover the money we spend on intervening into law firms and taking disciplinary action against those we regulate.

We regulate solicitors and law firms in England and Wales. We work to make sure that everyone can have trust and confidence that solicitors meet high professional standards, and to make it easier to access affordable legal services.

Help and support

More than **200,000** calls from the public, solicitors and others

Taking action when things go wrong

12,000 complaints

5,350 investigations

50 firms closed down

59 solicitors suspended or struck off

We regulate

10,400 law firms

1 in 4 law firms are not practising

3,800 practising solicitors in Wales

48% of lawyers are women

186,000 solicitors practising

40% of solicitors work in greater London

1 in 5 solicitors work in London

1 in 5 lawyers are Black, Asian and minority ethnic

Maintaining standards and improving access

100,000 views of our website

100,000 views of our biggest firm and small works

£15.2m paid out from our Compensation Fund

Providing value for money

Our regulation should be cost-effective, affordable and proportionate, and we monitor how much solicitors and firms pay towards their regulation each year.

Our fees policy is guided by principles, including being fair to fee payers and maintaining stability in how much the solicitors and firms we regulate are charged year to year. We keep this policy under review and did not make any changes to it in 2017/18.

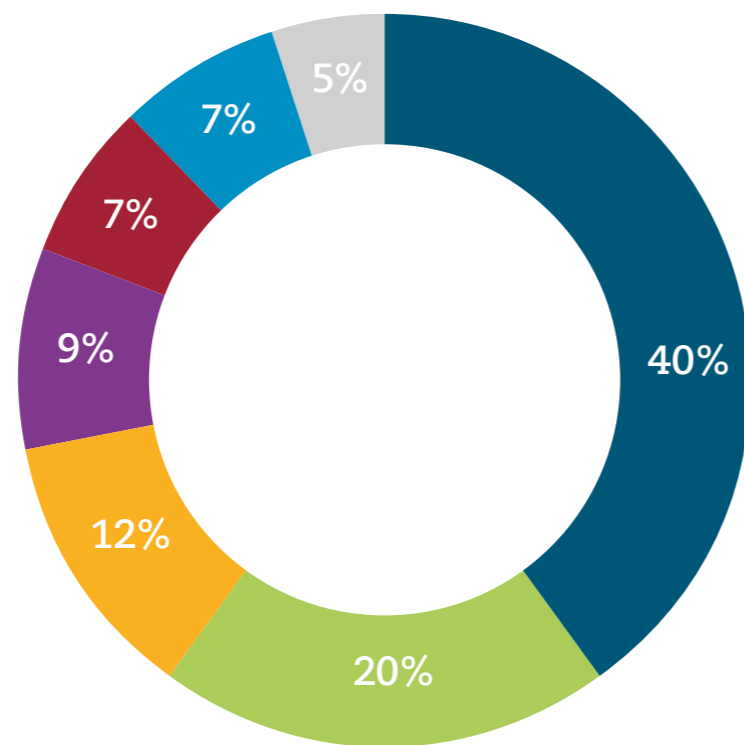
In 2017/18, we reduced our level of income to be generated through the practising certificate fee by £0.9m. At the same time, we absorbed costs due to inflation. In 2018/19, our level of income to be generated through the practising certificate fee is expected to remain flat at £52.6m.

The amount the profession paid towards our costs 2014—2018

2014/15	£52.9m
2015/16	£54.1m
2016/17	£53.5m
2017/18	£52.6m
2018/19	£52.6m

How we spent our money in 2017/18

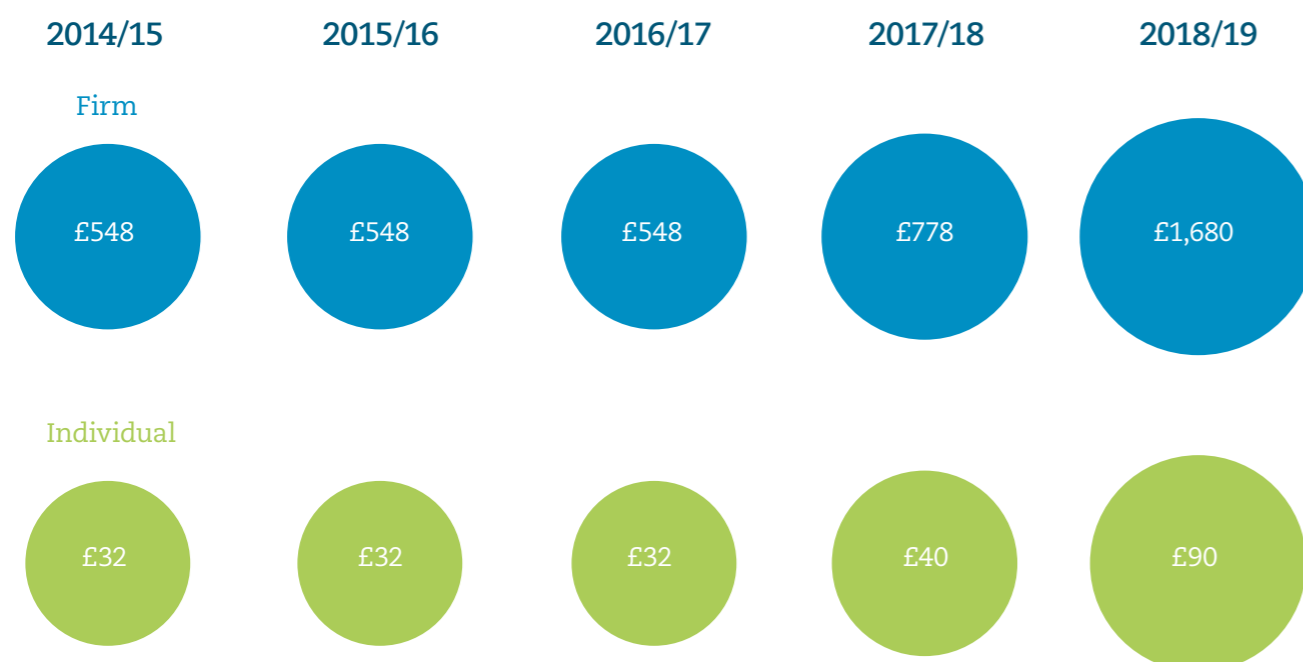
- Staff costs
- Projects, such as our ongoing programme to modernise our IT
- Services we share with TLS, for example HR and Finance
- Other costs, such as research programmes and events
- Disciplinary legal fees
- Interventions
- Facilities and property costs



Compensation Fund levy figures

We have increased the contributions that solicitors and firms must make towards the fund in the light of forecasted risks in the sector. Our Board considers forecast pressures on the fund and sets the levy accordingly. We increased contributions for 2017/18 and 2018/19.

You can read more about the Compensation Fund on page 84.



How much solicitors and firms pay

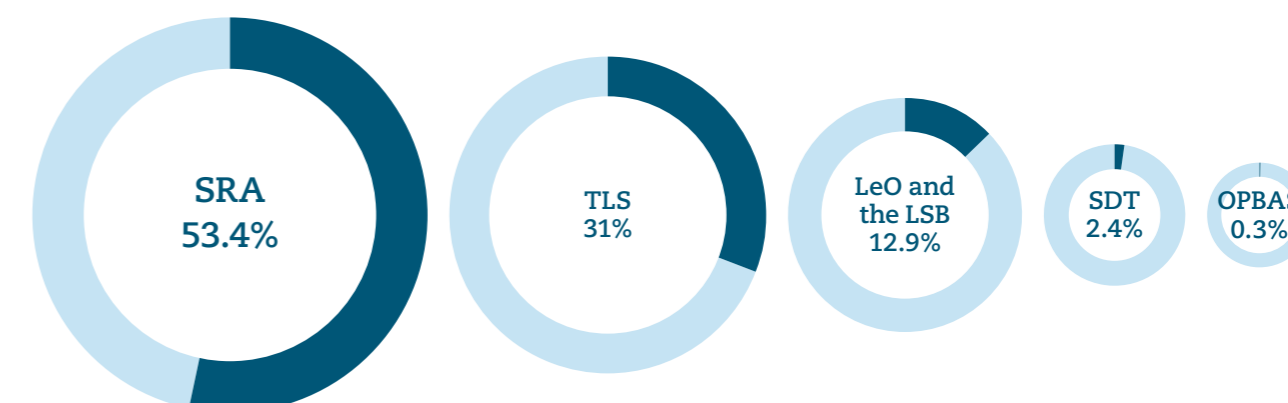
The practising fee we collect fully or partly funds six organisations, including us. In 2017/18, we collected £98.6m in total. The amount each solicitor paid to practise in 2017/18 remained the same as it was in 2016/17 – £278. In addition, we collected £59.2m from firms, compared with £59.9m in 2016/17. The amount that each firm pays varies, depending on its size and turnover.

How the fee is split

The practising fee is shared between:

- The Solicitors Regulation Authority (SRA), the regulator of solicitors and law firms in England and Wales.
- The Law Society (TLS), the representative body for solicitors. We are part of the Law Society Group.
- The Legal Ombudsman (LeO), the organisation that deals with service-related complaints about lawyers.
- The Legal Services Board (LSB), the independent body responsible for overseeing the regulation of lawyers (including, for example, solicitors, barristers and licensed conveyancers) in England and Wales.
- The Solicitors Disciplinary Tribunal (SDT), an independent statutory tribunal where we bring prosecutions against solicitors.
- The Office for Professional Body Anti-Money Laundering Supervision (OPBAS), an arm of the Financial Conduct Authority, the regulator for financial services. OPBAS is also funded by other legal regulators and professional bodies in the accountancy and financial sector. This money goes towards combatting money laundering. More on our anti-money laundering work can be found on page 90.

LeO and the LSB also receive funding from other parts of the legal profession.



The Board 2017/18

The SRA Board oversees our management and performance. It sets our strategy and supports, challenges and holds the executive management team to account on our direction and operations.

These pages show the Board as it was at the end of 2017/18. Other than where there is a casual vacancy (as there was at the end of 2017/18), the Board must always have a lay majority and Chair.



› **Enid Rowlands**

CHAIR (2014–2018)

Enid was a board member for the General Medical Council for eight years, and held roles with the Information Commissioner's Office and the North Wales Police Authority. She has also been a trustee of The Prince's Trust and was UK Chair of Victim Support. At the end of 2018, Enid stepped down as the first lay member chair, after serving the maximum term of four years and a total of six on the Board.



› **Barry Matthews**

Barry works in-house as the director of legal affairs and third-party sales at ITV. He was a non-executive board member of Clearcast Limited and the Broadcasting Committee of Advertising Practice from 2013 to 2016. In 2018, he founded the Social Mobility Business Partnership, which helps students from low income backgrounds pursue a career in the professions.



› **Geoff Nicholas**

Geoff has been a partner in the dispute resolution group of Freshfields Bruckhaus Deringer for more than 20 years. He is co-head of the firm's global investigations group and is the global markets partner. Geoff advises international clients on regulatory risk and handles both internal and external investigations.



› **Dame Denise Platt DBE**

Denise is a member of the General Medical Council and former chair of the Commission for Social Care Inspection. Past positions include trustee of the NSPCC, trustee of the Lloyds Bank Foundation for England and Wales, and governor of the University of Bedfordshire (where she is an honorary fellow). Denise is the chair of our People Strategy Committee.



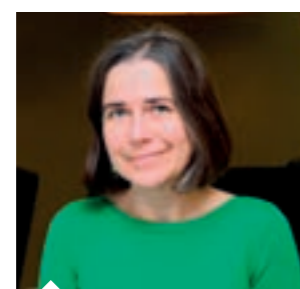
› **Chris Randall**

Chris is a partner in Mayo Wynne Baxter and has been its chief executive since 2007. His main specialism is personal injury litigation, though his current role is in full-time management. Before embarking on a career in the law, Chris was a probation officer in London.



› **Professor Julia Black**

Julia is pro-director for research and professor of law at the London School of Economics and Political Science. Julia has advised policy makers, consumer bodies and regulators on regulatory policy in the UK and overseas. At the end of 2018, Julia stepped down after serving five years on the Board. For three years, she was also chair of our Policy Committee.



› **Sharon Darcy**

Sharon is the director of think tank Sustainability First and a member of the UK Regulators Network Expert Advisory Panel. She was one of the first lay members to be appointed to the House of Commons Committee on Standards. Sharon is a council member of Which?



› **David Heath**

David was member of parliament for Somerton and Frome from 1997 to 2015 and held the role of minister of state during the coalition government. During his period in parliament, David acted as shadow lord chancellor for the Liberal Democrats and was a member of the Justice Select Committee. David is our Board's Senior Independent Director.



› **Paul Loft**

Paul has wide-ranging experience in a number of retail businesses, including as managing director of Homebase and Habitat, and as the Finance Director of Argos, Debenhams and Burton Menswear. Since 2013, Paul has chaired the audit and risk committee of Peabody, the London housing association, and also sits on its finance and nominations committees.



› **Elaine Williams**

Elaine is legal director and company secretary at Eddie Stobart plc. She was previously general counsel and company secretary for British Land and former partner at Freshfields Bruckhaus Deringer in London and Asia. Before that, she held a role at HSBC as deputy group company secretary, a role in which she gained significant experience of corporate governance and company secretarial best practice.



› **Tony Williams**

Tony Williams is the principal of Jomati Consultants LLP, an international legal management consultancy. Jomati's services are designed to support law firms, barristers' chambers and in-house legal departments on a range of strategic and management issues. Tony is a qualified solicitor and a former worldwide managing partner at Clifford Chance.



› **David Willis**

David is a former joint chief executive of Herbert Smith Freehills. He currently holds several different roles with charities and educational institutions. One such role is vice chair of United Response, a charity that works with adults and young people with learning and physical disabilities and mental health needs. David is the chair of our Finance and Audit Committee.



› **Anna Bradley**

CHAIR (Jan 2019 to present)

Anna Bradley brings a wealth of regulatory, policy and customer experience to the organisation. She is an independent non-executive director and chair of the End User Advisory Council of Pay.UK (the retail payments systems operator for £75tn payments in the UK). She is also a Trustee at Age UK. She has previously chaired Healthwatch England and the Council of Licensed Conveyancers, among others. Her appointment is for an initial period of three years.

Organisational structure

BOARD



› **Paul Philip**
CHIEF EXECUTIVE

Leads the strategic direction of the SRA



› **Enid Rowlands**
CHAIR (2014-2018)

In 2017/18, our Board had 12 members, who oversaw all SRA work. Six were solicitors and six were lay people, including the chair.



› **Anna Bradley**
CHAIR (Jan 2019 to present)

› External and Corporate Affairs

Manages internal and external engagement

› Corporate Complaints

Handles complaints from the public and profession about our service

› Digital Communications

Manages our online presence and our contribution towards legalchoices.org.uk and iclr.net

› Equality, Diversity and Inclusion (EDI)

Promotes equality in the sector and embeds and supports EDI in our own work

› External Communications

Engages with external stakeholders through media and events

› Governance

Supports corporate governance

› Internal Communications

Keeps staff up to date and involved in our work

› Public Affairs

Works with parliamentarians and others

› General Counsel and Case Direction

Identifies and remedies legal issues and provides guidance on case direction

› Case Direction

Oversees regulatory decision making in cases across the organisation and provides training and guidance

› Governance and Compliance

Advises the Chief Executive and the Board to make sure we use our powers in a way that is lawful and robust to challenge

› Legal Policy

Supports reforms to deliver modern regulation through rule drafting and provision of legal advice

› Major Cases

Gives advice on the direction of high-profile and complex litigation and prosecution work

› Legal Case Direction for Major Cases

Gives direction on major and complex cases

› Adjudication

Makes formal regulatory decisions relating to disputed, high-profile or complex cases

› Operations and Performance

Manages operations and monitors their effectiveness

› Authorisation

Authorises individuals and firms to enter the profession and monitors their suitability

› Business Improvement and Quality Assurance

Implements quality assurance, manages information and supports training needs

› Client Protection

Manages the Compensation Fund and intervenes into law firms

› Contact Centre

Handles incoming queries from the public and profession

› Ethics Guidance

Provides guidance on our Codes of Conduct and rules to the individuals and firms we regulate

› Legal and Enforcement

Prepares cases to take to the Solicitors Disciplinary Tribunal

› Policy and Resources

Advances changes to regulatory policy, executes our strategy and manages key functions

› Business Change

Drives and delivers collaborative change and improvements

› Finance, Resources and Support Functions

Manages our finances, handles employee relations and resources, runs risk and continuity programmes

› IT and Infrastructure

Develops and manages our IT needs

› Regulatory Policy

Delivers reforms to implement modern regulation and ensures high professional standards

› Supervision and Education

Oversees investigations into solicitors and firms, reviews risks in the sector and is responsible for education-related policy

› Education and Training

Develops policy on the education and training of solicitors

› Investigation and Supervision

Risk assesses, analyses and investigates reports made about solicitors

› Research and Analysis

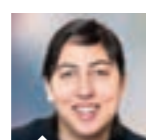
Provides research and data to support evidence-based policy making

› Regulatory Management

Proactively engages with firms on a range of issues and carries out thematic research into the legal sector



Jane Malcolm
EXECUTIVE DIRECTOR



Juliet Oliver
GENERAL COUNSEL AND EXECUTIVE DIRECTOR



David Middleton
EXECUTIVE DIRECTOR (leaving Aug 2019)



Robert Loughlin
EXECUTIVE DIRECTOR



Richard Collins
EXECUTIVE DIRECTOR (until end of Feb 2019)



Crispin Passmore
EXECUTIVE DIRECTOR (until end of 2018)

How we work

We employ more than 600 staff who work in a variety of roles, the majority of which are based in our Birmingham city centre office, The Cube. We also have staff based in our London office and offsite.

We are committed to having a talented and diverse workforce in place to support our work as a public interest regulator.

Our people are our greatest asset. Our success depends on having the right culture and leadership and adopting the best possible approach to recruiting, training, developing and rewarding our staff. It is only with their dedication that we can serve the public well and meet our strategic objectives.

A diverse organisation

We value, respect and celebrate differences and enjoy the benefits that diversity brings to our culture and performance.

We recognise the importance of making sure our staff reflect the wider community whose interests we serve. To make sure we are diverse and inclusive, we recruit in an accessible way and create a supportive and inclusive working environment.

We have Disability Confident accreditation and are part of the Midlands Accessibility network. We are also a Stonewall Diversity Champion and submit information to the Stonewall Employer Index. This year, we appeared 123rd on the index, which featured 445 organisations. In the past year, we have moved up 48 places, and since we started submitting information to the index three years ago have moved up more than 100 places.





“The SRA’s money has left a lasting legacy on the lives of young people in the West Midlands. For that, we can’t thank you enough.”

Barrie Hodge
ST BASILS’ HEAD OF FUNDRAISING AND COMMUNICATIONS



Our values

All our work is underpinned by our five core values, which were developed by our staff. We promote our values through thank you and reward schemes, and through opportunities to discuss and learn together. We hold events and activities throughout the year to celebrate each of our values. Staff are encouraged to think about how they can implement or show our values in their day-to-day work.



