

# **Changing our requirements on first-tier complaints supplementary consultation: Regulatory and Equality Impact Assessment**

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July 2026

# Summary

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This is our Regulatory Impact Assessment (RIA) and Equality Impact Assessment (EIA) to support reviewing our requirements for first-tier complaints and our supplementary consultation. This builds on the [consultation](#) we ran in 2025 and the [Regulatory Impact Assessment](#) and [Equality Impact Assessment](#) we developed then.

You should read this document in [conjunction with our consultation](#).

Here we assess the potential impacts of our proposed regulatory changes to strengthen our requirements on first-tier complaints. The proposals are in response to evidence that improvements are needed in how solicitors and firms handle complaints. They are in line with the Legal Services Board's (LSB) [Section 112 Requirements](#) for approved regulators.

We have not identified any significant or disproportionate negative regulatory or equality impacts. Based on our analysis, we believe our proposals are a proportionate regulatory approach.

We invite views on our assessments and will consider the responses.

We will publish an updated RIA and EIA when we publish our consultation response later this year.

# Our consultation proposals

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Our proposals are to require that:

- when a complaint is first notified, clients are provided with a timeline for resolution of the complaint
- clients are given regular updates on the progress of their complaint.

We describe these proposals in detail in our consultation.

We also seek views on the resources we plan to publish to help support solicitors and firms to meet their obligations regarding complaints handling and how to comply. These are:

- a draft Complaints Handling Requirements Statement
- the areas we plan to cover in our new complaints handling guidance.

These proposals are supplementary and in addition to the proposals we consulted on in 2025 to strengthen our requirements on first-tier complaints.

# The problem and what do we want to achieve

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## The problem we want to solve

The way solicitors and firms deal with complaints is a key indicator of service quality for consumers, and of whether they can have trust and confidence in their provider. For solicitors and firms, complaints are an opportunity to identify areas for improvement and ways to deliver more effectively for clients.

We know that improvements are needed in the way that solicitors and firms handle complaints (see 'Evidence to support our proposals').

While we have existing requirements in our regulatory framework for complaints handling, and are proceeding with our 2025 proposals, we believe these should be strengthened further.

We also think it is important to help solicitors and firms know clearly what the specific complaints handling requirements are by compiling a statement that draws them all together, adding detail from our Standards and Regulations and the [LSB Section 112 Requirements](#).

And, while the Complaints Handling Requirements Statement will set out the mandatory requirements, we think there is still an important role for guidance. Many respondents to our 2025 consultation, as well as our [thematic review of first-tier complaints handling](#), agreed that guidance would be helpful. It will give examples of how firms can move beyond the minimum standards and strive to deliver best practice.

## What we want to achieve

Our proposals, if implemented, aim to:

- improve how solicitors and firms identify, handle and resolve complaints
- improve consumer outcomes when they raise complaints at first-tier
- lead to more complaints being resolved at first-tier, and only the necessary ones being escalated to the Legal Ombudsman (LeO) at second-tier.

# Evidence to support our proposals

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## Our proposals to strengthen our requirements on first-tier complaints

In our 2025 consultation, we presented strong evidence for the changes we proposed. This included that:

- our compliance monitoring and [evaluation of our Transparency Rules](#) identified that firms are not always publishing their complaints procedures as required or are omitting or including incorrect information when signposting to LeO
- our [thematic review of first-tier complaints handling](#) found variation in how firms identified, defined and handled complaints. While there were a number of good practice areas, we also found areas where improvements were needed. Examples of poor practice included solicitors using defensive and dismissive language in their communications when someone complained and them not always making complaints information available as required
- the Legal Services Consumer Panel's (LSCP) annual [Tracker Survey](#) has consistently found large numbers of consumers that are uncertain about how to complain or say they would not know how to if they were dissatisfied with the legal services they used. The [2025 survey](#) found:
  - approximately half of consumers (53 per cent) reported that they would know how to go about making a complaint about the legal services they used if they were dissatisfied
  - while 26 per cent were uncertain and 21 per cent said they would not know how to do this
  - the proportion of all answers remains in line with previous years.

There is recent further evidence that the numbers of complaints across first and second-tier are continuing to rise and that improvements are still needed in how they are handled.

In the first three quarters of 2025-26, LeO found that the [complaints handling had been poor](#) in 46 per cent of the complaints it investigated. LeO has highlighted issues such as inconsistent or complex complaints processes or defensive attitudes when handling complaints.

