

SRA BOARD
30 June 2026

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Summary of consultation feedback on draft Business Plan and funding requirement for 2026-27

1. The consultation on our draft Business Plan and funding requirement 2026-27 ran between 8 May and 22 June 2026. We sought feedback about our proposed programme of changes to improve how we regulate solicitors and law firms, together with the funding requirements (including required practising certificate and firm fees, income and expenditure, and Compensation Fund contribution) and regulatory and equality impact assessment (REIA).
2. In September, the Board will consider a complete report and analysis on the consultation responses received, together with our response to that feedback. Following the Board's review, that analysis will be published alongside the final version of our Business Plan and funding requirement for 2026-27.
3. This paper is an initial overview of responses and feedback received to support the accompanying Board paper which sets out details of any changes that are being proposed at this time from that feedback.
4. The key themes we heard from the feedback we received can be summarised as follows:
 - A clear message from the public of the importance of the SRA in protecting client money, maintaining standards, and building trust in the profession. Most saw our proposals as core regulatory functions. There was willingness to pay more where it improved protection, particularly for higher-risk services such as conveyancing. Others expressed concerns however that the fees would just be passed on to consumers through higher legal fees.
 - General support across all other stakeholders, both from the profession and others including consumer groups, for our proposals for a more proactive, risk-based, and proportionate approach to regulation, but with:
 - strong concern expressed about the potential impact of the increased level of fees overall – both on the practising certificate, firm and compensation fund fee. There was particular concern raised about what they saw would be a disproportionate impact on parts of the profession, and in particular sole practitioners and smaller firms, as well as the impact there might be for consumers in terms of access to justice, particularly for the most vulnerable
 - questions over whether we will deliver the changes we say we are setting out to make, and asking us to be more transparent on the changes we plan, progress on these, and their impacts, including for consumers
 - A clear view from all stakeholders of the importance of the Compensation Fund to protect consumers when things go wrong, but concern over the disproportionate effect of fee increases on small firms (and potentially

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consumers indirectly), and a widespread call for us to look again at finding a fairer way of applying the charge to solicitors and firms based on risk profile or size.

- On the question of apportionment of the Compensation Fund, there was strong feedback against the current flat rate fee. The preference heard from many stakeholders is to move Fund's fee structure to be based on turnover, risk profile, and/or ability to pay.
- There was limited feedback on the specific proposal to switch the balance so that individuals pay 70 per cent of the total Fund costs rather than 50 per cent at present. This was however supported by the Sole Practitioners Group and some of its members in their feedback as a step ahead of any wider review.

Consultation feedback received

5. We heard directly from individual members of the public through three focus groups (two in English language and one in Welsh).
6. We held five roundtable discussions with different stakeholder groups. This included consumer representative groups, local law societies, sole practitioners, small firms, and in-house/local authority solicitors. We also held several direct meetings with larger law firms, utilising existing engagement conducted through our Regulatory Management team.
7. We also received 72 formal written responses to the consultation. This is a much higher level of feedback engagement than for previous Business Plan years, with over six times as many formal responses received than the average of other recent years.
8. The formal responses include those received from:
 - The Law Society of England and Wales
 - Legal Services Consumer Panel (LSCP)
 - Legal Ombudsman
 - The City of London Law Society (CLLS)
 - Sole Practitioners Group
 - Four legal representative bodies (Association for Public Injury Lawyers; Criminal Law Solicitors Association; Forum for Insurance Lawyers; Mental Health Lawyers Association)
 - Ten individual local law societies (Bristol; Cardiff and District; Hampshire Incorporated; Devon and Somerset; Leicestershire/Northamptonshire; Liverpool; Manchester; Newcastle and North of England Law Society; Surrey; Warwickshire)
 - County Societies Group, a working group of local law societies including Cheshire & North Wales, Devon & Somerset, Kent, Newcastle and the North and Surrey
 - Four large City firms

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- 17 other responses on behalf of firms (largely a mix of smaller firms and sole practitioners)
- 26 individual practising solicitors (including two in-house solicitors working for local authorities and a number of sole practitioners).