› **Fair** We treat people equally; without favouritism or discrimination



› **Independent** We act impartially, making objective and justifiable decisions based on evidence



› **Inclusive** We work together, valuing difference, to deliver common goals



› **Professional** We have the knowledge and skills to deliver high standards; striving for excellence



› **Progressive** We listen, respond and proactively develop and improve the way we work

Our charity work

Our staff vote for our charity every two years. In 2017/18, we supported West Midlands-based St Basils for a second year. It works with young people aged 16 to 25 who are homeless or at risk of homelessness, helping more than 5,000 young people each year. The aim is to help them successfully break the cycle of homelessness, so that they can go on to experience a bright, fulfilling future and never return to a state where they are at risk of homelessness again.

We hit our target of raising £10,000 for St Basils in the past two years by taking part in the St Basils Big Brum Sleepout, the Great Birmingham Run, fitness challenges and holding dress-down days and cake sales. Staff also donated items to St Basils starter packs that help young people get off to a good start when they move into homes of their own.

“The two-year charity partnership we have had with the SRA has been nothing short of fantastic,” said St Basils’ Head of Fundraising and Communications, Barrie Hodge. “The SRA’s engagement with our cause has been vital in us being able to continue the work we do. The money they have raised has contributed towards our learning skills and work team, which enables young people who have experienced homelessness to gain the skills required in order to live independently. That means the SRA’s money has left a lasting legacy on the lives of young people in the West Midlands. For that, we can’t thank you enough.”

In addition to supporting St Basils, we also worked with other charities, such as the Social Mobility Business Partnership, Mosaic, the Albert Kennedy Trust, Birmingham LGBT and we took part in the Legal Support Trust’s fundraising walks.

Bringing people together

Our staff networks

Our staff networks help us to build a truly inclusive workplace and provide direct support to members through training and advice. They offer insight into the experience of colleagues and have supported our links with external stakeholders and the communities we serve.

Access Ability Network

This network's aims and objectives are centred around promoting equal opportunities for disabled employees and creating a safe, supportive and inclusive working environment. It also raises awareness of disability issues in and around the local area.

This year, the network has been working to grow its membership. It has a new community on our intranet and has been raising awareness of mental health issues. This included promoting the support given to staff by our mental health first aiders. It has also worked closely with Midlands Ability, a new network designed to support disabled employees in the area and to share best practice.

BAME Network

For black, Asian and minority ethnic (BAME) staff, this network offers networking opportunities and support. It is open to all staff and raises awareness of the issues that affect our BAME staff and race equality more generally.

This year, the network continued to build relationships with external groups and organisations, such as the Black Solicitors Network, the Society of Asian Lawyers and the British Nigerian Law Forum. To mark Black History Month, the network ran panel events and discussions, such as on the challenges BAME women face in their career, the difficulties faced by the Windrush generation, and the issues the BAME LGBTQ+ community face in coming out. It also explored the best ways to tackle the lack of BAME representation at senior levels in the legal sector, in partnership with law firm Eversheds Sutherland.

Christian Network

The Christian Network is made up of colleagues who are Christian or who have an interest in the Christian faith. It supports staff to embrace and live their faith while at work and it aims to help promote and embed our values.

In 2017/18, the network held events on the meaning of Christmas and Easter and promoted carol services for the business community in Birmingham. The network also started to work closely alongside other networks where there was a shared interest, for example, supporting BAME members who are also Christian.



“During Black History Month, we celebrated and profiled the contributions black people have made to British and wider society and culture. We also worked with other organisations and networks to talk about the challenges BAME people still face, particularly in the workplace, and discussed how to overcome these challenges”

Nana Panti-Amoa
RESOURCER (PICTURED TOP RIGHT)

iCare Network

iCare is the newest of our staff networks. It provides a forum to share concerns, experiences and ideas and to provide support to people with caring responsibilities. These responsibilities can be wide-ranging and include: caring for elderly relatives experiencing physical or mental decline; relatives (from children to adults) with mental health issues or physical disabilities; and dealing with unanticipated events, such as serious accidents, health diagnoses or death.

iCare network members have posted blogs on their personal stories and shared practical experiences of supporting those with dementia. Among other events, the network organised a presentation from a local firm of solicitors on the value and importance of lasting powers of attorney.

SRA Nexus – Sexual Orientation and Gender Identity Network

SRA Nexus is our sexual orientation and gender identity staff network. It was established to promote equal opportunities for LGBTQ+ staff members. It offers professional and confidential support and raises awareness of LGBTQ+ issues more widely.

This year, the network worked closely with our HR team to promote our Stonewall application, held an event internally to raise awareness of the disproportionately high numbers of LGBTQ+ people who become homeless and members attended Cardiff Pride for the first time. This was alongside our strong presence at Birmingham and London Pride and in partnership with other regulators and local law firms. Members also continued to grow the extension of the network, SRA Allies, which gives all staff the opportunity to show their commitment to creating a diverse and inclusive workplace.

NOW – Network of Women

This network is focused on promoting gender equality and supporting women. The network allows our staff to share experiences, opportunities and knowledge, offer support and discuss issues that are important to them.

This year, the network focused on raising awareness of the menopause and how it affects and impacts women in the workplace. Many staff attended presentations and discussed symptoms, medical advice, help available and managing in the workplace. The network also ran a number of events for International Women's Day, celebrating female guest speakers' careers, and discussing what still needs to be done to achieve gender equality, such as truly flexible working and more diverse career paths.

Workforce profile

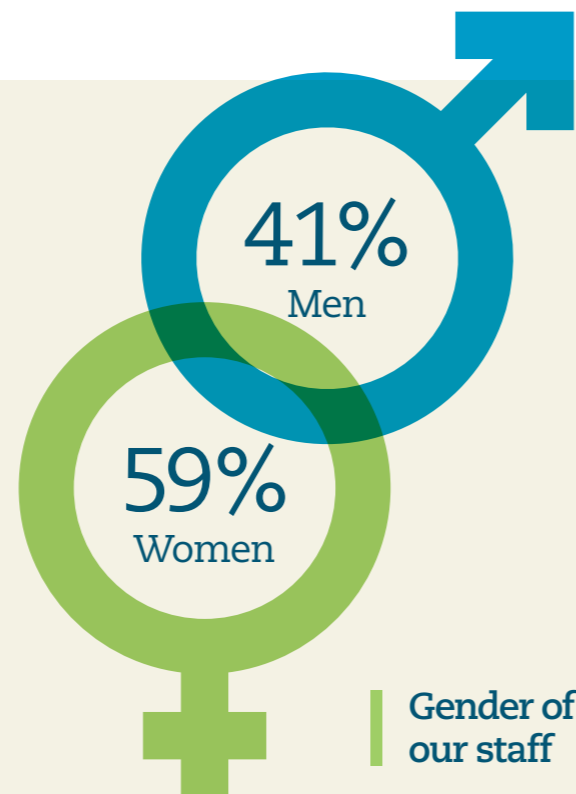
Gender pay

As an organisation with more than 250 staff, we have published our gender pay gap for the second year. We have published this as part of the wider Law Society Group. The Group published its pay gap in 2017 incorrectly because salary sacrifice was included. The Group has now amended and republished the 2017 figures.

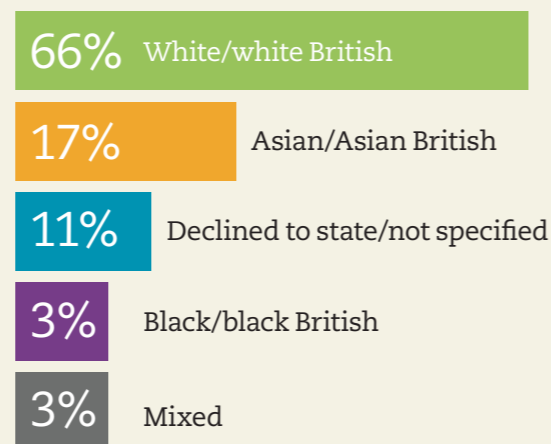
Compared with the UK average of 17.9% (Office for National Statistics, 2018), the 2018 median pay gap across the Law Society Group, full-time and part-time staff combined, is 9%. This is in line with our corrected 2017 gender pay gap, which was 8.7%.

We are committed to reducing the gender pay gap. Action we have taken includes:

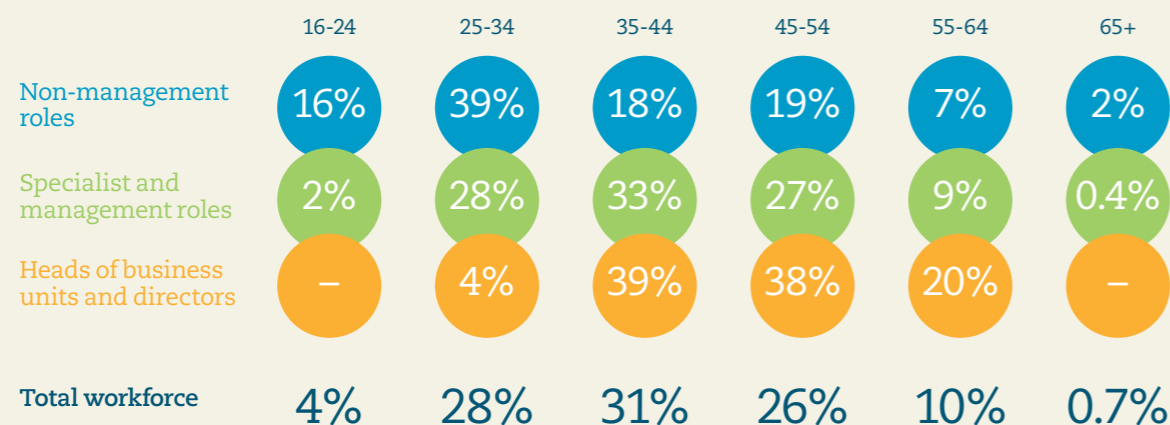
- an equal pay audit completed in 2018, which concluded that there was no systemic discrimination against either gender
- an ongoing review of how we recruit, retain and promote women into roles across all levels
- an ongoing review of our reward strategy that seeks to address any gender and other protected characteristic bias.



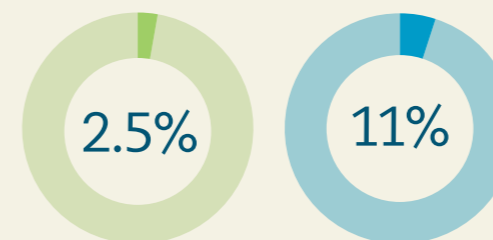
Ethnicity



Age and grade breakdown



Sexual orientation

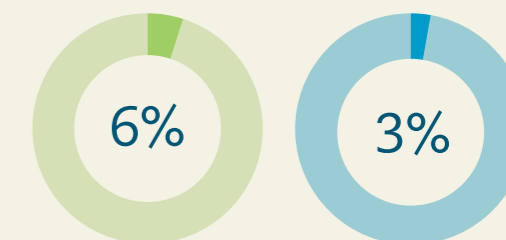


2.5% of staff told us that they are gay or bisexual.

11% of staff chose not to tell us their sexual orientation.

In 2017/18, we appeared in Stonewall's Workplace Equality Index for the second year in a row, moving up 70 places to 171st. The index features more than 400 organisations.

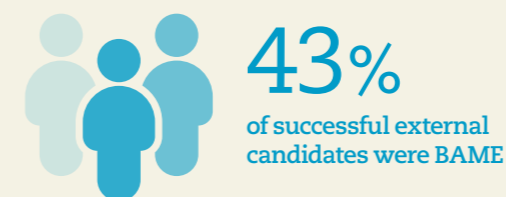
Disability



6% of staff declared a disability, the same as the previous year, and these staff are spread across all pay grades.

3% of staff chose not to say whether they had a disability, which has remained the same over the past three years.

BAME recruitment improvements

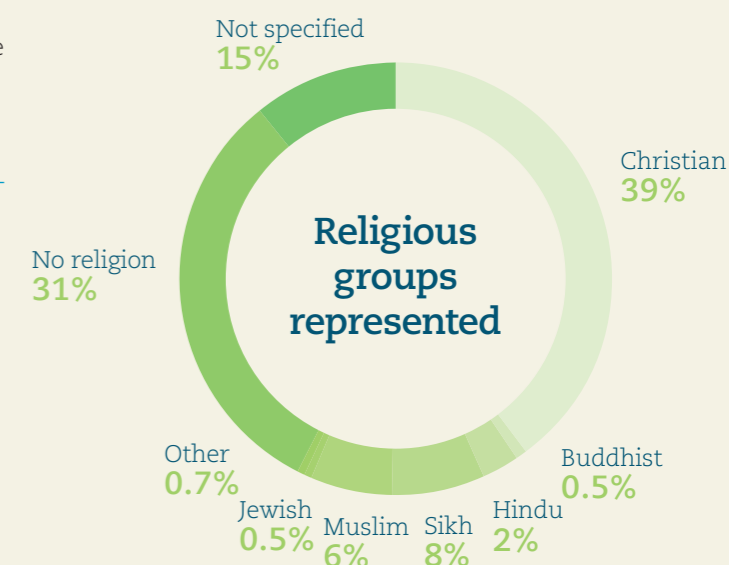
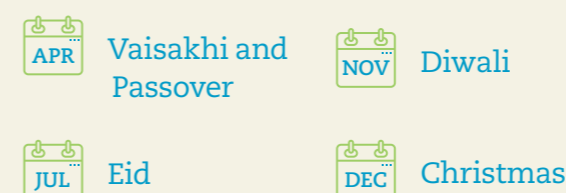


Religion

As part of our commitment to a fully inclusive workplace, we continued to organise our popular staff faith events during 2017/18.

Faith events

These encourage staff from all religions and backgrounds to come together to learn about each other and celebrate as one.



All information is taken from our Annual Diversity Report for 2018. The report covers the period from 1 January to 31 December 2018.

Please note, percentages may not total 100% due to rounding.



Our performance

2017/18 marked the start of our new three-year Corporate Strategy. It focuses on high professional standards, promoting consumer choice in the market and us working together to deliver the best possible service.

It also supports our work to implement major reforms to our regulation and takes into consideration new regulatory arrangements as we leave the European Union.

This section explains how we performed against each of the objectives in the first year.

Focused on high professional standards

Objective one

We will set and apply consistently high professional standards for the individuals and firms we regulate and make sure they are appropriate to meet the challenges of today and the future.



Criminal advocacy

We worked with the regulator for barristers, the Bar Standards Board, to ask the judiciary for their views on criminal advocacy. While judges considered the advocacy they saw to be generally good, there were areas they thought could be improved. We are using this information to consider how we can support criminal and civil solicitor advocacy.

Evidence-based policy making

We make policy changes based on evidence, and this year carried out a number of research projects to support ongoing reforms to our regulations, such as our Better Information programme (see more under objective three). We also worked with more than 5,000 people to understand what information people need when finding a conveyancer for moving home. The findings from this research helped us to introduce new regulations around the minimum amount of information a law firm must have on its website, to help people shopping for legal services.

We also looked at how small businesses approach buying legal services, so that we can make sure law firms publish helpful information. The research showed us that a law firm's potential market share is likely to increase when it publishes its prices, even when all potential providers are publishing pricing information.

Looking to the Future

We finalised major reforms to modernise our regulation in June 2018. These were designed to give solicitors and law firms greater flexibility over how they offer legal services and where solicitors work, making legal services more accessible to the public. We made the changes following four major public consultations over a four-year period, engaging with more than 35,000 members of the public, the profession and other stakeholders. The reforms are underpinned by a simpler and easier to understand set of Principles, Codes and rules for solicitors and law firms, while still focusing on high professional standards.

In November 2018, the Legal Services Board (LSB) approved our plans to simplify our rules. They will come into force in November 2019.

Solicitors Qualifying Examination (SQE)

The SQE is an independent assessment to make sure all solicitors meet consistently high standards at the point of entry into the profession. This means the public and law firms can have full confidence that all new solicitors meet the same consistently high standards, regardless of how they qualified.

After consulting with the public, law schools, law firms, representative groups and other legal regulators, in November 2017 our Board approved the regulations needed to bring the SQE into effect. The four elements needed to qualify are: a degree or equivalent, passing both exams that form the SQE, two years' qualifying work experience, and demonstrating satisfactory character and suitability.

In May 2018, the LSB approved our plans to introduce the SQE. We then appointed educational services provider Kaplan as the assessment organisation to develop and run the exam in 2018, following a rigorous, year-long tender. We will, alongside Kaplan, continue to work with stakeholders from across the legal and education sectors to develop and test the SQE. Kaplan will then run the SQE on our behalf, introducing it in September 2021. Read more about the SQE on page 44.

Objective two

We will make sure our regulatory requirements are proportionate, providing solicitors and firms with the flexibility to innovate and better meet the needs of members of the public and businesses, while maintaining appropriate levels of public protection.

Enforcement action

We updated our enforcement strategy following extensive consultation on our Looking to the Future programme, which engaged with people about the standards they expect from a solicitor. The new strategy makes clear how and when we take action against a law firm or solicitor, as well as making sure we are using our resources effectively. It does this by targeting them at the most serious offences. This could be, for example, where a solicitor or law firm has repeatedly or intentionally broken our rules or has fallen well below the standards the public and we expect.

We brought 134 cases to the Solicitors Disciplinary Tribunal in 2017/18. There were several high-profile cases over the year and some significant appeals. Appealing cases is an important test of our approach and the lessons learned help to inform our work. In particular, the High Court dismissed our appeal in relation to our prosecution against Leigh Day and three of its solicitors linked to the Al-Sweady Inquiry. Because of the level of interest in what was a complex case, we published the details of our costs for this case, which were around £4.1m.

In 2018/19 we will publish an annual report on our enforcement work, providing more information on our processes and outcomes.

Equality, diversity and inclusion

To make sure the profession reflects the public it serves, encourages people from every community to access legal services and benefits from a breadth of thinking, it must be truly diverse. We continue to support and promote diversity in the profession by collecting and publishing data on the make-up of the people who work in law firms. We also work closely with groups across the sector to encourage diversity and share good practice. This year, our 'Business case for diversity' report highlighted that public companies in the top quarter for ethnic diversity are 35% more likely to have financial returns above their industry average.

Protecting people who buy legal services

In June, we started to consult on proposed changes to the professional indemnity insurance (PII) requirements we set for firms, as well as changes to the Compensation Fund. These safeguarding measures mean there is a high standard of protection available in the legal sector, but the current level of PII can be expensive and it's important we keep it under review. We also want to make sure that the Compensation Fund meets the needs of the most vulnerable people, and that it can continue to do so.

Objective three

We will increase the availability of relevant and timely information to help people make informed choices in the legal services market.

Better information and more choice for the public

We have engaged with more than 21,000 people in the past two years while developing our proposals to introduce greater transparency about legal services. Better information plays a key role in helping the public to be able to make well-informed choices about the legal services provider they could need for their legal issue. In joint research with Economic Insight, we learned that 85% of people want information about legal services providers to be more readily available, especially in relation to price, quality and protections.

Since December 2018, the firms we regulate have started to publish information on the prices they charge for services across a number of common areas and what is included as part of these services. The areas include, for example, conveyancing and probate, as well as key services for small businesses.

We also worked with the public to develop a digital badge for regulated law firms, so that people can easily see what consumer protections the firm has in place. We developed this new badge in autumn 2018 and introduced it on a voluntary basis in December 2018. It will become mandatory no earlier than summer 2019.

