

# SRA BOARD

7 July 2025

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*This paper will be published*

## Chief Executive's Report

### Purpose

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

### Recommendations

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

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

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**CLASSIFICATION – PUBLIC****Chief Executive's Report****Update against priorities / key developments*****High profile cases***

- 3 In relation to bulk claim cases, we have 80 plus live investigations across 74 firms with potentially 200,000 plus claims between them, most commonly relating to financial products, housing disrepair and cavity wall insulation.
- 4 In respect of the specific bulk claim case of SSB, we have completed our primary investigations and have moved to the next stage in respect of six matters. This is in relation to former clients unexpectedly being pursued to pay adverse legal costs in relation to discontinued cavity wall insulation litigation claims.
- 5 On 17 June 2025, the Chair attended a roundtable briefing with the Ministry of Justice and other key stakeholders to discuss the issue of bulk claims with a view to identifying potential measures that could be taken to protect consumers against harmful practices in this area. The Civil Justice Council (CJC) Working Group, which we are represented on, published a report in June 2025 recommending tightening regulation in this area particularly around litigation and portfolio funding.
- 6 As the Board is aware, earlier in the year, we [published](#) a statement on our work to deal with outstanding issues related to work and clients of the former firm WW&J McClure. McClures specialised in estate planning, wills and trusts work, including Family Protection Trusts (FPT) and property conveyancing with a strong presence in Scotland as a dual regulated entity. McClures went into administration in April 2021, and its caseload was taken over by the firm Jones Whyte. Clients and their families have raised a number of concerns about both firms.
- 7 A Compliance Plan was agreed with Jones Whyte to complete a review of the FPT files and return residual client balances. This was completed ahead of the required timescales.
- 8 We continue to work with the firm to put in place requirements to contact former McClure clients, specifically testators of wills, to inform them of the availability of their will and return it within four weeks of any request without charge if requested. We are closely monitoring progress.
- 9 We updated our statement on our investigation on the Post Office Horizon IT scandal in [February](#). We have more than 20 live investigations into solicitors and law firms who were working on behalf of the Post Office/Royal Mail Group. We await the Post Office Inquiry report but continue to progress our investigations.

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- 10 We brought two cases to the Solicitors Disciplinary Tribunal following an investigation into solicitors providing immigration advice and services carried out by Daily Mail journalists. The Daily Mail journalists posed as potential clients wanting assistance and meetings with solicitors were covertly recorded. The case of SRA v Khan concluded in February 2025 with no allegations found proven. The case of SRA v Hayat concluded in on 29 May 2025 with no allegations found proven. There is a further case listed, that of SRA v Ahmad which is listed to be heard in January 2026.

***Increase in reports about solicitors***

- 11 The number of reports received per month about potential misconduct initially increased in September 2024, as previously reported to the Board, and have continued at a high rate during 2025.
- 12 In April 2025, we explained that the average number of days to complete initial assessments of reports received on solicitors had increased from 39 days at the end of the October to 44 days in February 2025. That was due to the significant increased number of reports received.
- 13 In 2023/24, we received an average of 1,024 reports per month, an increase from 948 per month on average in 2022/23 and 870 in 2021/22. That represents an 18% increase over three years. In 2024/25, we have received an average of 1,231 reports per month, an increase of 20% on the previous year. Our Research and Analysis team has tried to ascertain any reasons for the increase. However, as yet, it is not possible to find a clear reason for the increase.
- 14 As a result of this increase, we have introduced several process efficiencies which have improved our closure rate. In 2023/24, 988 cases on average were closed a month. In 2024/25, we are closing on average 1,127 a month, an 18% increase. However, receipts are continuing to exceed closures rates, which is creating associated operational pressures with increased volumes and capacity challenges. In May 2025, the average number of days to complete the initial assessment was 45 days. This is at risk of increasing due to the volumes of reports.
- 15 We are working hard to identify further process improvements as well as recruit additional resource to help address these challenges. We are also considering the options for more transformational measures in the medium and long term, including utilising technology to improve our ways of working. We will keep the Board updated as this work progresses.

***Keeping of the roll***

- 16 The annual window for making an application to remain on the roll of solicitors ran as planned between 3 April – 28 May 2025. Now in its third year since

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reintroduction in 2023, the exercise helps to ensure that information we hold about individuals remains accurate and up to date, in line with GDPR.

- 17 This year, 30,700 of 35,846 individuals on the roll who do not hold a practising certificate applied during the window.
- 18 The exercise ran very smoothly again, and we saw a positive shift in the customer effort score, which improved from 3.1 in 2024, to 2.9 in 2025 (out of 10, a lower score indicating that users found the process easier).
- 19 We are now approaching the end of the period during which individuals have been notified that they will be removed from the roll if an application is not completed.

***Higher Rights of Audience Qualification***

- 20 We continue to move towards a single assessment provider for the criminal and civil Higher Rights of Audience qualification. Following our recent consultation, we are applying to the Legal Services Board (LSB) for approval of changes to our rules to reflect this move. The University of Law, which we have selected as the provider following open competition, is scheduled to begin assessments in October 2025.

***Solicitors Qualifying Examination (SQE) Access and Reinvestment Fund***

- 21 The applications received from organisations seeking a share of the SQE Access and Reinvestment Fund have been considered by the selection panel. The Fund was established when we contracted with Kaplan to deliver the SQE. Financial penalties incurred by Kaplan have been paid into the fund when it failed to deliver agreed targets. There is c.£360,000 in the fund. We will shortly publish a list of the successful organisations on our website. The successful organisations will use their allocation to cover SQE entry fees for candidates selected for support under each of their schemes.