Firms are receiving an increasing number of first-tier complaints each year. In 2025, they reported receiving more than 41,000 complaints at first-tier – the highest it has been since we started to collect the data in 2012, and an 11 per cent increase since 2024. There has also been a slight decrease in the numbers that firms report resolving at first-tier, from 82 per cent in 2024 to 80 per cent in 2025.

LeO is also [reporting](#) that demand for its service resolving second-tier complaints is rising at pace. Following an almost 30 per cent year-on-year rise in 2025-26, LeO forecasts receiving 17,675 new complaints in 2026-27, a 174 per cent increase since 2019-20. On 10 June it launched a [consultation](#) on significant reforms to help meet this unprecedented demand, involving changes to its Scheme Rules, case fees and publication of ombudsman decisions. It proposes a revised model for charging differentiated case fees, alongside additional charges for providers who have not provided a final response as part of the first-tier complaints process. The approach is designed to incentivise earlier resolution and better complaint handling.

We support LeO's work to develop resources that help prevent complaints arising, including its Model Complaints Resolution Procedure, which we included in our 2025 consultation. We also want to make sure the solicitors and firms we regulate improve first-tier complaints handling so consumers only need to escalate complaints to LeO where necessary. Together, our 2025 proposals, the additional proposals we are now consulting on, and the supporting resources we are developing are intended to strengthen our regulatory framework and improve complaints handling.

# Stakeholder engagement

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We have engaged with stakeholders throughout our policy development. In 2025, we [consulted](#) on our first set of proposals for strengthened requirements in this area. We received 75 written responses – the majority from solicitors, law firms and sector representatives including local law societies. We received responses from some consumer organisations, including the LSCP.

We also heard views through a stakeholder engagement programme that involved:

- focus groups – two face-to-face and one virtual – with 28 consumers from a range of backgrounds, ages, ethnicities and a mix of men and women. The majority had used a solicitor in the last two years and we included a group from Wales, as well as people who were less digitally confident, digitally excluded and from rural locations
- a roundtable with 14 consumer groups, asking for experiences of complaining in legal services and suggestions for improvements. Organisations included those that support people with immigration and asylum, ethnic minorities and women, and some that supported people with a disability. This was also attended by the LSCP and LeO
- two roundtable events with the profession – one with 12 solicitors and law firms, and another one with 21 local law societies and The Law Society
- promoting the consultation through a range of communication channels, including social media and our website.

These proposals were informed by our [thematic review of first-tier complaints handling](#), which included visits to 25 firms and a 750 survey responses. We have also engaged with key legal sector stakeholders, including the LSCP. And the Law Society and LeO both provided input into the draft guidance as we were developing it.

We will build on this extensive engagement for this supplementary consultation and our new additional proposals.

# Regulatory and Equality Impact Assessments

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In this section, we outline our Regulatory Impact Assessment and our Equality Impact Assessment (the impact of our proposals on people with the characteristics protected by the Equality Act 2010). We explain the potential positive impacts, and the negative impacts we have identified and how we intend to mitigate them.

## Regulatory Impact Assessment

Alongside our consultation response in 2025, we published a [Regulatory Impact Assessment](#) for those proposals. This assessment builds on the previous one. We have identified the following positive and negative impacts of our proposals and set out our planned mitigations.

### Positive impacts

We have identified the following possible positive impacts of our proposals:

- transparent complaints information for clients to build trust and confidence in legal services
- improved reputation for solicitors and firms. Reputation is a [key indicator when consumers choose a legal service provider](#)
- greater clarity for solicitors and firms on our requirements for complaints handling, making them easier to navigate, quicker to find, understand and comply with
- improved complaints handling gives firms opportunities to learn and improve both complaints handling, and the overall service provision
- improved access to redress for consumers.

### Negative impacts

We have identified the following possible negative impacts of our proposals:

- additional costs and resources for some solicitors to comply with our new requirements (cited as 'regulatory burden' by some respondents to our 2025 consultation). For example, information may need to be added into template letters or resources and time taken in providing updates. Respondents in 2025 flagged that these costs could be passed onto consumers which may have an impact on access to justice. We consider that these costs may be offset in the longer term by a more systematic and consistent approach to complaints handling
- time and resource impact on solicitors having to learn and implement the new requirements. In 2025, respondents said this would particularly be felt by smaller firms with less resource
- increase in volume of complaints being received by solicitors and firms at first-tier. This may be offset by the number of complaints that are resolved at first-tier rather than escalated to LeO.