Legal Choices

We continue to develop the Legal Choices website, which offers objective and authoritative information for people who have a problem that means they may need a legal service. We manage the website on behalf of the joint legal regulators. We saw an increase of 38% in the number of page views on the site, with people visiting the 'Got a legal problem?' and 'Types of lawyer' pages the most.

Among other topics, our work in 2017/18 focused on consumer, family and immigration areas of law. These are areas where we know, from research, that there is unmet legal need, or there is a lack of available information to help people make informed decisions when buying a legal service.

We are also midway through a major project to improve the design and usability of the site. It will deliver new, interactive content to those sections of the community that are most in need of objective, high-quality information on legal services.



“We are confident that transparency on law firm prices and services will help people to make the right choice for them when shopping for a legal service, support competition in the market and encourage more people to buy legal services when they need to.”

Jane Malcolm
EXECUTIVE DIRECTOR, EXTERNAL AND
CORPORATE AFFAIRS



Objective four

We will make sure that our regulatory arrangements work as effectively as possible for the public, businesses, solicitors and firms in the context of constitutional developments within the UK and any new relationship with the EU.

Compensation Fund

To make sure consumers of legal services remain protected when things go wrong, we have been looking at historic claims data to improve our understanding of the potential level of liability the Compensation Fund could face in the future.

In March 2018, we engaged with more than 400 people face-to-face during our consultation on making changes to claims on the Compensation Fund. Our proposals are designed to make sure the financial support we can offer is focused on those in most need. We received more than 150 responses to our proposals. Once we have analysed the responses, we will consider our next steps.

EU Exit

We continued to work closely with government departments to make sure that the sector has the information it needs about the UK's exit from the EU. In October, we responded to the government's technical notice on the implications of a 'no deal' exit for the legal sector, providing key information for firms and registered European lawyers. We also looked at the implications for exempt European lawyers and shared our understanding. We have been preparing for any rule changes.

Money laundering

In 2017/18, we implemented new rules as set out in the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations. As part of this work, we:

- collected information from firms we regulate on whether the services they offered were viewed as high-risk areas for money laundering activity (these areas include, for example, property and estate agent services and solicitors' involvement in trusts and corporate work)

- asked people who have significant control over how a firm is run, such as managers and beneficial owners of firms, to seek approval from us to continue offering legal services
- published a risk assessment to help firms identify whether they practised in an area at the highest risk of money laundering – more than 4,000 people have viewed this information online
- assigned a risk rating to firms offering services which fell within the regulations.

We also received positive and constructive feedback on our practices and processes from both the Financial Action Task Force and the Office for Professional Body Anti-Money Laundering Supervision.

Risk Outlook

We continue to update and publish information on risks in the legal market through our Risk Outlooks. Our sixth Outlook again highlighted solicitor involvement in dubious investment schemes as a key priority risk. It also addressed the threat of money laundering and improperly managing claims, both of which are areas where a solicitor's responsibilities will have changed following the introduction of new rules or regulations.

Cybercrime continues to be an ongoing risk in the sector and in wider industries, as does the lack of diversity. To tackle this priority issue, we promoted the benefits of diversity in our 'The business case for diversity' report. It cites improved financial returns for more diverse organisations, as well as better creativity, innovation and problem-solving. We also published a Risk Outlook topic paper on 'Balancing duties in litigation', which covered areas such as the use of non-disclosure agreements (NDAs).



Wales

As the regulator for solicitors and firms in England and Wales, we have already increased our activity in Wales and are committed to providing our publications and practising certificates in Welsh.

The Board met in Wales again in March 2018 and for the first time we promoted diversity in the profession by attending Pride Cymru. We continued to work closely with key organisations in Wales ahead of introducing the SQE in 2021.

Warning notices

We issue warning notices to caution the profession and warn the public about risks and poor practice. In 2017/18, we issued notices on six areas:

- using a client account as a banking facility, which is not allowed under our rules
- the improper or inappropriate use of NDAs
- payment protection insurance claims, where we are concerned firms and solicitors are failing to act properly, for example, by acting in matters without first investigating whether there is a valid claim

- holiday sickness claims, where solicitors have failed to act properly in the handling of such claims, for example, by failing to properly advise clients about what will be expected of them when making a claim
- the facilitation of money laundering and terrorist financing and when solicitors should report suspicious transactions
- personal injury referrals, which have been banned since 2013, and poor handling of personal injury claims.

Working with regulators around the world

To increase and support working relationships with legal regulators from other countries, we run the International Conference of Legal Regulators (ICLR) website. It has 170 members from 60 organisations in 25 jurisdictions, and we publish regular articles on legal regulation. This brings together specialist knowledge from across the world in one place. This year, we saw an increase of 35% in the number of pages viewed during 2017/18. We also spoke at the ICLR annual event on a range of topical regulatory issues.

Objective five

We will work better together, and with others, to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions.

Data protection

To prepare for the introduction of the General Data Protection Regulation, which came into effect in May 2018, we provided mandatory training for all staff on handling personal data under the new rules, the impact of mishandling data and how to report a breach. We also revised our data-related policies and processes and completed an Information Commissioner's Office self-assessment of readiness, which rated us as green. We continue work on complying with various rules and are using a privacy-by-design approach when building our new IT systems.

Face-to-face and online engagement

Our board members, executive directors and staff met with members of the public and the profession at 142 events, 40 of which we hosted. These ranged from events where we discussed regulatory-specific issues with stakeholders, such as at our Compliance Conference, SQE roundtables, and small firms' compliance workshops, to more wide-ranging events, where we want to raise awareness about a matter. For example, we attended Birmingham, London and Cardiff Pride, and hosted an event alongside Eversheds Sutherland during Black History Month to explore the best ways to tackle the lack of black, Asian and minority ethnic representation at senior levels in the legal sector.

Page views on our website increased by 9% in 2017/18, to 10.5 million, and, following a redesign of our website, unique visitors rose by 11%. We furthered our reach on social media and made 7.2 million impressions across all platforms – an increase of 18%.

Modernising IT

We continued to work on our major programme to modernise and future-proof our IT, and, since launching the programme in 2016, have run 136 workshops to engage with members of the public and the profession to understand their needs. Engaging with the stakeholders is vital to the programme's success, and we are committed to a customer-centric design. We have introduced our new digital workplace so that staff have access to up to date software, a new intranet and a recognition portal. We also launched our redesigned website in January 2018 after working with the profession and the public to improve navigation and usability of the site. Visits to the site have increased 14%, unique visits have increased by 11% and there has been an 11% decrease in the bounce rate (the percentage of people who visit a website and then leave after viewing only one page).

Public engagement charter

We talk to and work with the public on a daily basis, so it is important that they know what to expect from us. In 2017/18, we started work on a public engagement charter which will help people to find everything they need to know in one place. Towards the end of 2017/18, we undertook surveys, ran a series of roundtables with the public, and held meetings with stakeholders, asking for their feedback on our draft charter. We will use this, and the feedback from a planned consultation in 2019, to finalise it.



Transparency about how we work

We published our second, new-style Annual Review in 2018, bringing together all our regulatory data and details as to how we performed against our objectives for 2016/17. We published it in English and Welsh and worked with a specialist organisation to publish an easy-read version, to make sure that our work is accessible to all.

We also operate a voluntary transparency code. We apply this in a similar way to the Freedom of Information Act, which we are not subject to. We apply our own code as we believe in being as open as possible about what we do. Our core principle is to make information available unless there is a good reason not to.

From when we started recording data in January 2018 to the end of our financial year in October, we handled 147 requests under our code. We were able to disclose information, either fully or partially, in almost two-thirds of all requests. In some cases where we did not disclose the information, it was because it was already on our website or in our Annual Review. In others, we did not release the information because it would prejudice our regulatory work or would result in us releasing personal information.

Working better together

We know that to produce our best work, we need to cultivate a positive working environment for our staff. Crucial to this is our staff communications channels. We improved and further developed these in 2017/18, focusing on:

- a new intranet that brings together all our internal staff messages, our policies and other information and gives our staff the opportunity to build online communities centred around projects, teams and staff networks
- our staff networks (see more on page 20) and our series of annual faith events, which celebrate and promote diversity and inclusion throughout the year
- our corporate values (see more on page 18), which we promote and celebrate through events and various staff initiatives.

The year in numbers

The firms and individuals we regulate

Practising solicitors
146,625

Registered foreign lawyers
2,491

Non-practising individuals on the roll of solicitors
45,496

Registered European lawyers
689

Law firms
10,407

Law firms that have adopted an alternative business structure licence
791

Exempt European lawyers
3,203

These figures were taken as at October 2018. Read more about the types of law firm we regulate on page 56.

Ethics Guidance

Our Ethics Guidance team offers guidance and support to solicitors and law firms on all ethics-related issues affecting their practice. We received 34,000 calls and 2,000 queries via our webchat in 2017/18. People were concerned about:

- confidentiality and disclosure
- the Accounts Rules
- validity and expiration of practising certificates
- retainer agreements with clients
- conflicts of interest.

Contact Centre queries

We received

171,000



In addition, the Contact Centre received
45,000

emails >

calls to our Contact Centre during 2017/18. They were from and about:

Members of the public

77,000 calls
25,000 emails

We helped people check a solicitor was who they said they were, helped people get their files from firms that have closed down and handled complaints about solicitors.

Firms and solicitors

61,000 calls
12,000 emails

We handled calls about applications for practising certificates, advised on adopting new business models, and helped with mySRA account queries.

Education and training

33,000 calls
8,000 emails

We answered common questions about the new continuing competence regime and other routes to qualification.

Engaging with stakeholders

Better information, more choice

Our work to make legal services more transparent for the public

80 responses to our consultation on proposing more information to be made available to the public

4,000 visits to related web content

15,000 members of the public and consumer group representatives engaged with through events and online polls

Modernising IT

Programme to invest in our IT to make it future-proof and user-friendly. Since its launch in 2016 –

717 people part of our virtual reference group

122 workshops and focus groups with the public and the profession

70 organisations involved in research

Looking to the Future, Handbook reforms

Proposals to simplify our rules

77 responses to our consultation on revising our rules

400 > 130 270 pages of rules cut when revising and simplifying them

3,500 people engaged on how we should enforce our new rules

Compliance Conference 2018

Annual event to help firms and solicitors manage risk

94% delegates said they would come to a similar event again

450 #colpcfa posts making almost 5m impressions

1,300 attendees and 273 viewers online, our largest group of delegates at the conference yet

Protecting the users of legal services

Proposals to make changes to our Compensation Fund and indemnity rules

150+ responses to our consultation

33 events with the profession, the public and insurers

More than 2 million impressions on social media

Solicitors Qualifying Examination (SQE)

The new qualification needed to become a solicitor

100 people at our SQE conference for education providers

43,000 visits to related web content

5 cities visited and more than 150 people engaged with our SQE roundtables

Online presence

153,926
views of bogus firm
and scam alerts

50,000+
views of
information on
our warning
notices

689,461
people used our
Check a Solicitor's
Record search

Views of Legal
Choices rose by
38%

9,000+ people visited the
'Got a legal issue?' page
8,000+ people visited the
'Types of lawyer' page

433,104
people used our
Law Firm Search

114,175
views of our
Risk Outlook and
related content

Views to
sra.org.uk rose by
9% to 10.5m

- 11% increase in new visitors to the site since its redesign
- 39% increase in visitors to consumer-focused areas of the website



Meeting with stakeholders across England and Wales

Compliance Conference, Birmingham

Now in its sixth year, this brought together more than 1,300 compliance professionals and covered cybercrime, dubious investment schemes, money laundering and other topics. We welcomed the Legal Ombudsman, HM Land Registry and speakers from other external organisations to talk alongside us.

Supporting small firms, Wrexham

We met with firms and talked through the practical steps they can take to combat cybercrime and money laundering. We also updated firms on our regulatory reform programme.

Innovate Roadshow, Cambridgeshire, Bristol and Newcastle

Events we held to promote the innovative services law firms are offering.

Modernising IT focus groups, Swansea and London

We met with members of the public and the profession to learn how improvements in our IT can help them better use our services.

SQE roundtables, London, Leeds, Cardiff, Birmingham and Manchester

Alongside Kaplan, we met with academics and legal professionals to answer their questions about the SQE.

Public engagement charter, London and Birmingham

We met with the public to ask for their feedback on our draft public engagement charter.



We engaged with stakeholders at 142 events, 40 of which we hosted.

Valuing and promoting diversity

As part of our commitment to encourage diversity in the profession and in our own organisation, we organised a number of Equality, Diversity and Inclusion-focused events in 2017/18.



Black History Month, Leeds

We held our second Black History Month event at Eversheds in October. We shared experiences about promoting diversity at all levels and discussed best practice and challenges for firms.



The Legal Professions Wellbeing Taskforce, London

We took part in the first Legal Professions Wellbeing Taskforce special roundtable ahead of Mental Health Awareness Week. Alongside other legal regulators and organisations, we discussed how the legal profession can better support lawyers' mental wellbeing.



Pride, Birmingham, London and Cardiff

For the fourth year running, we supported the Birmingham and London Pride parades in May and June respectively, celebrating both the wider LGBTQ+ community and the role it plays in a diverse, modern legal profession. For the first time, we also went to Pride in Cardiff. We were joined at the events by other organisations and regulators from the legal sector.



Social Mobility Business Partnership, Birmingham

We hosted our second event with the Social Mobility Partnership. It works with young people who are the first generation in their immediate family to attend university or are, or have been, eligible for free school meals. It aims to broaden access to the solicitor profession and develop aspiring solicitors' key skills.



Raising the profile of risk

Our latest Risk Outlook highlighted 10 priority risks:

- cybersecurity
- lack of access to legal services
- diversity in the profession
- managing claims
- information security
- money laundering
- integrity and ethics
- protecting client money
- investment schemes
- standards of service.

217 scam alerts

We issued 217 scam alerts to warn the public and firms about cybercrime. In the majority of cases, fraudsters were pretending to be solicitors to give their scam an air of legitimacy.



www.terryandtreadwellsolicitor.com

The website "www.terryandtreadwellsolicitor.com" was falsely claiming to be the website for a law firm in London"

We issued six warning notices about concerning practices

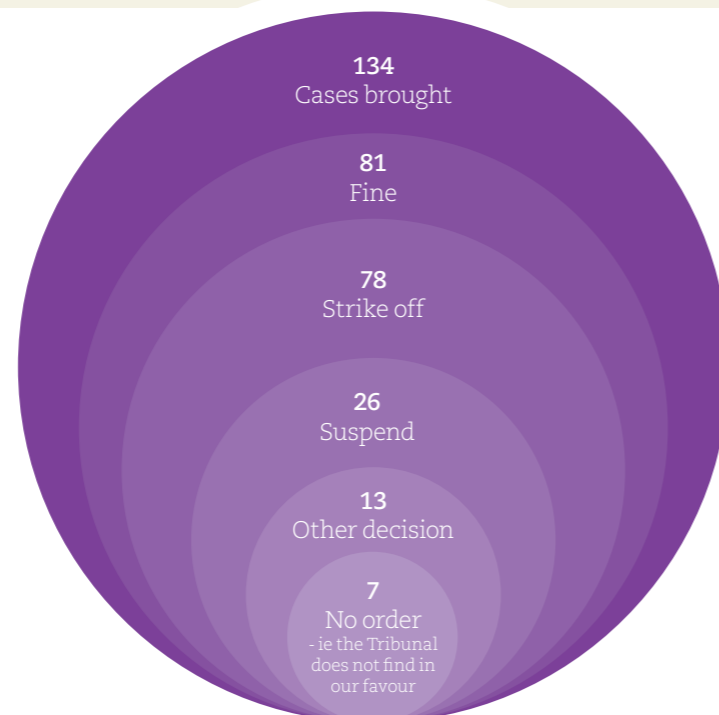
- improper handling of holiday sickness claims
- law firms using their client account as a banking facility
- improper handling of payment protection insurance claims
- improper use of non-disclosure agreements
- law firms not putting systems in place to recognise money laundering
- improper handling of personal injury claims.

Hearings at the Solicitors Disciplinary Tribunal 2017/18

We brought 134 cases to the Tribunal in 2017/18 resulting in the following decisions. This figure includes outcomes that were reached by agreed outcomes.

Please note, one hearing can result in multiple decisions.

Other can mean, for example, a reprimand or section 43 order.



Supervision outcomes 2017/18

More information on the disciplinary action we take, and the definition of a regulatory settlement agreement (RSA) can be found on page 74.

Please note, one file can result in multiple decisions



2017/18 allegations upheld/action taken **251**

Decision outcomes

Agreed outcomes by RSA

	Decision outcomes	Agreed outcomes by RSA
Letter of advice	132	-
Finding/finding and warning	6	5
Rebuke or reprimand	39	22
Fine	21	17
Conditions imposed	18	3
Section 43 order †	37	6

† A section 43 order means we restrict non-lawyers, eg managers and other employees, from working in a law firm without our permission.



Compensation Fund

We paid out

£18.1m

from the Compensation Fund to members of the public and businesses who suffered financial loss as a result of a solicitor's or law firm's dishonesty or failure to return client money.

The top two reasons for compensating people were:

- replacing people's inheritance – £5.3m
- replacing funds that were intended to pay for people's property deposits – £3.7m.

The largest single payment was for just over £820,000. We closed down a firm while it was administering an estate. We paid a beneficiary the money they were owed and later recovered it from the estate. You can read more about this on page 87.

Education and training

We set the education and training standards for solicitors to make sure the people we allow into the profession are competent. This is so that people who use legal services get a proper standard of service from their solicitor.

We want to make sure that everyone who joins the profession meets the same high professional standards. In September 2021, we will introduce a new, single examination, the Solicitors Qualifying Examination (SQE) to replace the current routes to qualification as a solicitor. This will give both the public and the profession confidence in legal services and encourage more flexibility and choice in training. The flexibility, which will include “earn as you learn” options, will help to encourage a diverse profession, attracting the brightest and the best from every community.





Character and suitability test

We assess whether all candidates for admission as a solicitor are fit to enter the profession through our character and suitability test. The questions we ask include whether the applicant has been convicted of any criminal offence, whether they have been subject to any enforcement action by another regulator and whether they have ever been declared bankrupt. We consider all the information applicants give to us and any evidence to show they have taken steps to reform their character. More on our character and suitability test can be found on page 55.

In 2017/18, we refused three applicants. The reasons were that one applicant had a criminal conviction, one failed to disclose a character and suitability issue, and one, who was a registered European lawyer, did not meet our requirements to become a solicitor in England and Wales. This was because they had not practised in the UK for three years. The refusals we make each year are limited in number as people withdraw their applications if they cannot meet our requirements.

The year in education

Our latest Regulation and Education report presents data from legal course providers about student performance on the LPC, CPE and GDL. The key findings in the 2016/17 report were:

- The overall rates for successfully completing the LPC and the CPE remain fairly constant for students. But, there continue to be significant differences in completion rates between course providers.
- We are still seeing significant differences between course providers in the number of students that achieve pass, commendation or distinction grades.
- Data indicates that students from ethnic groups other than white are less likely to successfully complete the CPE and the LPC.
- Male and female students appear to perform equally well on the CPE and LPC. Women outnumber men on both courses and at the point of admission.
- Our data on the ethnicity of the people who then start a PRT is less comprehensive. This is because 92% of people starting their PRT registered their ethnic background as “unknown” in 2016/17.