Other outreach and stakeholder communications

9. We also communicated directly with well over 200,000 members of the profession, public and other stakeholders, who heard directly from us about our plans. This included:
 - Promoted the consultation in two editions of the SRA Update newsletter that went to 211,377 people in May and 211,930 people in June. This generated 8,930 unique clicks on stories relating to the consultation
 - a live webinar with the Chief Executive and members of the Executive, which has been seen 300 times on YouTube
 - posted 31 times across LinkedIn, Facebook, and X, with different posts targeting the profession, the public and key stakeholders. These posts appeared on social media feeds 1,689,123 times
 - around 6,989 direct pieces of engagement with our social media posts, which includes likes, comments, clicks, poll responses and shares.

Views on our Business Plan priorities

10. A full summary of feedback from stakeholders on the priorities as set out will be prepared to share with Board in September ahead of planned publication alongside our final Business Plan and Budget 2026/27 in October.
11. There are a number of points and issues that have been raised which it is useful to highlight at this time, as they relate directly into our proposals for expenditure in 2026/27.

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Feedback from the public

12. Public feedback shows general support for the proposals, particularly where they relate to consumer protection and risk management and agreed that operational excellence is essential for maintaining standards and public confidence. Participants in our focus groups consistently emphasised the importance of protecting client money, maintaining standards, and building trust, while raising questions about implementation, detail, and the impact of fee increases.
13. However, the overall view we heard back was that this was seen as baseline expectation, with many viewing our proposals as core regulatory functions rather than new or transformative measures.
14. The public was also generally supportive of the SRA being proactive in identifying and mitigating risks before harm occurs and focusing on big issues like HVCC. A number of those we spoke to said that doing so would increase trust and confidence in solicitors and the wider system. There was some concern expressed however about how the SRA would implement this in practice.
15. There were mixed views from the public on fee increases: The expected cost increases appeared to be reasonable to most members of the public who took part in our focus groups. However, they were willing to share more of the cost burden with solicitors for higher-stakes legal services they needed (e.g. for conveyancing) than for simpler legal services (such as power of attorney) in the English-speaking groups. In the Welsh-speaking group, there was concern that rising legal fees could push people away from regulated services and increase reliance on unregulated advice.

Feedback from consumer groups

16. The overall view of consumer representative groups is supportive of our proposals to improve performance and effectiveness but wanting to see greater accountability with clear delivery plans.
17. Within this there was an emphasis on us making sure improvements translate into better outcomes for consumers, not just internal efficiencies.
18. Consumer groups also agreed with the focus on systemic risks and high-impact areas that have consumer impacts, but we heard a number say that there were other 'big issues' that also should be included here, specifically naming: access to justice and availability of services; protection of vulnerable consumers; misleading or unregulated providers; and public understanding of legal services.
19. The LSCP view is that the proposals do not sufficiently explain how changes will improve consumer outcomes; and how they would affect different types of users and services. They said they did not see any explicit consideration of

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access to justice impacts within the strategy, and how proposed changes could reduce supply of providers or impact affordability. Concerns raised included possible disproportionate impacts on providers serving high-need communities.

20. Though they say the decision to pause consumer empowerment work, including the five-year transparency rules evaluation and quality indicators, is understandable given what else the SRA is needing to focus on at this time, they add that such a pause cannot be left open-ended. They call on the SRA to publish a firm timeline for resuming this work, adding that we must not treat evaluation of its own rules as optional.

Feedback from the profession

21. In the feedback we received from the profession we heard a sense overall that we are reflecting the right priorities, with a greater focus on serious risks and consumer harm. However, we also heard a requirement for more details and assurance that we will deliver these effectively, proportionately, and in a way that genuinely improves outcomes rather than increasing regulatory burden.
22. Some of the most positively received aspects were our proposals for work focused on the proactive identification and management of risk. Again, there was a desire for more detail, and that this needs to be targeted and risk-based, not universally applied.
23. There was also a concern raised that the draft plan perhaps raises the bar of expectations on the SRA, and that they will expect to see real, meaningful change in quite a short timeframe.
24. There were also calls for more ongoing, meaningful engagement and earlier involvement in policy development. We heard calls for clearer communication on proposed changes. Here larger firms were generally more positive and reported better engagement and information flows, but smaller firms and local law societies said they felt less engaged and wanted more practical interaction and information.
25. A number of respondents from the profession also called on the SRA to provide a clearer demonstration of the difference the plans will make and how they will impact upon them, including plans for supervision. This came with scepticism from some that, given issues involving Axiom and SSB, whether we would be able to make a difference and that firms were being punished for our mistakes.
26. The Law Society stated that the scale and pace of fee increases are significant and risks placing further financial pressure on the profession. They indicated cost increases were their primary concern but also asked for further evidence underpinning some proposals.
27. Respondents from local law societies generally supported proposals to strengthen risk-based prioritisation, improve intelligence and data analytics,

