

Is your legal firm in financial difficulty?

Law firms are just like any other business and can suffer during downturns in economic conditions.

You may have heard that the firm you are using for legal services is in financial difficulties. If that is the case, the first thing you should do is to contact your firm and ask it to clarify its position and address any concerns you may have.

If your firm is in a difficult financial position and cannot carry on without outside help, it may pursue a number of options, such as merge with another firm, seek a buyer for its business or enter into administration. Whatever action it chooses, the firm will write to you to let you know what it is doing and what will happen with your matter.

If the firm holds money or files on your behalf, it will inform you of how it will be handling the transfer of these, for example how it will maintain confidentiality on any sensitive matters it is conducting for you.

What if I want to change my solicitor?

You have the right to change your solicitor if you want to. Your solicitor may keep your file of papers or other items until you have paid the bill for any work they have already completed for you. If you decide part way through your case that you want to change solicitor, they do not have to give you your files until they have been paid.

What if a suitable solution to these financial difficulties cannot be found?

We work closely with firms that are in financial difficulties to provide support and advice and, more importantly, to ensure their financial concerns do not pose a risk to the public. If there is no way forward, however, then the firm may need to close.

There is detailed guidance about how firms should close their practice to ensure that all relevant matters such as returning your files, storing them if you cannot be contacted or redistributing monies held on your behalf, are carried out correctly.

If your firm has to close down, you can see what actions it has to take to protect your interests (please see Closing down your practice [<https://www.sra.org.uk/solicitors/guidance/closing-down-your-practice/>] , in the area of our website for solicitors).

However, if we believe that such a firm cannot find a solution and there is a risk to consumer interests, then we will take action by closing the firm down. This is called an "intervention", and when financial difficulties are involved is only something we do when all other options have been exhausted.

We then control the firm's documents and accounts. If your firm has been closed down by us, you can find out more about claiming back anything that belonged to you here: A solicitor has closed down

[<https://www.sra.org.uk/consumers/problems/solicitor-closed-down/>] .