Testing all aspiring solicitors through one examination, the SQE, should better assure consistent, high standards when people enter the profession.

Education and training Glossary

- › **Chartered Institute of Legal Executives (CILEx)**
Provides training to become a legal executive and regulates legal executives.
- › **Common Professional Examination (CPE)**
A postgraduate law course taken by non-law graduates who wish to become a solicitor or barrister in England and Wales. Also known as the Graduate Diploma in Law.
- › **Graduate Diploma in Law (GDL)**
See CPE.
- › **Legal Practice Course (LPC)**
A vocational stage of training just before the Period of Recognised Training (see below). It combines academic and practical training, to prepare students for work in a law firm.
- › **Period of Recognised Training (PRT)**
Work-based learning, typically in a law firm, which forms part of the vocational stage in the route to qualifying as a solicitor.
- › **Professional Skills Course (PSC)**
The final stage of training before qualifying as a solicitor. It focuses on practical skills, such as client care and communication.
- › **Qualified Lawyers Transfer Scheme (QLTS)**
The scheme involves assessments that people must take if they are already qualified as a lawyer in another jurisdiction and want to qualify as a solicitor in England and Wales.
- › **Qualified Lawyers Transfer Test (QLTT)**
This test performs the same role as the QLTS. It has now been largely phased out and replaced by the QLTS. A small number of individuals still enter the profession by this route.
- › **Qualifying Work Experience (QWE)**
One of the elements needed to pass the SQE.
- › **Solicitors Qualifying Examination (SQE)**
An examination all aspiring solicitors will need to take to qualify as a solicitor. It will be split into two stages, SQE 1 and SQE 2, and will assess legal knowledge and practical legal skills. More on the SQE can be found overleaf.

The Solicitors Qualifying Examination in 2017/18

To make sure all solicitors are tested to the same high standard, regardless of their route into the profession, we are introducing the SQE. People will know that their solicitor has had their core knowledge and skills assessed against a consistent standard. The timeline below shows how we have developed the SQE in the past year.



November 2017

SQE regulations finalised

Following a three-month consultation from May to July in 2017, we confirmed the draft regulations that will implement the SQE and the four essentials needed to qualify as a solicitor. These are: a degree or equivalent, passing both parts of the SQE, two years' qualifying work experience and satisfactory character and suitability. The Legal Services Board (LSB) approved the regulations in March 2018. There will be a further LSB application to approve the detail of the SQE, likely to be made in 2020.

August 2018

Assessment organisation appointed

After a competitive tender process, we appointed Kaplan as the assessment organisation for the SQE. Kaplan will test and develop the SQE and run the examination once it is introduced. Kaplan has extensive experience in education, training and assessment in professional services, including law, financial services, accountancy and banking. It has experience of assessment within the legal sector in England and Wales as the provider of the QLTS. Kaplan will not offer training for the SQE.

November 2018

Confirmation on introduction and costs

Responding to feedback from course providers and law firms, we confirmed that the SQE will be introduced in 2021. This gives them more time to develop training and to change internal systems and processes.

We also confirmed that the candidate fee is likely to range between £3,000 and £4,500, spread across SQE stages 1 and 2. The costs are based on an estimated 35 hours of assessment, including written tests, computer-based assessments and simulations, such as mock client interviews. These costs are indicative, and the eventual fees may be inside or outside this range.

November 2018

Career in Law launched

We launched Career in Law, a Facebook campaign designed to help students and aspiring solicitors make informed decisions about their career. It posts the most up to date information about the SQE. All aspiring students need to do is follow the Facebook page to receive regular updates.



Autumn 2018

Engagement and pilot

We hosted 10 SQE roundtable events with Kaplan and engaged with 300 people from law firms, universities and other organisations with an interest in the SQE. Roundtables took place in London, Leeds, Cardiff, Manchester, Birmingham and Coventry. Delegates had the opportunity to ask questions about the SQE, and Kaplan explained its approach to writing multiple choice questions (which will feature in SQE stage 1) and how we will set the pass mark.

Over the course of autumn 2018, we worked closely with Kaplan on the development of the SQE and, in November, recruitment opened for candidates to participate in the first pilot of the exam.

What's next?

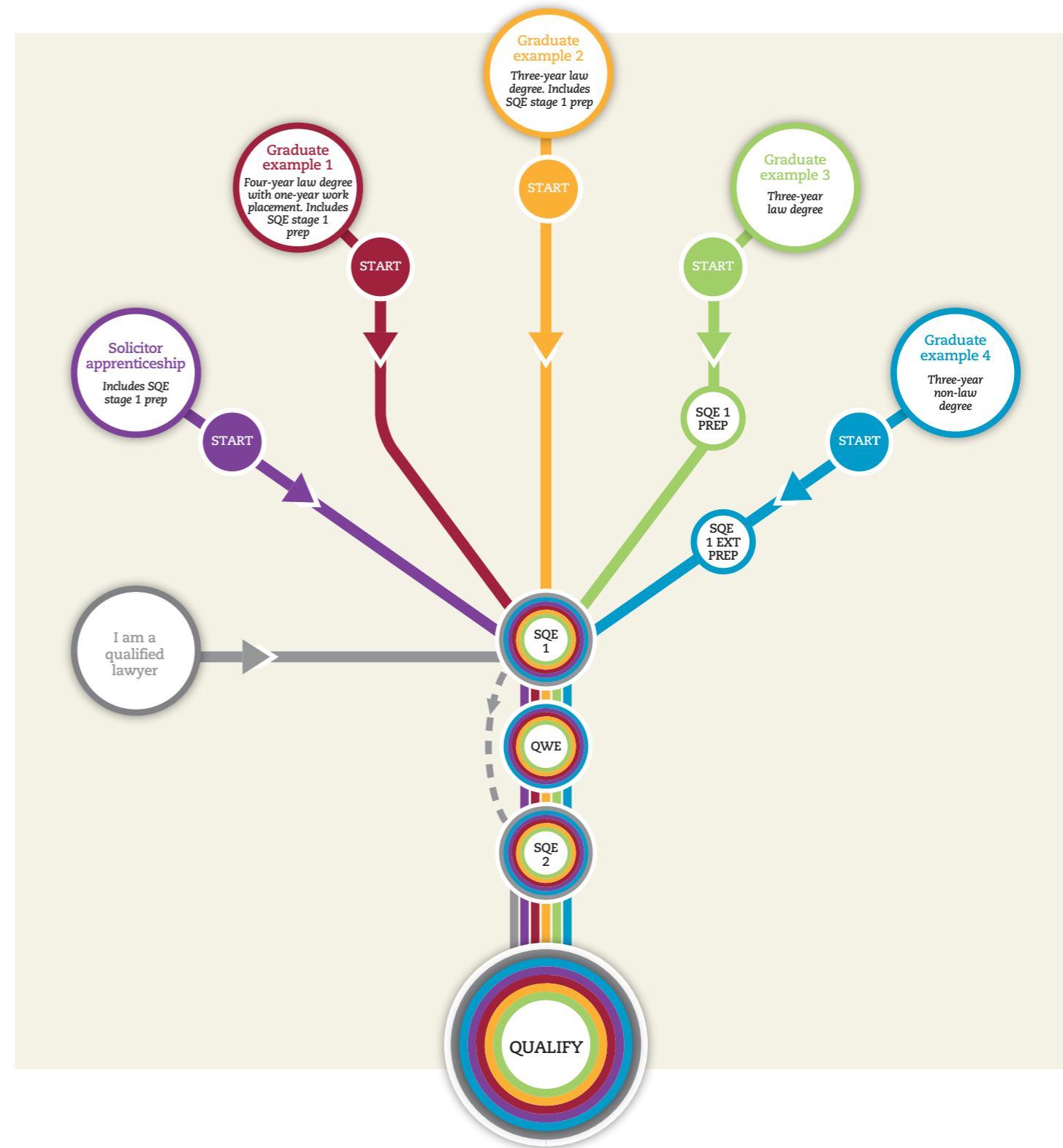
The SQE stage 1 pilot will run in March 2019. We will then publish a revised assessment specification and sample questions. We will also work with Kaplan to develop SQE stage 2, leading up to its pilot, currently planned for autumn 2019. We will also appoint an external reviewer of the SQE in 2019, who will report on the SQE.

Current pathways to qualification



* Please note, applicants can meet the requirements set out at a particular stage of training if they demonstrate they have equivalent experience. Read more about this on page 51.

Possible new pathways to qualification



* Please note, the above are example pathways and, as such, QWE can be undertaken before or after SQE 1 or SQE 2.



“In developing the SQE, we have worked with and listened to our stakeholders to prepare them for the changes the SQE will bring.”

Julie Brannan
DIRECTOR OF LEGAL EDUCATION AND TRAINING

Entry to the profession

Solicitors currently enter the profession through a range of routes. These include: taking a traditional law degree, or a non-law degree and the CPE, and then the LPC; or, qualifying as a solicitor under the QLTS; or qualifying as a Chartered Legal Executive, and then going on to take the LPC. Page 46 shows the current pathways to qualification.

The figures below show the number of individuals that joined the profession from each route from 2015 to 2018.

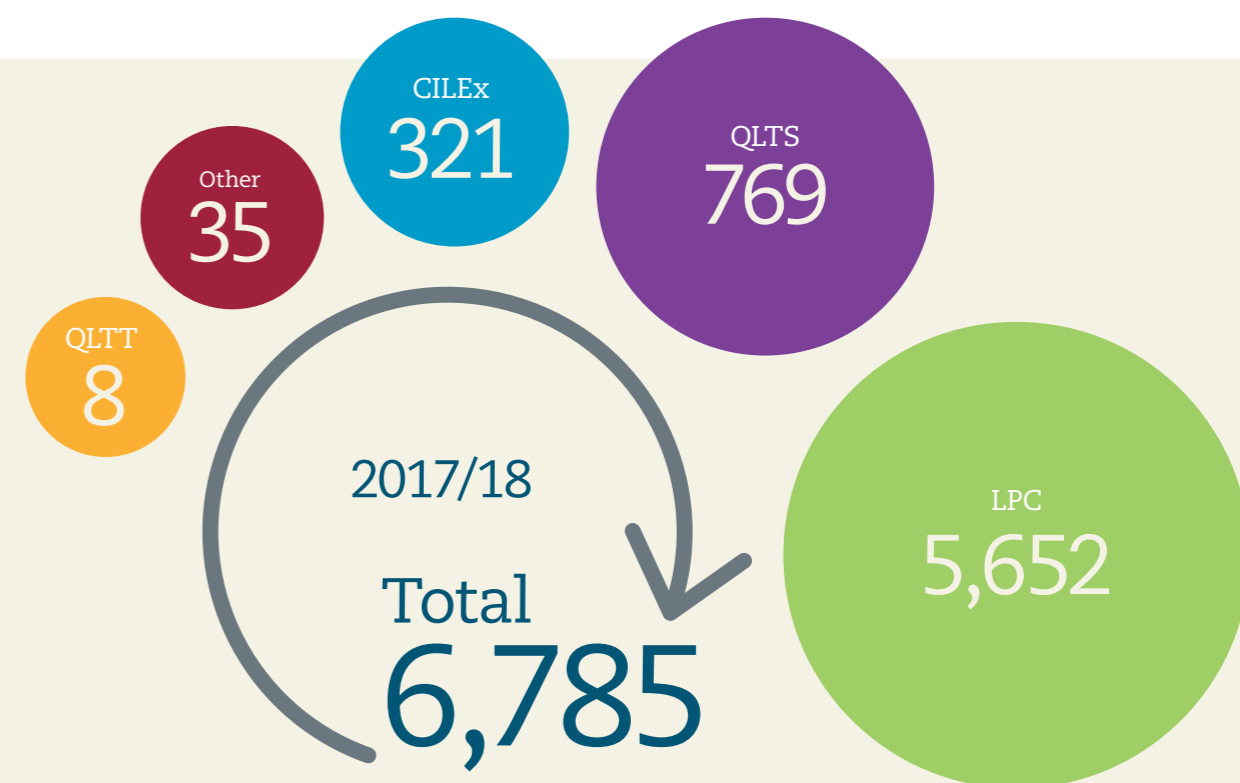
Please note, these figures are correct as of October in each year. A definition of terms can be found in the glossary on page 43.

Solicitor apprenticeships 2016–2018

We are pleased to see that the number of solicitor apprenticeships continues to increase since their introduction in 2016.

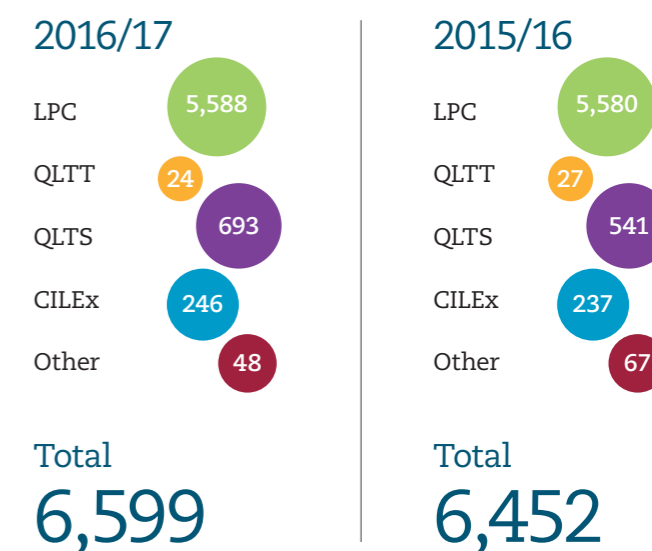


Qualifying through the solicitor apprenticeship route allows individuals to start or change their career, without the cost associated with higher education. It encourages people from all types of backgrounds to become solicitors. We developed the Trailblazer apprenticeship in law with employers to make sure it provided the training they needed and wanted.



Comparison to previous years

Other can mean, for example, some qualifying from Northern Ireland and the Republic of Ireland, some registered European lawyers and Magistrates' Clerks.





Joining the profession 2017/18

The majority of solicitors still join the profession in autumn. This is because law firms' two-year training programmes mainly follow the academic year, finishing at the end of the summer. We also see a small peak in the number of solicitors we admit in March, because some training providers

have a second intake of trainees in that month. Some training providers also reduce the two-year training programme by up to six months if the trainee already has relevant work-based experience.



● Number admitted
● Refusals
(the reasons for these can be found on page 42)

Total admitted
6,785

Authorising organisations to carry out a PRT

We authorised 5,746 organisations to carry out a PRT, the work-based part of a solicitor's training, in 2017/18. Around three-quarters of these are

law firms, and the rest are in-house legal teams or law centres. This figure is correct as of October 2018.

Equivalent means

In 2014, we introduced equivalent means. It allows individuals to show they have met our requirements for a particular stage of training if they demonstrate they have equivalent experience. For example, we will allow solicitors to qualify if they have experience equivalent to

a PRT even if they have not completed a two-year PRT with a law firm.

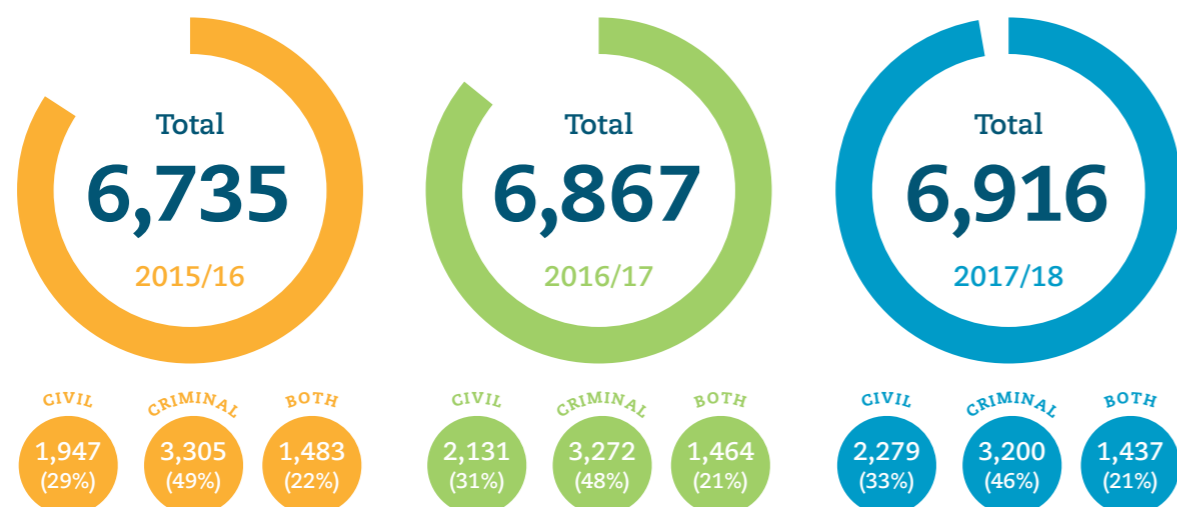
We continue to see an increase in the number of people who pursue equivalent means as a way of meeting our requirements.

Individuals who qualified with part of their training satisfied through equivalent means



Higher rights of audience

A higher rights of audience qualification allows solicitors to act as an advocate in the higher courts. These are the Crown Court, High Court, Court of Appeal and Supreme Court in England and Wales. The number of solicitors we regulate that have higher rights of audience can be seen below.



In 2017/18, we carried out a thematic review of criminal advocacy and jointly commissioned a Judicial Perceptions Report with the Bar Standards Board, the regulator for barristers. We wanted to know more about the quality of solicitor advocates' and barristers' advocacy skills, and so approached the judiciary to ask their views. Generally, judges considered the advocacy they saw to be good. But there were areas they thought could be improved. They identified the following issues:

- the need for ongoing training
- particular areas where advocates' practice was poor, such as case preparation and dealing with witnesses
- some advocates taking on cases beyond their experience
- uncertainty about when they should report poor advocacy to the regulator.

We are using this information to consider how we can make sure there are consistently high standards of criminal and civil solicitor advocacy.

“A good or effective advocate is one who advances their client's case fearlessly and who identifies the issue, crystallises it out and then creates their case around that issue and presents it effectively, either to a judge or to a jury in order to best persuade them to their client's point of view. It should all be client-focused.”

ONE JUDGE ON HOW A CLEAR FOCUS ON A CLIENT'S NEEDS AND EXPECTATIONS IS A FEATURE OF GOOD ADVOCACY.



We have sent out more than 9,500 of our youth court leaflets to police custody suites, youth offender teams, charities, law firms and others

Youth court advocacy work

Two-thirds of young people and children in the criminal justice system have significant speech, language and communication needs. This presents a significant risk that they will not understand their solicitor, how the court works, or may find it difficult to get their message across. This is why we developed resources in 2016 for solicitors practising in the youth court. These resources have been viewed more than 5,000 times online since their launch. They include:

- guidelines on how to communicate effectively with young people and identify if they have any learning or difficulty needs
- information on how working with other organisations can make sure solicitors deliver the best possible service to their client
- a leaflet on what young people should expect from their solicitor, developed alongside other organisations, such as Just For Kids Law
- a checklist on the key areas of knowledge that solicitors practising in the youth court must keep up to date.