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and establish a more proactive supervision function, provided these initiatives are implemented proportionately and transparently.

28. There were also a number of requests from respondents for further information on how risk will be identified and assessed, what factors will trigger supervisory engagement, and how the SRA will ensure that regulatory interventions remain proportionate, consistent and evidence based.

Views on our funding requirements and proposed fees

Feedback from the public

29. The expected cost increases appeared to be reasonable for most participants, and it was welcomed that the SRA is evolving and responding to changes taking place. Many said they were prepared to pay more to make sure there is the right level of consumer protection. There were however concerns from some that the fee increases were large and said it would not be justifiable for firms to pass this on to consumers. Others felt that it was inevitable that the fees would be passed on to them as consumers but would be prepared to pay more to get the right protections.

Feedback from consumer groups

30. Consumer group feedback focused less on the internal affordability of fees for firms, and more on the downstream impact on consumers, access, and provider sustainability. One respondent highlighted what they felt was a risk that a 'flat or insufficiently differentiated approach may unfairly affect organisations that cannot easily pass on costs.'
31. In their response the LSCP specified the type of provider of legal services that might be impacted, saying that they felt our current proposals do not adequately assess the impact on providers including law centres, not-for-profit providers, and small firms serving vulnerable communities.

Feedback from the profession

32. We heard concern from across the profession on the potential impact of any fee increases on firms, who in many cases said they will need to raise their own fees in response. This included the Law Society who highlighted this as a primary concern, saying their view was that the scale of the increases is significant and risks placing unsustainable financial pressure on the profession without sufficiently clear or robust justification.
33. There was widespread recognition from across the profession that any rise may have a bigger impact on smaller firms and sole practitioners. A number of sole practitioners spoke about the scale of the potential increase, warning that if we were to go ahead with the increase as planned this would mean they

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would end up closing as a practise, as they would no longer be financially viable.

34. This was emphasised by the Sole Practitioners Group (the representative body for that group of solicitors) in their response, who raised concerns about the proposed increases in their response. They noted that any increased costs from fees fall disproportionately on sole practitioners and small firms, which they said lack the economies of scale of larger organisations, cannot easily pass costs on to clients, and operate in some of the most economically challenged parts of the country.
35. Other sole practitioners to respond asked that plans to replenish reserves are reduced as much as possible to keep within a 10% increase overall, which they said would still be a significant rise.
36. We also heard calls on further explanation of the drivers of fee increases, and where the money will be spent (examples we heard referenced included reserve depletion, new accommodation, and any additional activity). This was a point added to by the Law Society in their response, who asked that the SRA 'demonstrate that all reasonable cost control measures have been exhausted, and set out how such costs will be stabilised and managed over time.'
37. On the impacts on large law firms, one City firm noted that the proposed increase will be substantial for law firms with high numbers of solicitors, particularly when combined with a significant increase in Compensation Fund contributions. They did recognise there is a need for the increase for the SRA to achieve the aims set out in the Business Plan and were keen to see a more granular justification for spending within the Business Plan that clearly connects individual expenditure and measurable outcomes.
38. We also heard concerns from not-for-profit/free advice providers that any increases in what they are asked to pay they will be unable to pass on to clients and that they (and/or their charity) would therefore have to absorb it. They highlighted that this has not been highlighted in the Impact Assessment as something that has been considered or assessed.