***Anti-Money Laundering (AML) update***

- 22 Our AML data gathering exercise is launching this month. This exercise collects information from the whole profession about AML, sanctions and Suspicious Activity Reports. We use the information to improve our understanding of risk and to decide on allocation of resourcing. The data is used to refresh the risk model used to identify the firms we inspect as part of our AML supervisory responsibilities. Regular up to date data inevitably improves accuracy metrics for the model, but the shift to a more regular collection of this data is reflective of feedback from the profession who told us it was easier to plan for if they knew when the requests were like to come in.

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- 23 In early May 2025, we had a full inspection from the Office for Professional Body Anti-Money Laundering Supervision (OPBAS). OPBAS employees inspected paperwork sent to them before the inspection itself and had a series of interviews with staff at several levels across our AML Directorate, the Intelligence Unit and the Money Laundering Reporting Officer. We await the results of the inspection, which are expected towards the end of July.
- 24 One of OPBAS' objectives is to improve the quality of Suspicious Activity Reports (SARs). A SAR is a piece of information which alerts law enforcement of suspicious activity that might indicate money laundering or terrorist financing. OPBAS reviewed a sample of our SARs on 14 February 2025 and discussed the results with us in May.
- 25 We have not heard any further news on the two HM Treasury consultations on the 'Future of AML Supervision' and 'Improving the Effectiveness of the Money Laundering Regulations'.

***Failure to prevent fraud offence***

- 26 The UK has introduced a new corporate criminal offence of 'failure to prevent fraud', which will come into force on 1 September 2025. This new offence is part of the Economic Crime and Corporate Transparency Act 2023 (ECCTA).
- 27 In preparation for this new offence, we are engaging with solicitors to understand the scale of those impacted. The parameters of firms affected by the new offence are narrowly defined, through a combination of firm turnover, employee numbers and asset size.
- 28 We have a number of internal controls to mitigate the general wider risk of the SRA experiencing a loss or other damage from fraud. This issue was touched upon at the last Audit and Risk Committee (ARC) meeting and we intend to report further to ARC on the controls in place and our level of comfort that these will be effective. The new failure to prevent fraud offence is focused on where an organisation could be a beneficiary of a fraud committed by an individual, in particular employees. The SRA is a large company within the scope of ECCTA and so we are conducting a risk assessment to consider the specific fraud risks where we might benefit from a fraud. It is possible that this may lead to a need to update some policies and controls. Where this is the case, we will do so by 1 September 2025.

***Firm diversity***

- 29 We reviewed the questions we use for monitoring diversity in the profession ahead of this year's firm diversity data collection exercise. We updated the question about sex to align with the Supreme Court decision on this topic earlier in the year. We have launched our biennial collection of diversity data from law firms, which is progressing well.

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- 30 We are continuing with our work to encourage diversity in the profession, attending Pride in Birmingham and Cardiff with various partners from the profession and promoting updated resources to support LGBTQ+ inclusion. We have also [published](#) further information and resources for law firms about the use of assistive technology in the legal workplace following the discussions we had at the latest meeting of our Assistive Tech Forum.

***First tier complaints***

- 31 On 30 May 2025, we launched our consultation proposing to change our requirements on first-tier complaints. This followed an evidence-gathering stage where we surveyed 750 firms and visited 25 via a thematic review, which found variation in how firms identify, define and handle complaints.
- 32 During the consultation period, we are undertaking engagement with consumers, consumer groups and our regulated community. To date, this has included two face to face focus groups with individual consumers in Leeds and Birmingham. We have met with LSB colleagues to discuss both our approach and the practicalities of the application we anticipate making for approval of changes to our regulatory arrangements, subject to the outcome of our consultation exercise. We have also written to the LSB in response to their request for an update on our work on first-tier complaints.

***Research and Insights – Technology and Analysis / Innovation***

- 33 We have [published](#) research into how small firms and sole practitioners use technology, their views on innovation and the support that they would most value when adopting technology and promoting innovation. Supporting small firms to adopt technology is an important part of delivering our strategic priority to support innovation and technology that improves the delivery of, and access to, legal services. The research has provided useful insights into the experience of small sized firms in adopting technology and innovating and it will inform our innovation policy work going forward

***Short-term risks***

- 34 At the Board meeting on 30 June 2025, the Board briefly discussed a number of short-term risks which the organisation is currently dealing with and there will be an opportunity for further discussion under this item.

***Stakeholder engagement***

- 35 We have responded to the LSB's consultation on its policy statement on professional ethics.
- 36 Our proactive media work on our approval of the first ever AI-driven law firm attracted significant media attention. With 58 pieces of coverage, our work was

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covered in the Financial Times and The Times, with follow up pieces on Radio 4's Today programme and the Law show.

- 37 We ran our first of two SRA Innovate events, with almost 100 attendees for our event in Leeds. Providing practical innovation tips alongside wider insights on technology and innovation in the legal sector, 100% of attendees said they would attend a similar event in the future. Our latest edition of Lawtech Insight newsletter – which aims to provide similar insights – was [published](#) in June.
- 38 After the Innovate event in Leeds, we also ran a 'Meet the Senior' team event with solicitors from the Leeds area, offering them the opportunity to discuss issues with member of our senior team and members of the Board.
- 39 We have provided an update to Welsh Government on our Legal Services Mapping Tool and discussed how it might be able to make use of this. We attended the Welsh legal regulators forum and presented on our Regulators Pioneer Fund project exploring how online dispute resolution tools could support people to access justice and resolve legal problems, specifically focusing on our engagement in Wales and collaborative work with Welsh stakeholders (including Bangor University) to deliver this. We also attended the inaugural Legal News Wales awards, sponsoring the Equality, Diversity and Inclusion category.