The UCL Great Ormond Street Institute of Child Health described our work as a “much needed initiative and provides poorly supported youth advocates with a good introduction to working with children and young people in the criminal justice system.” Our resources have also been supported by Lord Carlile, the Association of Youth Offending Team Managers and the National Appropriate Adult Network.

Authorisation

This is the key point at which we make sure individuals and businesses meet the high professional standards we and the public expect when they enter the profession.

Our Authorisation team does this by carrying out background checks, character and suitability checks, and by making sure applicants have the right skills and qualifications. Our priority is to be sure there is no risk to the public in allowing individuals or firms to join the profession. We also try to make this process work as efficiently and as smoothly as possible.

Background and character and suitability checklist

We ask people who want to become a solicitor or firms who want to enter the legal market for a range of information. This helps us to decide whether it is safe to allow them to offer legal services to the public. We need to make sure that people entering the profession will act with integrity and that the public can trust them.

The checklists below show some of the questions we ask.

SOLICITORS

- › Do you have a criminal record?
- › Have you ever had a warning from the police?
- › Have you ever been bankrupt?
- › Has the county court ever made a judgment against you?
- › Has any other regulator taken action against you?
- › Have you ever abused a position of trust for financial gain?
- › Have you ever plagiarised or cheated during your education?

FIRMS

- › Who are the corporate managers and owners?
- › Do any of the managers, owners or officers have a criminal record?
- › Does the firm have professional indemnity insurance?
- › If the firm has received funding to get started or for any other reason, where did the money come from?
- › Has any other regulator ever refused to regulate or overturned its decision to regulate the firm?
- › Who will be the compliance officer, responsible for making sure the firm follows our rules?
- › Will your firm offer legal services that are subject to money laundering regulations, and, if so, which ones?

Authorisation glossary

› Alternative business structure (ABS)

A structure that allows non-lawyers to own or invest in law firms.

› Authorisation

Where we consider applications from individuals and firms to enter the legal services market.

› Exempt European lawyer (EEL)

Lawyers who practise in England and Wales on a non-permanent basis and who are based outside England and Wales. The term comes from an EU directive.

› Incorporated company

A business which has been set up by one or more person. Incorporated companies are subject to different tax and governance rules, which can be attractive to the owners, depending on their business needs. The owners' financial liability is also limited.

› Limited liability partnership (LLP)

A business structure where there are two or more partners. It limits the financial liability of the partners.

› Multi-disciplinary practice

A business structure that offers customers legal and other professional services, such as accountancy or surveying.

› Partnership

A business structure where there are two or more partners. Partnerships can be easier to form, manage and run. Unlike an incorporated company or LLP, you do not need to file any documents with the government to make your business a partnership. Also, partnerships do not need to prepare and publish their accounts.

› Practising certificate

A document we issue that allows solicitors to practise the law. Solicitors must renew their practising certificate every year.

› Registered European lawyer (REL)

An EU-qualified lawyer who registers with us to practise English and Welsh law in England and Wales.

› Registered foreign lawyer (RFL)

A lawyer from outside the EU and the European Economic Area who registers with us to practise English and Welsh law in England and Wales.

› Roll of solicitors

This is a record of solicitors who we have authorised to practise English and Welsh law. Not all solicitors on the roll will actively be practising the law.

› Sole practitioner

A solicitor who runs their own legal practice on their own.

Who we authorise and regulate

› Solicitors who practise English and Welsh law in England and Wales

› Solicitors who practise English and Welsh law overseas

› Law firms and other types of businesses in England and Wales that offer legal services

› RELs, RFLs, and EELs (see glossary)

› The roll of solicitors

Profile of law firms 2015 to 2018

	2015/16	ABS subset
Incorporated company	4,205	369
Sole Practitioner	2,627	-
Partnership	1,978	28
Limited liability partnership	1,559	152
Other	46	1

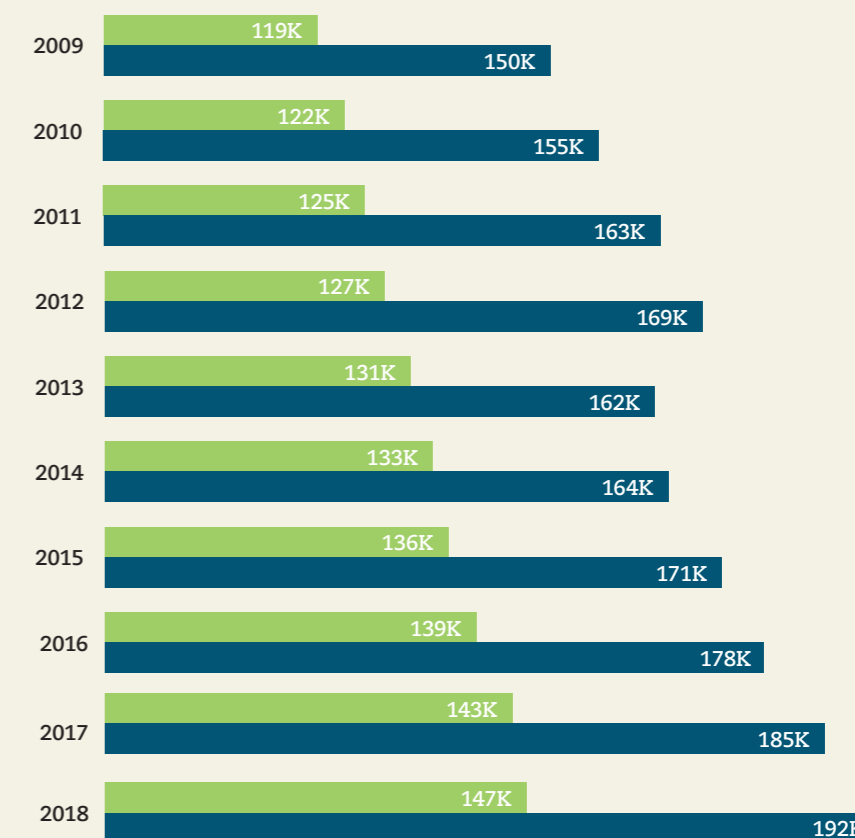
	2016/17	ABS subset
Incorporated company	4,537	477
Sole Practitioner	2,489	-
Partnership	1,799	30
Limited liability partnership	1,557	172
Other	38	2

	2017/18	ABS subset
Incorporated company	4,788	559
Sole Practitioner	2,367	-
Partnership	1,673	41
Limited liability partnership	1,542	189
Other	37	2

Solicitor population 2009 to 2018

Working as a solicitor in England and Wales is an attractive career option, and the solicitor population has increased year on year over the past decade. These figures are taken from the October of each year. They do not include RELs, RFLs or EELs.

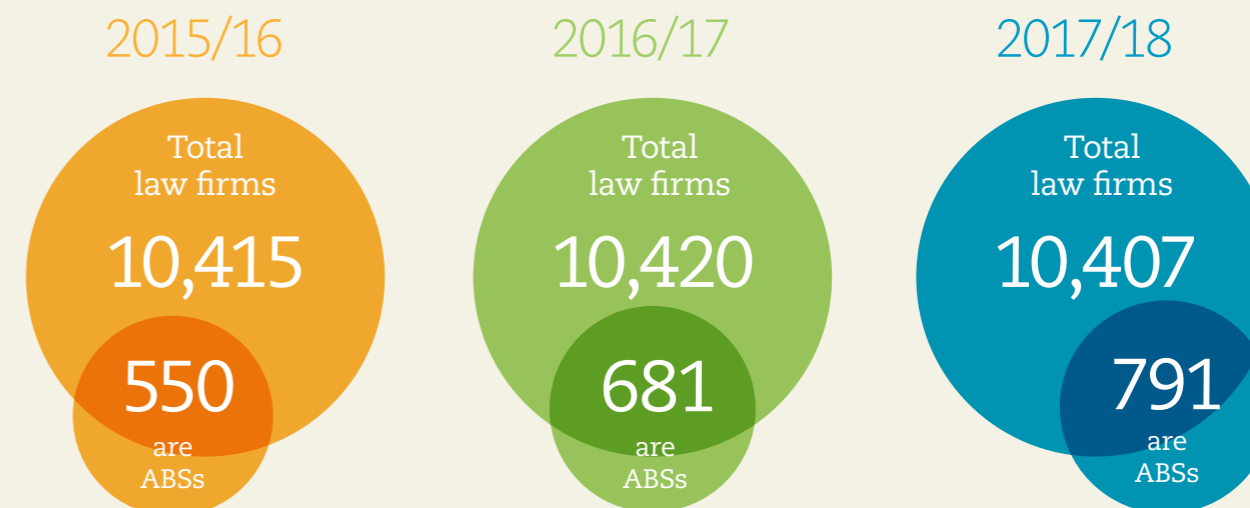
- Practising certificate holders
- On the roll of solicitors



Total law firms 2015 to 2018

The number of law firms choosing to apply for an ABS licence continues to increase and is an especially popular choice for incorporated companies.

The overall number of law firms in England and Wales has stayed relatively stable, though we know that the legal profession is growing (see figures above).



Waivers and the Innovation Space

We want to see firms innovate and grow in a modern legal market, working in new ways for their customers, and making it easier for people to find the legal service they need.

We understand that our rules can sometimes get in the way of firms and solicitors offering legal services in new and creative ways. Our waivers policy and Innovation Space allows firms, solicitors and new entrants to the market to explore new ways of running their business and to introduce original ideas. The Innovation Space is a controlled test area for ideas that are likely to benefit the public.

Types of waivers granted in 2017/18

Waiver granted: Authorisation Rules
Number granted: 19
What it means ▼

We can waive some of our Authorisation Rules if they are unnecessarily burdensome for a firm to follow. For example, we will allow a firm to appoint a manager at short notice and then ask us to authorise them. We must authorise all managers in the firms we regulate before they are appointed to make sure they meet the standards we set, and we generally do this before they take up their position. Allowing firms to do this gives them more flexibility in running their businesses.

Waiver granted: Practice Framework Rules
Number granted: 38
What it means ▼

Where we waive our rules on how and where solicitors and other people we regulate can work. We will allow this if we can see there is a benefit to the public. For example, under our rules, a solicitor who wants to set up their own law firm must be managed by someone with three or more years' experience. We will waive this rule if the solicitor wants to set up their own practice as a sole practitioner and has three years' experience.

Types of waivers granted in 2017/18 continued overleaf ▼



CASE STUDY

Which? Legal

> The business

Which? is the largest independent consumer body in the UK, with more than 1.3 million members and supporters. Since 1957, Which? has tested goods and services, published the results and campaigned for consumer rights. Which? also provides a legal advice service for its members on some areas of law via Which? Legal. We do not regulate Which? Legal and neither does any other regulator.

> The issue

Our current rules place limits on the way in which solicitors can practise in unregulated businesses. Generally, they are not allowed to offer legal services, and, where they are, there are restrictions. Because of this, the solicitors employed by Which? were only able to offer limited telephone advice to its members. Which? wanted its solicitors to be able to provide a fuller, more seamless service. This would benefit the members as it would be less fragmented and, for example, would allow the solicitors to correspond with members by email and prepare and draft documents or write letters on their behalf. This would be particularly advantageous to people who did not initially understand their legal problem or where English was not their first language.

> The solution

We considered this waiver in our Innovation Space. We allowed this waiver to enable the solicitors employed by Which? to offer a broader range of services to members in some areas of law. We considered this to be of public benefit as it facilitated access to cost-effective legal advice from qualified legal professionals. We were satisfied that consumer protection was maintained.

Types of waivers granted in 2017/18 (continued)

Waiver granted: Access to solicitors through the Innovation Space
Number granted: 3
What it means ▼

This is a safe space for new and existing firms to trial new ideas that benefit the public. To make sure the ideas are trialed in a safe way and to protect the public, firms must get insurance that meets our minimum terms and conditions. The types of waivers we grant in our Innovation Space have allowed solicitors to work in firms we do not regulate and which are not regulated by another legal services regulator. We do this because we think it would benefit the business's clients to access the services of a solicitor. We only waive this rule when we can see there will be no harm to the public, and the solicitor is never allowed to handle client money. As part of our new SRA Standards and Regulations, which will come into force in November 2019, firms will no longer have to apply for this type of waiver, as this will be allowed under our common rules. Read the case study on the previous page to see how this works in action.

Waiver granted: Professional indemnity insurance (PII) requirements
Number granted: 6
What it means ▼

Where we allow firms not to have the minimum terms and conditions PII that they usually must under our rules. We do this in instances where the firm has an alternative insurance policy that has equivalent or better terms.

Waiver granted: To submit Accountants' Reports
Number granted: 6
What it means ▼

Where we allow firms not to send us an annual report of their accounts or a final report of their accounts if they are shutting down. For example, we waive this rule if we can see there has been a very small number of client transactions over a period of time.

Waiver granted: Compensation Fund fee
Number granted: 2
What it means ▼

We allow firms not to contribute towards the Compensation Fund. We will do this where a firm has only held a very small amount of client money for a very short period, and there is no risk of their clients making a claim on the fund.

The numbers in this table will differ from those published in our 'Encouraging innovation: transparency about our waiver decisions' report, published in June 2018. This is because the above figures do not include the waivers we granted to let firms withdraw money from the client account when they would not ordinarily be allowed to do so without our permission.

CASE STUDY

East Midlands Police Legal Service

› The business

East Midlands Police Legal Service (EMPLS), the in-house team at Derbyshire Constabulary, was already able to offer legal services to chief constables and police and crime commissioners across the East Midlands because of a waiver we previously granted. The types of services the in-house team offers are wide-ranging and include advice on employment law, human rights law and civil litigation, such as claims for wrongful arrest and false imprisonment.

› The issue

EMPLS wanted to offer its legal services to the Northamptonshire Fire and Rescue Service. As part of the Policing and Crime Act 2017, emergency services must work better together and more collaboratively. This will help local government services to work more efficiently and share expertise. In-house solicitors are not able to offer legal services to anyone outside the business, or in this case the public body, in which they work.

› The solution

We granted a waiver that allowed EMPLS to offer legal services to the Northamptonshire Fire and Rescue Service. We did not think there was any risk to the public in granting the waiver, and it would widen access to legal services.



East Midlands Police Legal Services

Equality, Diversity and Inclusion

We know that a diverse, modern legal sector, with solicitors from all walks of life, better serves the public's legal needs.

We collect and publish data diversity data on the people working in law firms every other year to understand and share understanding about the people we regulate. We also work closely with the profession and stakeholder groups to promote and support diversity, and publish research to highlight both where more work is needed and the benefits of diversity.



Our EDI team regularly meets with members of the profession to discuss how we can further promote and support a truly diverse workforce

Women

As women make up just over half of all solicitors yet only one-third of partners, we want to encourage firms to look at more ways in which to promote women to senior management. We highlighted some of the key steps firms can take in our thematic review, 'Unlocking the benefits of diversity', which included:

- offering sufficient and flexible parental leave
- making sure recruitment practices are fair and transparent
- making sure senior leaders commit to driving through change
- developing alternative and flexible career paths.

We discussed these matters and other challenges women continue to face at events throughout the year, such as with the Women Lawyers and Mothers group at the 'Gender Equality and Parental leave – is there a solution?' event at law

firm Bird and Bird in July 2018. In addition, we regularly work with and support Women in the Law UK. We also raise awareness of the impact of intersectionality – a term that identifies women (and others) who fall into two or more marginalised groups.

In addition, our Network of Women ran a number of internal events for International Women's Day, celebrating female guest speakers' careers, and discussions of what still needs to be done to achieve gender equality. The network has worked extensively over the past year to raise awareness about the symptoms and effects of the menopause.

We also collaborated with organisations such as the Equality and Human Rights Commission, the Bar Standards Board and City of London Law Society to discuss how to promote good practice in the legal sector on sexual harassment and the use of non-disclosure agreements (NDAs) (read more about NDAs on page 73).

Ethnicity

Our thematic review, 'Unlocking the benefits of diversity', highlighted ways in which law firms can encourage retention, progression and promotion opportunities, not just for female staff, but also for black, Asian and minority ethnic (BAME) staff. We know from our 'Mapping advantages and disadvantages: Diversity in the legal profession in England and Wales', research the problems that can affect people who fall into two or more marginalised groups, such as a BAME woman. Initiatives we highlighted in the 'Unlocking the benefits of diversity' report included:

- making sure there are senior BAME women role models in the organisation
- monitoring the promotion and progression routes of BAME women as compared with the rest of the workforce, to help identify trends
- encouraging more BAME women to mentor, and to offer BAME women a female mentor.

Over the past year, we have been raising awareness about these problems with law firms at various events and workshops. We distributed copies of our research to legal sector equality groups, MPs and the members of our Diversity Matters virtual reference group.

We work closely with and support groups such as the Black Solicitors Network, the Society of Asian Lawyers and the British Nigerian Law Forum to promote diversity in the profession. In October 2018, our Board member Elaine Williams chaired a panel discussion with members of the legal profession for Black History Month at Eversheds in Leeds alongside key stakeholder groups to discuss ways to encourage race equality within firms. This led to interest in ways to promote best practice, which we will be discussing at another panel discussion in 2019.

Disability

Our Your Health, Your Career campaign, launched in 2016, encourages solicitors to seek help early on and highlights the ways in which we can offer guidance to solicitors whose health and wellbeing might be affecting their work. We make reasonable adjustments for solicitors, and all our staff have received training on supporting solicitors who have a disability, including on mental health.

We are a member of the Legal Professions Wellbeing Taskforce, chaired by the charity LawCare. With fellow members, we identify collaboration opportunities, share good practice and address some of the reasons why lawyers do not seek help early on.

We also worked with the Junior Lawyers Division (JLD) of the Law Society in 2018 and talked to members at its annual conference about the importance of getting help early on if they found themselves facing a difficult time in the workplace. We attended a roundtable event organised by the JLD to discuss guidance it published on how to tackle the high levels of negative stress within the legal profession.

We also engage with the Lawyers with Disabilities Division to address some of the challenges that disabled lawyers face. In 2019, we will be developing a campaign to promote disability equality in the legal profession with the aim of highlighting best practice and providing resources to support firms.



Gender identity and sexual orientation

Encouraging LGBTQ+ people to join the profession and to be open about who they are at work is a priority for us. In 2018, we partnered with Bryan Cave Leighton Paisner, Stonewall and the Law Society on a new project where 11 law firms in the Stonewall top 100 of the Workplace Equality Index mentor firms with less or no experience in embedding LGBTQ+ inclusion in their organisations. Our role is to help coordinate the scheme and recruit the mentee firms. We will let our stakeholders know the outcome and benefits of the scheme when it draws to a close in 2020.

We have also continued to send a strong message to the legal profession and wider population in England and Wales that LGBTQ+ inclusion is important. We attended Birmingham, London and Cardiff Pride in 2018, partnering with law firms, the Law Society, legal regulators and others. We will continue to work with the Law Society, the Legal Ombudsman, the Legal Services Board and others to see what more work we can do.



We have also trained all staff on trans inclusion, to help them when engaging with the people we regulate and members of the public. We have also made excellent progress in Stonewall's Workplace Equality Index in 2018/19. We appeared 123rd on the index, moving up 48 places in a year and have moved up more than 100 places since our 2016 submission.