Views on our proposals for the Compensation Fund and apportionment

Feedback from the public

39. Despite limited familiarity in the Compensation Fund, we heard near universal support from members of the public in our focus groups on the principle of its existence, the importance of protecting client money and making sure consumers can be compensated if something goes wrong.
40. Though limited technical understanding of how the fund works, the public did comment that costs should be shared in a reasonable and equitable way and were concerned that any rises in costs for firms might be passed on indirectly

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to consumers. There was a clear expectation there that if costs do increase consumers should see improved protections and/or service.

41. Participants also indicated a greater willingness to accept higher costs for high-value services such as conveyancing. Some participants also raised concerns that rising costs could affect access to legal services, particularly for lower-income consumers or those needing routine or lower-value service.
42. We did not hear any views about how costs should be split between individuals and firms.

Feedback from consumer groups

43. There was, like with the public more widely, feedback that the Compensation Fund is essential to consumer protection. In their response the LSCP said that it must remain robust and capable of meeting claims, particularly in light of recent high profile firm closures. LSCP have called for a wider review of its funding model, stating that the current model raises serious questions about sustainability and simply increasing contributions is not a sufficient long-term solution.
44. On apportionment, the LSCP position is that they support retaining the 50:50 split in the short term, citing lack of evidence that risk aligns more with individuals than firm.

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45. Other consumer groups have also warned that changes (including apportionment shifts) could disproportionately impact small firms and reduce supply in key areas, and reduce access to legal services, particularly where provision is already fragile.

Feedback from the profession

46. There continues to be widespread and near universal support for the continued existence of the Compensation Fund from the profession. However, we heard concern from many that costs arising from firm closures and regulatory decisions are being redistributed unfairly.
47. The Sole Practitioners Group said that they support moving to a 70:30 split between individuals and firms for 2026/27 as they consider it represents a fairer and more proportionate outcome for the smallest firms. This was also supported by other individual sole practitioners who responded.
48. The Law Society of England and Wales and other law societies supported the decision to retain the current 50:50 apportionment between firms and individual solicitors for 2026/27. They however were unanimous that the current approach should be amended and that the SRA needs to undertake a comprehensive review of the Compensation Fund with a view to improving sustainability, reducing volatility and exploring whether future contributions should be apportioned by a different model (i.e. turnover or risk-based).
49. One Head of Legal Services working in local government responded highlighting the cost pressures they face year-on-year within an ever-decreasing budget, and that part of the answer has to be looking internally to manage costs, rather than always seeking further funding. They stated that they will have to cut lawyers and therefore services to the public to afford the proposed increases.

Feedback on the impact assessment

50. Feedback on the impact assessment was more limited than for other areas of the consultation, but across all stakeholder groups there is a consistent theme that it does not go far enough, particularly in understanding real-world impacts on consumers, providers, and access to justice.

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Feedback from the public

51. Public participants did not engage directly with the technical impact assessment, but feedback highlighted how any increased regulatory costs passed on through higher legal fees would have disproportionate impact, reducing affordability and access to legal services especially for lower-income users.

Feedback from consumer groups

52. In general consumer groups were of the view that the impact assessment is underdeveloped, particularly in relation to consumers. In their feedback they were critical that the assessment does not sufficiently consider access to justice impacts and that rising costs may drive firms out of key sectors, reduce provision in underserved areas, and disproportionately affect vulnerable consumers.
53. In their feedback the LSCP highlighted their view that the assessment identifies impacts on solicitors but does not in their view adequately trace how these impacts affect consumers.

Feedback from the profession

54. The profession provided relatively little direct comment on the formal impact assessment, but their wider responses highlight a number of areas to consider. Across responses, firms consistently said they need clearer explanation of how proposals will affect them in practice and what changes will mean operationally.
55. A theme (particularly from small firms and local law societies) was that impacts are not evenly distributed, with smaller firms more exposed and less able to absorb costs. This aligns with wider concerns we heard from some of the profession that the assessment does not sufficiently capture variation by firm size, business model, or risk profile.

Next steps

56. The feedback received will help inform and support the joint application to the LSB on the practising certificate fees and our Compensation Fund application.
57. The SRA Board will then consider a final version of the Business Plan and funding requirements 2026-27 in September 2026, alongside a full analysis of the consultation responses received, our response to these, and updated impact assessments.