“It is important that we are proactive in creating a more diverse workforce and an inclusive workplace culture. We want to lead by example, to benefit, as all organisations do, from a truly diverse workplace and to reflect our EDI priorities among the profession and others we work with”

Vanisha Budhia
DIVERSITY AND EQUALITY OFFICER

Social mobility

We want to make sure that no area of law appears restricted to any aspiring solicitor of any background. In the past year, we worked collaboratively with law firms and others on several projects to promote social mobility. For the third year running, we worked with the Social Mobility Business Partnership (SMBP), a national scheme that offers work experience for students from less affluent backgrounds who are interested in a career in law or finance. We met with students involved in SMBP in Birmingham at our offices and held sessions on our regulatory investigations, communicating key messages and forensic accounts investigations. We have also worked alongside CILEx Regulation and the Bar Standards Board to design a joint session about careers into the law for SMBP students across the country.



Leaving the European Union

We are working to make sure our regulatory arrangements work effectively as possible when we leave the EU. This remains a high priority and is embedded in objective four of our Corporate Strategy 2017–2020. We are committed to working closely with the government to understand the impact of leaving the EU on how we regulate solicitors, RELs, EELs and law firms in England and Wales.

Leaving with a deal

The government is preparing for a number of scenarios. One option is that the government will reach a deal with the EU. Although negotiations are ongoing, the draft withdrawal agreement proposes a transition period (to 31 December 2020). This includes the mutual recognition of professional qualifications as well as plans for a mobility framework (the replacement for freedom of movement) for UK and EU professionals.

Leaving without a deal

One of the main potential implications for the people we regulate in a 'no-deal' scenario is the end of the REL regime, subject to a transitional period lasting to the end of December 2020. The REL regime allows European Economic Area (EEA) lawyers to register with us and offer the full range of legal services in England and Wales using their home title. We currently regulate around 700 RELs.

In December 2018, we sought views on our recommended approach to how all qualified lawyers from outside the UK should qualify as a solicitor in England and Wales in the event of a no-deal Brexit. EEA, Scotland and Northern Ireland lawyers currently qualify through the QLTS, but are entitled to exemptions if they can demonstrate they have qualifications or experience which demonstrates equivalent knowledge of English and Welsh law and practice. This means they do not need to sit all of it.

One question we asked as part of this consultation was whether we should extend these exemptions to all non-UK jurisdictions where there is equivalent experience or knowledge. This would assure high standards while following World Trade Organisation rules, which prohibit states giving preferential treatment to particular states. In 2019, we published the response to this consultation, which you can find on our website, and are ready to implement rule changes should they be needed.

“86% of people who live in Wales believe that the Welsh language is something to be proud of and 62% of those who didn't speak Welsh would like to be able to do so.”

Clive Thomas, Managing Partner of Watkins and Gunn and President of the Cardiff and District Law Society says:

“There is a business case to offering services in Welsh. The Welsh language continues to thrive. Recent findings from the National Survey for Wales showed that one in five adults speak Welsh, increasing to one in four in between the ages of 16 and 24. In addition, in some areas of Wales, Welsh is the first language – in Anglesey and Gwynedd, more than 60% of the population speak Welsh and in Ceredigion and Carmarthen 40 to 60% speak Welsh as their first language.

“And, there is growing evidence to show that an increasing number of people in Wales are proud of their language and heritage – 86% of people who live in Wales believe that the Welsh language is something to be proud of and 62% of those who didn't speak Welsh would like to be able to do so. In addition, many of the largest retailers have recognised that using Welsh adds value to a product or service.”

Regulation in Wales

Around 3,885 practising solicitors and 443 head offices are based in Wales, largely in Cardiff (this is an estimate figure due to cross-border working).

Some 4% of law firm head offices are based in Wales, and 1,172 practising solicitors indicate that they speak Welsh. Some 777 practising certificates were issued in Welsh last year, supporting law firms to provide services to Welsh-speaking people.

Wales-based law firms' business continues to thrive. Their turnover came to £410m in 2017/18, up £30m compared with three years ago.

Legal landscape in Wales

	2015/16	2016/17	2017/18
Practising certificate holders based in Wales	3,700	3,770	3,885
Head offices based in Wales	450	440	443
Percentage of law firms based in Wales	4%	4%	4%
Practising certificate holders who indicate they speak Welsh	1,081	1,140	1,172
Practising certificates issued in Welsh	737	737	777
Turnover	£380m	£397m	£410m

Tod Davies, Solicitor at Capital Law says:

“It's an exciting time for lawyers in Wales who are growing increasingly used to wearing two hats. We are advising the majority of our local and national clients on Westminster legislation, but we are also finding an increasing part of our workload in having to consider laws passed at the Welsh Assembly.

“It could all change soon too. There's been a consultation recently on codifying Welsh law – meaning all laws that are applicable in Wales moving into one place and made available in both Welsh and English. It's an ambitious project but one with significant sponsors and with huge potential.

“The Welsh language is part of this picture too. As well as the language benefitting from protected legal status in Wales, there's something deeply personal and familiar in providing and receiving services through the medium of Welsh to those who speak it – many clients (and lawyers) are more comfortable dealing with people in their mother tongue.”

“There's been a consultation recently on codifying Welsh law – meaning all laws that are applicable in Wales moving into one place and made available in both Welsh and English.”

Investigation and supervision

Every year, we receive around 12,000 reports raising concerns about the solicitors and legal businesses we regulate. These come direct from the profession, such as from solicitors or the compliance officers who work in law firms, as well as from members of the public, the police and the courts.

When our Investigation and Supervision team looks into these concerns, they consider:

- the evidence provided and its source
- the regulatory history of the firm or individual
- the impact the alleged misconduct or issue might have.

The team uses this information to decide whether or not to take further action.

Protecting client money during an investigation of a firm is vital. We work to make sure that people's money is not put at risk by the misconduct or poor management of someone we regulate. And, if a firm closes down as a result of our investigation or otherwise, it is important that it does so properly and clients' paperwork and money is kept safe.

More on our interventions and how they protect the public can be found on page 80.

The investigations process

During an investigation, we keep in contact with the person who made the report to us. If we decide not to investigate further, we let them know the reasons why. We give as much detail as we can about our decision. Details of our investigation outcomes can be found on page 78.

We may decide that some issues are better dealt with by the Legal Ombudsman (LeO). It deals with complaints about a law firm's or solicitor's service. We work closely with LeO and it contacts us if, during one of its investigations, it has concerns that a solicitor may have breached our rules.

When we investigate a solicitor or a firm, we ask for information from the people involved, such as the solicitor, the person who initially reported the concern to us, and other relevant third parties. When necessary, we take witness statements, visit firms in person and analyse evidence, such as bank accounts, financial statements and other documents. Many cases are concluded within three months, and most are closed within 12 months. However, some may take longer.



Reports 2017/18

Received from 1 November 2017 to 31 October 2018

4,405

Does not warrant investigation but information is used as part of our risk profiling

911

Redirected internally or sent to LeO

165

No action taken as, for example, it is not in our jurisdiction to investigate or about firms or people we regulate

6,027

Investigation into conduct

11,508
Total reports received concerning solicitors' or firms' behaviour



“We monitor the types of issues reported to us to identify trends and make sure we are able to tackle any emerging risks”

Robert Loughlin
EXECUTIVE DIRECTOR, OPERATIONS AND QUALITY



Nature of issues reported to us 2017/18

CASE STUDY

Warning notice

› Non-disclosure agreements (NDAs)

In March 2018, we issued a warning notice to the public and profession about the use of NDAs. In an NDA, one or more of the parties will have agreed not to reveal confidential information to anyone else.

When used appropriately, NDAs can protect commercial interests, confidentiality and reputation. However, in light of the #MeToo campaign, which has seen a rise in the number of sexual harassment reports to the police and other authorities, there are concerns that NDAs are being used to cover up the disclosure of potential crimes.

We have reminded law firms that NDAs must not be used to:

- put one of the parties into a position where they feel unable to tell the police, a regulator, or other authority of a possible crime or other wrongdoing
- give someone we regulate the impression they should not tell us if they have broken our rules
- tell someone that that they do not have the right to report something to the authorities when they do.

The public and the profession expect solicitors to act with integrity and uphold the rule of law. We also expect that potential professional misconduct by a person or firm we regulate should be reported to us. If we find that this is not happening, we will investigate and may take enforcement action.

Top 10 issues reported overall



Taking unfair advantage of a third party, for example, a person representing themselves in a case
1,783



Misleading the court
524



Inadequate client care
1,043



Incompetent, negligent or delayed client care
523



Deception and dishonesty
627



Intentionally misleading a third party
412



Theft of a regulated person's or firm's ID (also covers cloned websites)
589



Inadequate client care – lack of competence
402



Confidentiality breach
545



Personal conflict of interest
384

Please note that the issues reported to us by the people we regulate is a subset of the issues reported to us overall.

Top 10 issues reported by those we regulate



Theft of a regulated person's or firm's ID (also covers cloned websites)
421



Taking unfair advantage of a third party, for example, a person representing themselves in a case
112



Confidentiality breach
246



Intentionally misleading a third party
93



Deception and dishonesty
184



A person has said they are a solicitor when they are not
80



Breach of our Accounts Rules: where a shortage in the client account has been replaced
159



Serious financial difficulties
77



Breach of undertaking
129



Personal conflict of interest
72

Legal and enforcement



The public and the profession have the right to expect that we will take action when solicitors or law firms fall short of the standards we set.

Our Legal and Enforcement team works to enforce our rules fairly, taking robust action when it is needed. The aims of our enforcement work are to:

- protect solicitors' clients and the public – this could be by controlling or limiting the risk of harm, making sure an individual or firm is not able to repeat the offending or similar behaviour, or is deterred from doing so
- send a signal to the people we regulate to prevent similar behaviour
- maintain and uphold standards of competence and ethical behaviour
- uphold public confidence in the provision of legal services.

Our powers are quite limited unless we are dealing with businesses that have an alternative business structure (ABS), also known as licensed bodies (see more under sanctions and prosecutions). And, when we take regulatory or disciplinary action in-house, we use the civil standard of proof. This means we determine, on the balance of probabilities, whether any allegations are true, making sure public protection is our priority. We prosecute serious issues at the Solicitors Disciplinary Tribunal (SDT). It is independent and has a wide range of sanctions it can impose.

The SDT announced in April 2019 that it will move to using the civil standard from the criminal standard of proof when considering cases, with the change likely to take effect in late 2019. We welcome this change, which will mean that when something goes wrong, the public can be more confident that their interests come first.

When do we take action?

Where there have been minor, isolated breaches of our rules, we may write to the firm, solicitor, or other individual we regulate to remind them of our rules and the standards they must meet. If the breach is of a more serious nature, we may fine the firm or individual, or place conditions on their practising certificate. We take the most serious cases forward to the SDT.

Sanctions and prosecutions

The range of sanctions we can impose is limited. For example, our fining powers against individual solicitors are limited to £2,000, and we are not able to strike off a solicitor. However, we can impose a fine of up to £250m on a licensed body and up to £50m on managers and employees working in a licensed body.

CASE STUDY

Fining solicitors

We fined a solicitor £2,000 and rebuked them after they failed to comply with an undertaking. An undertaking is a promise that solicitors make to do, or to not do, something. It will often play a key part in a legal matter and will be a specific and important action.

In this instance, the client had asked their solicitor to assist them in taking out a loan for a new property, using an existing property as security. The solicitor made the necessary arrangements with the lender. This included providing the lender with an undertaking. It said the solicitor would register the charge to secure the loan at the Land Registry within seven days of the loan completing. This effectively means the solicitor would tell the Land Registry that the lender now had a stake in the property.

Having received the undertaking, the lender made the loan. The lender transferred the money to the solicitor's client account, who then transferred it to their client's personal bank account.

However, the solicitor then took more than seven days to register the charge with the Land Registry. They attempted to register the charge 16 days after the loan completed. The Land Registry refused to register the charge as it was concerned about whether it was a valid transaction. The lender started legal proceedings against the solicitor as the loan was not secured.

The solicitor had failed to comply with their undertaking. We concluded that the conduct was deliberate or reckless, and caused or had the potential to cause loss or inconvenience to the lender. Given this, we took the view that it was appropriate to issue a fine and a rebuke. We had no evidence that the solicitor would act like this again, and, for this reason, we considered an internal regulatory outcome to be sufficient. We would have referred the case to the SDT if we had found that the solicitor had acted dishonestly.

Any fine that we issue will typically be tied to another of our regulatory outcomes, such as a rebuke or placing conditions on a firm's or solicitor's practising certificate.

Action we take and action the SDT takes

Action taken and circumstance	Level of misconduct	Our sanction	SDT sanction
Letter of advice: we remind the individual or firm in writing of their regulatory responsibilities.	Minor or where there has been appropriate firm management of an issue.	✓	✗
Finding/finding and warning: for more significant but one-off misconduct. The finding/finding and warning can be taken into account in the outcome of any future investigation.	Moderate.	✓	✗
Rebuke: we rebuke an individual or a firm where there has been a moderately serious breach of our requirements or standards.		✓	✗
Fine: where there has been a serious breach of our requirements or standards and where, for example, the regulated person or firm could have financially benefited from the misconduct, and it is appropriate to remove or reduce their financial gain.	Serious or a series of incidents which together are serious.	✓ Up to £2,000 <small>(However, we can impose a fine of up to £250m on an ABS and a fine of up to £50m on managers and employees of an ABS.)</small>	✓ Unlimited
Practising conditions placed on a solicitor or other person we regulate: we restrict or prevent the involvement of a solicitor or individual in certain activities or engaging in certain business agreements/associations or practising arrangements.	Serious or a series of incidents which together are serious, and when it is necessary to deal with the risk posed.	✓	Referred to as a “restriction order”
Practising conditions placed on a firm: we restrict or prevent a firm, or one of its managers, employees, or interest holders, from undertaking certain activities. This can also help us to effectively monitor the firm or individual through regular reporting.	Serious or a series of incidents which together are serious, and when it is in the public interest to do so.	✓	Referred to as a “restriction order”
Reprimand: the SDT sanctions the regulated person for a breach of our requirements and/or standards. It is the SDT’s equivalent of our rebuke.		✗	✓
Section 43 order (for non-lawyers working in the profession, eg non-lawyer managers and employees such as legal secretaries): we restrict individuals from working in a law firm without our permission.	Moderate seriousness, or a series of incidents which together are moderately serious.	✓	✓
Suspension or revocation of a firm’s authorisation/recognition: we remove a firm’s authorisation either permanently or temporarily.		✓	✓
Suspension: the SDT suspends a solicitor from practising either for a fixed term or for an indefinite period. The SDT can also suspend a period of suspension, so long as a restriction order remains in place.	Serious or a series of incidents which together are serious.	✗	✓
Strike off: the SDT stops a solicitor from practising entirely. The solicitor’s name is removed from the roll.	Serious or a series of incidents which together are serious.	✗	✓

VERY SERIOUS



Our new approach to enforcement

We are now working in line with our new enforcement strategy, which we started to test, refine and train our staff on partway through 2017/18. We then revised and published it in February 2019. In developing this strategy, we talked with more than 5,400 members of the public and the profession as part of our Question of Trust campaign. We asked for their views on what should happen when firms and solicitors fall short of the standards we and the public expect. The new strategy takes their views into account and provides greater clarity on:

- how we decide whether we should act in given circumstances
- the factors we take into account when assessing the seriousness of misconduct
- how we decide on the appropriate action to take.

It also aligns with our revised rules and Codes of Conduct for solicitors and firms. They concentrate on the high standards firms and solicitors should meet, rather than prescriptive rules they should follow.

We expect our new approach to help us to focus on the most important matters and be clear as to when it is appropriate to issue a sanction or refer a matter to the SDT. We will closely monitor the effects of the new enforcement strategy over the coming years.

CASE STUDY

Dishonest solicitor

› Acting honestly

It is essential that solicitors act honestly as their clients, colleagues, the courts and police must be able to trust them. Solicitors deal with large amounts of money and help people in difficult and distressing situations, such as when dealing with child custody issues. They defend criminal cases and act on other court matters. Solicitors are an important part of our legal system and the loss of public confidence that comes with dishonesty can undermine wider confidence in this key part of society. If proven, solicitors who are dishonest face serious sanctions, including being struck off.

In 2018, we successfully appealed three cases where the SDT had found dishonesty but had not struck the solicitors off, having found there to be exceptional circumstances, in part due to health considerations.

The High Court found that any exceptional circumstances must relate to the dishonest behaviour itself. In all three cases, the dishonesty was not momentary or isolated, and in each case the dishonesty caused harm. The court decided that pressure of work or working conditions cannot justify a solicitor being dishonest. The High Court struck off all three solicitors.

Outcomes 2017/18

The outcomes recorded on these pages will not all relate to concerns made to us in 2017/18.

This is because not all cases will be resolved within a year, although most internal investigations are resolved within a 12-month period. However, if a matter is referred to the SDT, it may take longer to come to a close.

2017/18		
Files where allegations were upheld/ action taken	251	
Actions	Decision outcomes	Agreed outcomes by RSA
Letter of advice	132	-
Finding and warning	6	5
Rebuke or reprimand	39	22
Fine	21	17
Conditions imposed on a firm or individual	18	3
Section 43 order	37	6

A section 43 order means we restrict non-lawyers, eg managers and other employees, from working in a law firm without our permission.

Supervision outcomes 2017/18

The regulatory settlement agreements (RSAs) in the table to the left were agreed as part of the investigations process. RSAs allow us to protect both consumers and the public interest by reaching appropriate outcomes swiftly, efficiently and at a proportionate cost.

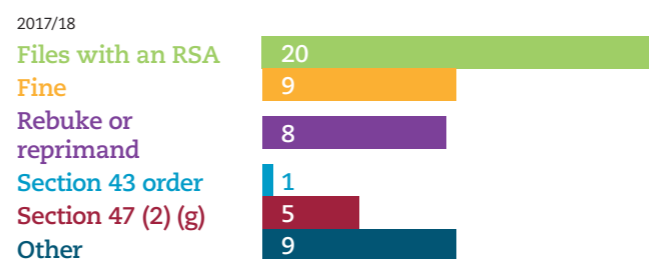
Please note, one file can result in multiple outcomes.

Regulatory settlement agreements (RSAs) 2017/18

When we refer a case to our Legal and Enforcement team for further action, it may still result in an RSA, rather than being referred to the SDT.

The RSAs shown below were made at this stage in the disciplinary process. We make our decisions with several factors in mind, such as whether our powers to sanction are sufficient to discipline the firm or solicitor, and whether or not it is in the public interest to take a case to the SDT.

Please note, a file with an RSA can have more than one outcome.



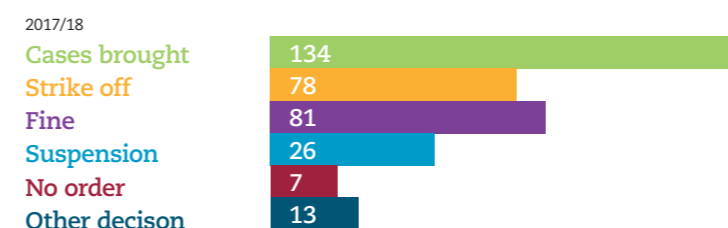
A 47 (2) (g) order means a former solicitor who has been removed from the roll cannot be restored unless the SDT allows it.

Other can mean, for example, that the solicitor agrees to remove themselves from the roll and pay our costs.

Cases at the SDT

We brought 134 cases to the SDT in 2017/18 resulting in the following decisions. This table also includes outcomes that were reached by agreed outcomes.

Please note, one hearing can result in multiple decisions.



No order can mean that the SDT finds in our favour but decides that it is not necessary or appropriate to impose a sanction or control. It can also mean that it does not find in our favour.

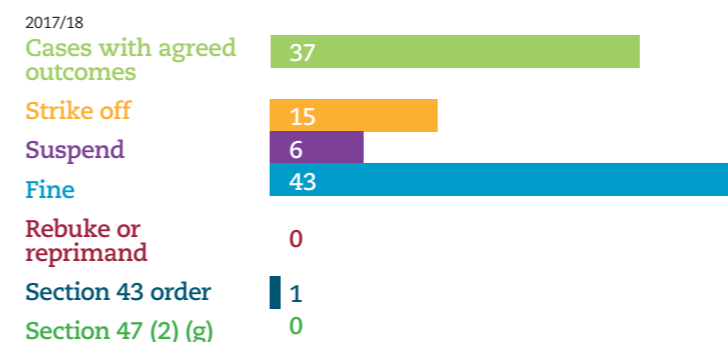
Other can mean, for example, a reprimand or section 43 order.

Agreed outcomes at the SDT (subset of SDT referrals)

If we refer a matter to the SDT and it says there is a case to answer, and the firm or individual admits the allegations, it may be appropriate to conclude the matter by an agreed outcome. In these circumstances, the respondent makes admissions and we will agree on a set of facts, sanction and costs. The SDT will decide whether the agreed outcome is appropriate.

Like RSAs, agreed outcomes, where appropriate, are a cost-effective, swift and proportionate way of resolving a matter.

Please note, a file with an agreed outcome can have more than one outcome.



CASE STUDY

Behaving in a way that maintains public trust

> A vital role

Solicitors play a vital role in making sure that the rule of law is upheld in society and that justice is properly administered. Because of this, solicitors are held to higher standards and must behave in a way that maintains the public's trust in legal services. If we find that solicitors are not doing this, we will take action.

> Assault case

In April 2018, we took action against a solicitor who had been convicted of assault. The solicitor had headbutted and seriously injured their opponent, a litigant in person, following court proceedings. The SDT struck off the solicitor and ordered them to pay our costs of £4,611.

> Offensive comments on social media

In July 2018, we took action after a solicitor made offensive, discriminatory and wholly inappropriate comments on social media. The solicitor had used their Twitter account to make the comments, which publicly identified them as a solicitor. The comments expressed hostility towards a number of religions and against a transgender person. The solicitor was suspended from practising for 18 months and was ordered to pay our costs of £11,000.

> Sexual and racially aggravated assault

In January 2018, we took action against a solicitor who had been convicted of a sexual assault and a racially aggravated assault.

The SDT initially suspended the solicitor from practising for a period of 12 months, which was then increased to four years after we appealed the sentence. The solicitor also had to pay our costs of £11,484.

Client protection

If we know that people are at risk of receiving legal services from a dishonest solicitor, or it is, for some other reason, necessary to protect the interests of clients, we can take quick action and close down a firm or a solicitor's practice. We call this an intervention.

When we intervene, we take possession of all client money and files and take steps to return them to their owners. The firm is then no longer able to operate.

Why we intervene

There are many reasons why we might intervene into a firm. For example, if the firm becomes insolvent or bankrupt, or if it has been abandoned.

The most common reasons for intervention are:

- we suspect someone in the firm has been dishonest
- there has been a serious breach of our rules
- we need to protect the firm's current, former or future clients.

If we know that solicitors have been dishonest, we are very likely to intervene into their practice. Dishonest solicitors are a serious risk to their clients, the courts and the public.





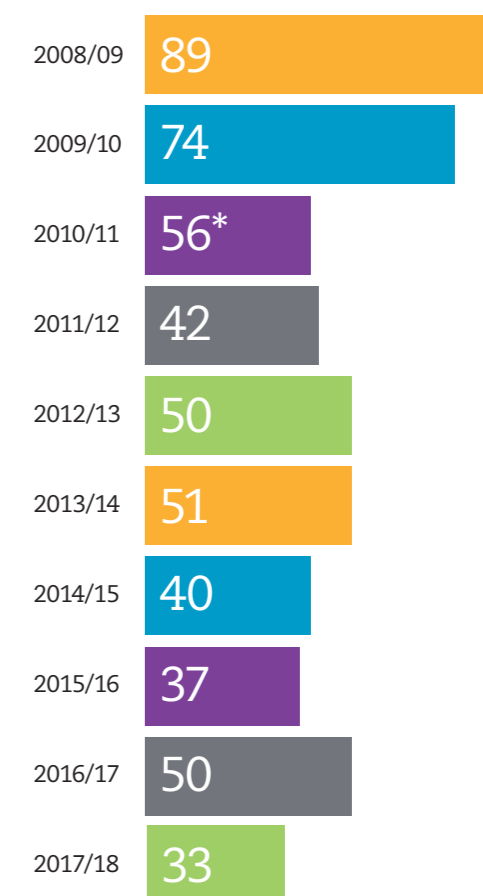
AT A GLANCE

Interventions in the last decade

The number of interventions peaked following the recession of 2008, which saw us intervene into many firms reliant on residential conveyancing. This was an area of work badly affected by the economic downturn. After a fall in 2010/11, the number of interventions settled at a relatively constant rate for five years.

Although the number of interventions we carried out in 2017/18 decreased, we cannot yet say whether it is representative of a downward trend in the sector.

Year Number of interventions



Reasons for intervening 2015–2018

Reasons for 37 interventions in 2015/16		Reasons for 50 interventions in 2016/17		Reasons for 33 interventions in 2017/18	
Suspected dishonesty	21	Breaches of our rules	29	Suspected dishonesty	29
Practice rule breaches	18	Suspected dishonesty	29	Practice rule breaches	17
Protect interests of clients	16	Breaches of our Accounts rules	27	Protect the interests of clients	15
Breaches of our Accounts rules	15	Protect the interests of clients	26	Breaches of our Accounts rules	11
Bankrupt	5	Breaches of Solicitors Indemnity Insurance Rules	14	Abandoned	1
Abandoned	1	Bankrupt	2	Insolvency of LLP	1
Struck off or suspended	1	Struck off or suspended	2	Failure to comply with a condition on practising certificate	1
Committed to prison	1	Incapacitated	1	Struck off or suspended	1
				Committed to prison	1

Please note, each intervention can have more than one reason for intervening.

CASE STUDY

Intervention in action

› Vulnerable immigration clients

Last year, we closed down a firm that acted for vulnerable immigration clients nationwide. Most clients were at risk of deportation and were applying for leave to remain in the UK.

We intervened because we suspected dishonesty by the firm's managers. They misled clients into pursuing immigration appeals that had no merit and no prospect of success. They took cash payments from hundreds of clients for costs, not always providing receipts. In some cases, people paid between £500 and £1,000, only to find that it had been paid into the personal bank account of one of the managers.

For many of the clients, English was not their first language. We translated key information for them, such as how to make a claim on our Compensation Fund. We dealt with and paid hundreds of claims from the fund in relation to this intervention.

*Due to an error, we previously reported this as 40, which is incorrect.

How the Compensation Fund works

The fund can make payments to members of the public and small businesses to replace money taken or improperly used by their solicitor.



AT A GLANCE

Compensation Fund payments 2013 to 2018

The payments we make each year correlate with the number of interventions we carry out, though they will also depend on the value of individual claims. Although there has been an increase in the amount we have paid out from the fund, it is still around the historical average for the past five years.

Year	Total paid out in grants
2013/14	£23.6m
2014/15	£17.8m
2015/16	£10.3m
2016/17	£15.2m
2017/18	£18.1m

Usually, people make a claim on the fund after we have intervened into a law firm they were using. We manage the fund and law firms and solicitors pay into it through an annual levy.

We collected £40 from each solicitor and £778 from each law firm in 2017/18. Due to the forecasted risks in the legal sector, we increased the levy to £90 per solicitor and £1,680 per firm for 2018/19.

People can make claims on the fund through our website, and we actively direct people to it when we intervene into a firm. Once we receive a claim, we assess whether the fund can help. People making a claim are often in difficult or distressing circumstances, so we work as quickly and as supportively as we can.

We consider each claim carefully and will only make a payment if the claims fall within our rules and the member of public or small business concerned has suffered a financial loss.

The two most common reasons we make payments are:

- in probate, when dishonest solicitors take someone's inheritance
- in conveyancing, when dishonest solicitors take or lose deposits, mortgage advances or sale proceeds.

There are some circumstances where we are likely to refuse a claim. For example, if the claim:

- should be dealt with by the firm's insurer
- is from a business with a turnover of £2m or more per year
- is for losses resulting from activity that is not part of the usual business of a solicitor
- is made outside the time limit
- arises from the client not taking proper care of their money.

We monitor the amount paid out from the Compensation Fund each year and the type of claims we receive. We also keep an eye on emerging risks to the public and their finances.

Headline figures in 2017/18

Claims made	Claims closed	Claims that led to a payment	Total value of closed claims	Average value of a payment
2,648	3,127*	1,553	£18.1m	£11,650

*Please note, these may not be the same group of claims as those made in 2017/18

Top five reasons we made payments 2015 to 2018

	Claim reason 2015/16	Payment	Claim reason 2016/17	Payment	Claim reason 2017/18	Payment
1	Probate	£3.9m	Property sale proceeds	£4m	Probate - balance due to estate	£5.3m
2	Property sale proceeds	£1m	Probate	£3.3m	Conveyancing fraud	£3.7m
3	General client money	£1m	Deposit (property and other)	£2.6m	Sale proceeds	£2.8m
4	Deposit (property and other)	£700k	Damages (for example, personal injury)	£0.8m	Return of payment on account of costs	£1.7m
5	Conveyancing fraud	£700k	Mortgage fraud	£0.8m	Unredeemed mortgage	£1.4m



Files by numbers



Managing client money, files and claims to the Compensation Fund

When we intervene into a firm, we remove all files from its offices and contact the clients to explain what has happened. We work with our intervention agents to take responsibility for the client money in a firm's accounts and the client files.

Our agent, a law firm, will deal with urgent client matters. It will also identify who the files belong to, so that we can contact the clients and let them know that we have closed the firm. The agent also advises the clients on what they should do next.

If a client's file does not need urgent action or is dormant, we will archive it in our facilities in Coventry or Darlington. Our archives are managed by Capita. It deals with all requests from clients for their papers.

We analyse and reconstruct the accounting records for the firm and work to return the client money to its owners. Money is often missing from the client account. In these situations, clients who have not received their money can make a claim to the firm's insurers or to the Compensation Fund.

Holding money on trust and recovering costs

If we are not able to return client money to its owner shortly after closing down a firm, we keep it in a statutory trust. We take steps to look for the owner, which will depend on how much information we have about the person and the amount of money involved. For large sums, we go to great lengths to find people, including hiring enquiry agents and visiting people's houses to deliver a cheque. Sometimes the people we are looking for are overseas, so we instruct foreign enquiry agents.

We try to recover the costs of intervening, the payments we make from the Compensation Fund and court and internal investigation costs from the firm involved. Our funding comes from the law firms and the solicitors we regulate, so recovering costs is important as, ultimately, our costs are passed onto the public who buy legal services. We pursue all avenues in recovering costs, including taking action against the intervened solicitors or managers, the firm's insurer and, in certain cases, the firm's former partners and directors.

£6.9m recovered in intervention costs and payments from the Compensation Fund grants in 2017/18.

25% more than 2016/17, which was **£5.5m**

CASE STUDY

Largest Compensation Fund grant

> **£820,000**

Our largest grant from the Compensation Fund in 2017/18 was for £820,000. We closed down a firm that was offering a number of legal services, including probate and estate management. We suspected dishonesty and that the firm had failed to comply with our Accounts Rules. We eventually found that there was a 20% shortfall in the client account.

The firm was dealing with the administration of an estate, with one of the partners as executor. The firm had done some work on the matter but had not finished paying the beneficiaries from the estate at the time of the intervention. There was not enough money in the firm's client account to give the beneficiaries what was owed to them, so we made a payment from the Compensation Fund to replace the money that the firm should have been holding.

As part of an agreed outcome, the Solicitors Disciplinary Tribunal ordered that two people working at the firm should be subject to practising conditions and pay fines of up to £30,000. The third partner was struck off.

The rising threat of dubious investment schemes



"We have issued a series of warnings to the profession and the public about investment schemes. We will take robust action where we find solicitors have indeed participated in schemes designed to defraud the public"

Paul Philip
CEO

CASE STUDY

Dubious investment schemes

› Investors lost over £14.7m

In May 2018, we reached an agreed outcome (see definition on page 79) with two partners of a firm who became involved with dubious investment schemes. One partner was fined £30,000 and another was suspended for three years. The two partners also had to contribute £135,000 towards our costs.

The firm acted in complex overseas property development schemes that were beyond its expertise, knowledge and experience. The firm invested client money into the property schemes, which went into administration shortly after. Investors lost more than £12.5m. The firm also acted in carbon credit transactions for clients (see more below).

The partners we took action against allowed their firm to become involved in dubious investment schemes, giving those schemes the appearance of being legitimate.

Fraudsters are always coming up with ways to win people's trust and take advantage of them. They often present investment opportunities offering excellent returns as a means to take people's money, for example, their pension pot.

They may try to use real law firms as middlemen to make dubious investment schemes seem trustworthy and safe.

Although the vast majority of solicitors act with honesty and integrity, a small number abuse their position of trust or take risks by assisting in schemes they do not understand. Some people have lost their life savings. In some of the cases we are dealing with, people tell us they have collectively lost more than £100m.

It can be difficult for people to replace what can be substantial losses. In many instances, the involvement of a law firm in a dubious investment scheme does not form part of the usual business of a firm or solicitor, so the firm's insurance and our Compensation Fund cannot assist with restoring the lost money.

Types of schemes

Some examples of dubious investment schemes are:



Leasing or purchasing a hotel room, car park spaces, storage unit, or similar and paying associated conveyancing costs. We see no obvious reason why someone who wants to invest in a hotel business should buy a room by way of expensive conveyancing, nor why such a scheme would provide high returns.



Landbanking. This is where people buy a small strip of land under the impression that it will rise hugely in value if planning permission is granted to develop it. In the cases we have seen, permission is not granted and was never likely to be.



Diamond, fine wine, graphene and rare earth metal trading. Products like diamonds and wine can be bought and sold but there is no special way to make a high return.



Carbon credit schemes. A carbon credit is a certificate or permit representing the right to emit one tonne of carbon dioxide. Carbon credits can be traded for money, however, many investors have reported they cannot sell or trade their carbon credits and so cannot make a profit. While not all carbon credit trading schemes are a scam, it is not a market that it is sensible or practical for individuals to try to invest in.

This is not an exhaustive list, and new types of dubious investment schemes are appearing all the time. Our warning notices provide further information.

Anti-money laundering

Money laundering is the term used to describe situations where the proceeds of crime are transformed into assets, such as houses or companies or seemingly legitimate funds – for example, money in a bank account.

In some cases, laundered money is used to fund terrorism.

Criminals make their money from serious crimes such as fraud, people or drug trafficking and insider trading. These activities can generate large amounts of cash. Money laundering makes these profits look like genuine sources of income, which criminals can then spend freely, without raising suspicion.



Why does it concern us?

Solicitors and law firms are attractive to criminals because they process large amounts of money, are trusted and can make the transfer of money appear legitimate. Most law firms work hard to spot money laundering and take necessary action, but some get involved unknowingly. A very few may even knowingly co-operate or work with criminals.

We take money laundering extremely seriously. We investigate concerns and take action where it is needed. And we raise awareness of the risks with law firms and highlight the threats of money laundering to us all.

Types of money laundering we see

One example we see in the legal sector is where criminals use the proceeds of crime to buy houses to live in or sell. Solicitors and law firms routinely undertake conveyancing. The volume of transactions and the high-risk nature of the work – involving vast amounts of money – means that care has to be taken to spot suspicious activity taking place.

Another example is in setting up shell companies or trusts. Criminals hide their money in these companies that appear legitimate.

Raising awareness

In March 2018 we published our risk assessment of the sector. Firms can use the risk assessment, along with the government's national risk assessment of money laundering and terrorist financing which covers legal services, and their own knowledge of their services and clients, to evaluate whether their business may be attractive to money launderers. We refresh the risk assessment to keep it up to date with emerging risks and trends.

During the same period, we issued a warning notice to highlight to law firms and solicitors the potential signs of money laundering or criminal activity. Such signs include secretive, high-value cash transactions and clients who act through third parties. Firms should report suspicions of money laundering to the National Crime Agency and any breaches of the money laundering regulations to us.

We issued another warning notice in August 2018 to remind law firms that they should not be using their client account as a banking facility. This is not allowed under our rules – law firms should only have money in their client account that relates to an underlying transaction or a service forming part of their normal regulated activities. Using the client account as a banking facility can assist money laundering, among other risks.

New rules and regulations

In the past year, we have been implementing new rules as set out in the Fourth Money Laundering Directive. The directive is aimed at combatting money laundering and terrorist financing by strengthening the EU's defences. In the UK, this was brought into legislation by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

As part of the new regulations, we have collected more information about the firms, solicitors and other individuals we regulate. We now know that around seven out of 10 firms offer services that fall under the legislation, such as property and estate agent services and involvement in trusts and company services. People who have significant control over how a firm is run (for example, managers and beneficial owners of firms) must seek approval from us to hold such positions within a firm offering services that fall within scope of the regulations.

Using the information we gather and the risk factors, including the services firms offer and how they deliver them, we are able to target our work to prevent money laundering. We are also able to consider how likely a firm is to be used for money laundering and we use this information to help to prevent and detect money laundering.

Preventing money laundering

We visited 50 firms to better understand what systems and processes they have in place to reduce the risk of money laundering as part of a thematic review published in March 2018.

We found that the majority of firms had taken appropriate steps to prevent money laundering. We also found that firms were going beyond the minimum requirements in some areas, such as training and compliance, and were generally carrying out proper client due diligence. However, we also noted that some firms had not made progress with putting a firm-wide risk assessment in place. A small number had a significant amount of work to do in both processes and practice. Where necessary, we referred these firms for disciplinary action.

We know that creating and managing trusts and companies is a high-risk area. In 2018, we began additional research to learn more about how law firms were applying the new rules. We carried out manager and fee earner interviews and file reviews. We will use the information generated to improve our understanding of risk in the sector, to highlight good practice and to raise concerns across the sector as a whole.



“The credibility of law firms make them an obvious target for criminals. We want to support firms to do all they can to keep themselves and the public safe. We know that the overwhelming majority of solicitors want to do the right thing. Yet that alone is not enough. Weak processes or undertrained staff can leave the door open for criminals”

PAUL HASTINGS, HEAD OF THEMATIC TEAM

What does good practice look like?

- ✓ Making sure that client funds come from a legitimate source
- ✓ Carrying out due diligence on clients and other parties to a transaction
- ✓ Training staff properly
- ✓ Being aware of risks and having policies, procedures and processes in place to mitigate risk
- ✓ Keeping records

Visits from FATF and OPBAS

In 2018, the UK was visited by the Financial Action Task Force (FATF) as part of its evaluation of how well the UK was doing in preventing money laundering and terrorist financing. We gave evidence to FATF, a global organisation that sets the international standards on effective ways to combat money laundering, on the work we do.

As its visit was part of a wider assessment of the UK's approach to preventing money laundering, FATF did not provide feedback direct to us but its overall report, published in December 2018, was positive about the steps the UK and the legal sector are taking.

We also had our first visit by our new oversight supervisor for money laundering, the Office for Professional Body Anti-Money Laundering Supervision (OPBAS). OPBAS is a new, UK-based organisation, set up to oversee the anti-money laundering work of 22 professional bodies, including us. It reviews the quality of the work we and other organisations carry out. Its aim is to make sure the standards across all organisations are consistent.

OPBAS carried out an extensive assessment of our work in June 2018. It reviewed more than 1,000 pages of documents and recorded more than 32 hours of interviews. We are working with OPBAS to make sure we are doing everything we can to combat money laundering.

CASE STUDY

Solicitor enabling money laundering

Last year, a solicitor was struck off and lost their practising certificate after they were convicted for money laundering offences. The solicitor had already been sentenced to nine months in prison.

The solicitor carried out conveyancing work. When managing transactions, they did not make appropriate checks on their clients. They failed to obtain adequate evidence of proof of their clients' identities or any proof of identity in some instances. There were no instructions from, and no evidence of correspondence with, the people who were supposedly buying the property. This should have been cause for concern, and the solicitor should have made a suspicious activity report but did not. In total, the solicitor helped to launder £400,000 for their client.

The solicitor also used the firm's client account as a banking facility and made a personal, unsecured loan of £60,000 to a client.

As well as being struck off, the former solicitor had to pay £6,000 towards our costs.

FAST FACTS

Anti-money laundering

£24bn

is laundered every year in the UK

50

firms visited when carrying out thematic research

67%

of firms fall within scope of the new money laundering rules

£€\$¥

Solicitors and law firms are attractive to criminals as they process large amounts of money and can make transactions look legitimate

235

The number of reports we received concerning anti-money laundering in 2017/18



Looking ahead 2018/19

2018/19 marks the second year of our Corporate Strategy 2017–2020. It focuses on high standards for solicitors and promoting choice in the market for the public. This chapter is a summarised version of our Business Plan 2018/19, which you can find on our website.

Objective one

We will set and apply consistently high professional standards for the individuals and firms we regulate and make sure they are appropriate to meet the challenges of today and the future.

Criminal advocacy

We will continue to keep the quality of advocacy and criminal practice under review to make sure that the public, from every community, can have confidence in these services. As part of this, we will consider whether we need to do more to quality assure criminal advocacy.

We also want to do more to help vulnerable young people in the criminal justice system find the help they need. We will do this by working with charities, the police, and young people to promote our new easy-access information for people to use when they get into difficulty.

Evidence-based policy making

To understand the difference our changing approach to regulation is making, we plan to publish a number of research and analysis reports throughout the year. This will include work to understand any Equality, Diversity and Inclusion (EDI) implications for both the public and the profession.

We will also deliver a programme of thematic projects that address topical risks such as anti-money laundering, so that we can widely share insight into what is happening. We will continue to look at what issues there are in the legal sector and publish our Risk Outlook and supporting materials.

Equality, Diversity and Inclusion

2018/19 will see us build on our progress to date in making sure that EDI is at the heart of our operational, policy and outreach work. We will monitor the potential EDI implications and impacts of our regulatory reform work and the new SQE. We will promote diversity in the profession by working with key groups in the sector. We will also participate in Pride parades in London, Birmingham and Cardiff, sharing best practice and guidance with the profession, such as our wellbeing project, and online campaigns.

We will also review and update our firm diversity data collection questionnaire ahead of the next collection of the information in 2019, which we will then share with the profession.

Looking to the Future

As part of our Looking to the Future programme, our new SRA Standards and Regulations will come into force in 2019. These replace our current Handbook, cutting out unnecessary, burdensome regulation and focus on high professional standards. We will also publish supporting information to make sure that people using legal services know what to expect from solicitors and what our standards mean.

Our new rules will allow solicitors to work as freelancers – in the same way as many professionals can – and offer a range of legal services while working in businesses that neither we nor other legal regulators regulate. This will allow more people to access the high-quality expertise of a solicitor without the additional cost of regulation that is usually passed onto the consumer.

Solicitors Qualifying Examination

We will continue to work closely with everyone involved in training the profession of the future, including academics, providers and solicitors from every part of the profession, as we develop the Solicitors Qualifying Examination (SQE) for introduction in autumn 2021.

To support its introduction, we will also continue to manage the quality assurance system for the qualifications we regulate and put in place arrangements for the transition to the SQE. This will give providers and aspiring solicitors confidence in what will be a robust assessment. We will promote our Career in Law Facebook initiative, designed to help young people from every background who are considering going into law choose the best route for their needs.



Objective two

We will make sure our regulatory requirements are proportionate, providing solicitors and firms with the flexibility to innovate and better meet the needs of members of the public and businesses, while maintaining appropriate levels of public protection.

Disciplinary work

Ensuring public protection means taking action when things go wrong. We are keeping our disciplinary processes under review so that everyone, from every community, has confidence in our work to set and enforce standards. We will also publish more data about our disciplinary work, adding to the information in our Annual Review and other publications.

Protecting people who buy legal services

Last year we consulted on changes to key protections for people who use legal services (professional indemnity insurance and the Compensation Fund). We want to make sure they are fit for purpose. This means they should offer appropriate protection for those most in need when things go wrong, without placing a high cost burden on firms, which, in turn, increases cost for consumers. We will review all the responses and will decide on our next steps.

Responding to risks

As part of keeping everyone up to date on how to maintain the standards we expect, we will continue to publish topical warning notices and information on risks in the legal sector.

SRA Innovate

We will continue to promote the use of our dedicated web service, SRA Innovate, and to publish information about the waivers (exemptions to our rules) we grant to help firms explore what might be possible. We want to free up law firms to try new ways of doing business, offering services that will help people at a cost they can afford. We will make sure that we encourage positive innovation, while managing any risks.

We welcome the government's new Regulators' Pioneer Fund, set up to help make sure regulators keep pace with technological advancements. We made a successful bid for funding in partnership with Nesta, an independent foundation set up to promote and support innovation. We secured nearly £700,000 to support innovations that use artificial intelligence to transform the legal services market for small businesses and consumers. We will work with Nesta in the coming year as we develop a challenge prize, where participants can submit their innovative ideas to try to secure funding towards making them a reality.

Objective three

We will increase the availability of relevant and timely information to help people make informed choices in the legal services market.

Transparency and more choice for the public

Our new SRA Transparency Rules went live in December 2018 following approval by the Legal Services Board. Under these rules, the firms we regulate will need to publish a range of information, including on price, if they offer services in specified legal areas. This additional information should help the public and businesses to choose a service that suits them, as well as making legal services more open and understandable.

Our focus will be to support firms as they publish this wider information about what they do and what their services cost. We will monitor the transparency rules and will be looking towards an initial evaluation in around 12 months' time. We want to see if, as expected, these changes make it easier for consumers to compare legal services providers and choose one that best meets their needs.

Digital badge

Our new digital badge went live in December 2018. It lets people know about the protections that come with using a regulated firm. The badge is embedded into firms' websites and is available in Welsh. We will promote the availability of this important consumer information to the public, businesses and consumer groups. We will evaluate it as part of our transparency rules review in 12 months'

time. It will become mandatory, alongside our new Standards and Regulations

Legal Choices

We will continue to develop Legal Choices, the public-facing website and social media presence that we manage on behalf of the eight legal regulators. After several years establishing Legal Choices, we have embarked on an ambitious plan to launch new interactive products, designed with the public, to help people identify whether they have a legal need and to navigate the legal landscape to find the right service for them.

Using social media and working with partners and our new Legal Choices Advisory Panel, made up of consumer and expert groups, we will promote the enhanced website more widely.

Digital register

As part of our work to improve the information available to the users of legal services, we are working to introduce a new digital register. It is a key part of our Modernising IT programme. We will work closely with the public to make sure the register is user friendly and accessible. It will help people to confirm the status of a solicitor or firm they are considering using and increase confidence in the profession.



Objective four

We will make sure that our regulatory arrangements work as effectively as possible for the public, businesses, solicitors and firms in the context of constitutional developments within the UK and any new relationship with the EU.

Fee cap arrangements

In response to government changes, we will develop, subject to approval, regulatory arrangements to implement the new fee cap on solicitors and authorised firms that carry out claims management activities relating to financial products and services. This is so that people who want to make claims about, for example, mis-sold financial services, get both a good service and proper redress.

International Conference of Legal Regulators

The work of the International Conference of Legal Regulators (ICLR) helps to establish a shared understanding of what matters in regulation and encourages collaboration. We run the ICLR.net website and will continue to grow its membership this year as well as delivering a monthly ebulletin, drawing together good practice and information from around the world.

EU Exit

We are monitoring how the UK's exit from the EU will change the way solicitors and law firms work. Our priority is to make sure that the public can be confident that high standards are maintained in the changing landscape.

Money laundering

We will address money laundering robustly by supervising law firms closely, as well as helping firms and solicitors to meet their obligations to prevent money laundering and terrorist financing. We will do this by building on our current knowledge of firms' procedures and processes, publishing reviews, providing guidance, carrying out a risk assessment of firms and taking firm action if they fall short of the standards we set.

Wales

We will continue to work with the Welsh government and others to make sure that our regulation meets the needs of people in Wales. As part of the development of the SQE, and our work to meet the needs of Welsh speakers, we will explore the provision of the SQE in Welsh.

“Our aim is to help the people we regulate understand how the government’s plans for the UK’s exit from the EU might impact on the regulation of EU lawyers practising in England and Wales”

Colette Best
DIRECTOR OF ANTI-MONEY LAUNDERING



Objective five

We will work better together, and with others, to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions.

Annual reporting

As we have done for the last three years, we will report on our work through an engaging Annual Review. This will make sure the work we do as an organisation, and our performance against our plans and objectives, is transparent. We will use plain English and publish Welsh and easy-read versions to make the review as accessible as possible for both the profession and the public. Our corporate reporting will also include the Law Society Group Annual Report and Financial Statements and a new annual report on our disciplinary work.

Developing our workforce

We are committed to developing our pay, recognition, reward, and training strategies to acknowledge and develop the right behaviours in our staff. We will also continue to promote our values that underpin the delivery of high-quality services to our customers.

Face-to-face and online engagement

Our continued programme of accessible corporate events will help us to engage with as many people, and as many views, as possible. This will help us to shape what we do and support everyone we work with. These events include our annual Compliance Conference, an SQE annual conference and a series of workshops and seminars. We also have a strong presence at LegalEx, the Citizens Advice Service and Advice UK annual conferences, fringes on topical issues at party political conferences and a series of SRA Innovate events.

Over the last few years we have significantly increased our online presence. We will build on this across all our social media platforms, making sure people can talk to us and find information in the way that suits them best.

Inclusive working

As part of mainstreaming our EDI work internally, we will further embed our values in a new staff code and support a workplace where everyone is welcome. EDI is at the heart of what we do and allows us to work collaboratively and properly communicate with each other. We will continue to develop and deliver high-quality staff communications through a range of channels and maximise the benefits of our new IT to support this work. We remain focused on developing and expanding our staff support networks and building our allies group to work across all networks.

We will also continue our work with the many diverse groups in the profession representing women, disabled lawyers, LGBTQ+ groups, faith and black, Asian and minority ethnic-based groups. We will encourage social mobility in the profession and support initiatives to nurture both entry to, and progression within, the profession, so the public can see their communities reflected in the legal sector.

Information security and corporate social responsibility

We continue to review, improve and mature our organisational information security and environmental activities. We are working to implement an ISO 27001-aligned Information Security Management System, improve our records management and continue the development of our data protection activities. We will review our environmental management processes and procedures to support the reaccreditation of the organisation with ISO 14001.

Modernising IT

We are continuing to drive forward the delivery of our change and improvement programme, in particular our Modernising IT work. Using industry-standard programme and project management techniques, we are:

- improving our core technology
- supporting our wider regulatory objectives
- making sure we provide high-quality service for all our customers
- working with our customers to get our design right.

Public engagement charter

Having held workshops on our draft public engagement charter in 2018, we will publish it in 2019. It will set out what people can expect from us and how we will involve people in developing what we do.

Improving how we work

Modernising IT

Under our Modernising IT programme, we are investing in all our IT systems to make sure they are up to date, customer-centric and user-friendly, and that they offer the best service possible. To do this, we have and will continue to engage extensively with members of the public, the profession, advocacy groups and our own staff to understand what kind of IT service they need from us.

We will continue to make reasonable adjustments for any customers who find any of our systems difficult to use.

Getting IT right

To make sure our new systems will be right for everyone, we have talked to firms of all sizes, running focus groups, presenting on the new systems and interviewing solicitors to find out what they think and need. ▾



1,000+ legal professionals
regularly involved in polls and surveys

“Thank you for our early involvement”



70 firms
have taken part in user research

“We like the flexibility the new approach brings”



96 testers
from the profession recruited

“It’s quite exciting and will save us a lot of time”

We continue to invest in our new IT programme, where over three years we have a budgeted spend of £34.5m.



What’s next?

Having introduced our new digital workplace, so that staff have access to up to date software, a new intranet and recognition portal, we will start to introduce our new systems to the profession and the public once we are confident that they will work well. We are committed to making sure we respond to user feedback, so that our new systems can better meet the needs of our users – both the public and profession. Our priority is getting it right for the people who matter. We have more to do and have committed both time and budget to ensuring that we deliver the programme effectively.



Complaints about our service

Customer care standards

Training programmes delivered in 2017/18 to raise the profile of good customer care have had a positive impact on our work. But, we know there is more we can do to improve the way we explain our decisions, make it clearer when we will and will not take action and keep in touch with solicitors during our investigations.

From spring 2019, we will further develop our customer care standards in line with our values and work to embed them across all teams. We will also continue to improve the tone of our correspondence and other written work. Our tone of voice initiative, Writing the SRA Way, plays a key role in this – making sure all our customers receive clear information, delivered in a professional and understanding way.

Working with the Legal Ombudsman

We continue to work with the Legal Ombudsman (LeO) and refer complaints we receive about a solicitor's general service to it. LeO also receives reports that it cannot consider because they relate to a solicitor's professional conduct – it then reports these to us. We will continue to work with LeO in these matters.

Over the past year, we have also worked with LeO to produce a leaflet that tells consumers which organisation is best placed to deal with their complaints or concerns about solicitors. It is available in local Citizens Advice centres, Age UK services and other charities. The leaflet is available in Welsh and English and we receive requests for it from members of the public. We will continue to improve the information we provide about who we are and what we do, so that people know which organisation to approach when they have a problem with a solicitor or firm.

Calls to our Contact Centre

We are committed to giving everyone a high standard of service, treating people fairly and acting transparently. We recognise that we sometimes make mistakes and we look to resolve any problems with our service quickly.

Corporate complaints are about our service and may be about issues such as how long we are taking to deal with a case, not explaining things clearly, or not considering all the relevant information.

It is important that we put things right when we have got things wrong and we must learn from our customers' feedback. You can read more about the key areas we have been developing on these pages.

Over the past two years, we have been putting in place a new customer service strategy, focused on our customers' experience, high standards of quality and getting things right first time. As a result, we have seen our average call lengths increase as we deliver a more comprehensive, informative and customer-centric service. The number of repeat calls we receive has reduced and the number of complaints about calls to our Contact Centre has fallen.

During October, the month when we renew the practising certificates of more than 140,000 solicitors, our Contact Centre received nearly 30,000 calls but had almost no complaints. This reflects the much-improved service callers receive and better information on our website.

In 2018, our Head of Contact Centre and Business Support Sarah Wilson won Business Improvement Manager of the Year at the 2018 UK National Contact Centre Awards for transforming how the team works and the service it delivers.

“Throughout the three years we have been carrying out these audits, we have witnessed a consistently high standard of complaint handling in the vast majority of the complaints we have reviewed. It is pleasing that, in most areas, we have seen an improvement throughout the time we have worked with the SRA... in particular we scored the SRA highly in terms of complaint handlers' understanding of complaints, the tone of its correspondence, the fairness of its decisions and the way in which it responded to requests for reasonable adjustments.”

Find out more about our work

Anti-money laundering

www.sra.org.uk/antimoneylaundering

Check a solicitor's record

www.sra.org.uk/consumers/solicitor-check.page

COLP and COFA conference 2018

www.sra.org.uk/solicitors/resources/colp-cofa/resources/colp-cofa-conference-2018.page

Compensation Fund

www.sra.org.uk/consumers/problems/solicitor-owes-money.page

Continuing competence

www.sra.org.uk/solicitors/cpd-accreditation.page

Consultations

www.sra.org.uk/sra/consultations.page

Corporate Complaints

www.sra.org.uk/sra/complaints-service.page

Criminal advocacy

www.sra.org.uk/sra/how-we-work/reports/criminal-advocacy.page

Education and Training: Authorisation and monitoring activity report

www.sra.org.uk/sra/how-we-work/reports/authorisation-monitoring-activity-2016-17.page

Enforcement Strategy

www.sra.org.uk/sra/strategy/sub-strategies/sra-enforcement-strategy.page

Equality and Diversity

www.sra.org.uk/sra/equality-diversity.page

Equivalent means

www.sra.org.uk/students/resources/equivalent-means-information-pack.page

EU Exit

www.sra.org.uk/home/hot-topics/Brexit.page

International Conference of Legal Regulators

iclr.net

Law firm diversity

www.sra.org.uk/solicitors/diversity-toolkit/diversity-toolkit.page

Law Firm Search

www.sra.org.uk/consumers/using-solicitor/law-firm-search.page

Legal Choices

www.legalchoices.org.uk

Looking to the Future

www.sra.org.uk/sra/policy/future/looking-future.page

Research and reports

www.sra.org.uk/sra/how-we-work/reports.page

Risk Outlook

www.sra.org.uk/risk/risk-outlook.page

Risk publications

www.sra.org.uk/risk/risk-resources.page

Scam alert search

www.sra.org.uk/alerts

Small firms

www.sra.org.uk/solicitors/small-firms.page

Solicitors Qualifying Examination

www.sra.org.uk/sqe

SRA Innovate

www.sra.org.uk/solicitors/innovate/sra-innovate.page

Trailblazer solicitor apprenticeship

www.sra.org.uk/students/resources/solicitor-apprenticeship-qa.page

Upcoming events

www.sra.org.uk/sra/news/events.page

Virtual reference groups

www.sra.org.uk/sra/virtual-reference-groups.page

Warning notices

www.sra.org.uk/solicitors/code-of-conduct/guidance/warning-notices.page

Youth court advocacy

www.sra.org.uk/solicitors/cpd/youth-court-advocacy.page





Solicitors
Regulation
Authority



Get in touch



Telephone:
0370 606 2555

International:
+44 (0) 121 329 6800

Call our Professional Ethics helpline:
0370 606 2577

Contact Centre opening times:

Monday	08:00—18:00
Tuesday	09:30—18:00
Wednesday	08:00—18:00
Thursday	08:00—18:00
Friday	08:00—18:00



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