### Mitigations

As set out in our 2025 Regulatory Impact Assessment, many solicitors and firms who responded to our last consultation stated that they are already providing timely, accessible

complaints information to clients. And therefore will need to make little to no changes to their existing processes and communications.

We know from our thematic review that many solicitors and firms recognise the benefits in good complaints handling. These include clients being less likely to escalate to LeO and clients being more likely to reinstruct them in the future or recommend them to others. Conversely, they also recognise that if clients have a poor experience, this can damage a firm's reputation. This was an especially important consideration for interviewees from smaller firms. We believe the changes we are proposing are proportionate and will drive the improvements in complaints handling to bring about positive business benefits to solicitors and firms.

To help solicitors and firms to meet both our existing and proposed new requirements for complaints handling, we plan to publish a Complaints Handling Requirements Statement.

To further support, we will produce guidance that will give examples of how firms can move beyond the minimum standards and strive to deliver best practice. We have asked for views on the areas this should cover in the consultation.

These resources will support firms of all sizes in identifying, handling and resolving complaints. They will signpost to our other resources, as well as those from stakeholders such as LeO and The Law Society.

The resources will also include reference to solicitors learning from complaints. By doing this, solicitors will be able to make improvements in service delivery which should lead to reduced complaints over time. If complaints are handled more effectively at first-tier, this will lead to fewer complaints being escalated to LeO at second-tier.

We have also already published our [thematic review of first-tier complaints handling](#) which includes good practice examples and case studies.

# Equality Impact Assessment

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For our 2025 consultation proposals, we consulted on and published an [Equality Impact Assessment](#). This assessment builds on that and includes our most up-to-date data and analysis.

## Impact on solicitors and firms

We collect diversity data every two years from the law firms we regulate in England and Wales. We have [published diversity analysis](#) for 2025, and our assessment is based on this.

We have used this data to help us understand if our proposals would put solicitors with a particular protected characteristic at a disadvantage. While the focus has been on assessing the impact on individuals according to their protected characteristics, we have also considered the impact of our proposals on our wider regulated community, for example small firms and sole practitioners.

For this assessment we are defining smaller firms as those operating with between one and five partners. Our law firm diversity data illustrates the diversity profile of solicitors working in these firms:

- there is a higher proportion of men in law firms with one to five partners (45 per cent) compared with their proportion in all firms (43 per cent)
- there is a higher proportion of Asian solicitors in law firms with one to five partners (20 per cent), compared with their proportion in all firms (12 per cent)
- there is a higher proportion of Black solicitors in law firms with one to five partners (5 per cent), compared with their proportion in all firms (3 per cent)
- there is a higher proportion of solicitors aged 45 and over in law firms with one to five partners (52 per cent), compared with their proportion in all firms (39 per cent). This is true for all three of the older age categories: 45 to 54, 55 to 64 and 65+
- there is a higher proportion of disabled solicitors in law firms with one to five partners (10 per cent), compared with their proportion in all firms (7 per cent)
- there is a higher proportion of Muslim solicitors in law firms with one to five partners (12 per cent), compared with their proportion in all firms (6 per cent)
- there is a higher proportion of solicitors from lower socio-economic backgrounds in law firms with one to five partners (18 per cent), compared with their proportion in all firms (15 per cent)
- there is a higher proportion of solicitors from intermediate socio-economic backgrounds in law firms with one to five partners (13 per cent), compared with their proportion in all firms (11 per cent).

The [annual complaints data](#) we collect from solicitors and firms tells us that smaller firms are less likely to resolve a complaint at first-tier than larger firms. This means smaller firms are likely to feel the impacts, both positive and negative, of our proposals more keenly. This was also raised by respondents to our 2025 consultation as a concern. We recognise that there may be potential impacts for those groups overrepresented in that cohort.

We are proposing steps which we believe will mitigate the impact on all firms, in particular smaller ones. To help solicitors and firms to meet both our existing and proposed new

requirements for complaints handling, we plan to publish a Complaints Handling Requirements Statement.

To further support, we will produce guidance that will give examples of how firms can move beyond the minimum standards and strive to deliver best practice. We have asked for views on the areas this should cover in the consultation.

These resources will support firms of all sizes in identifying, handling and resolving complaints. They will signpost to other SRA resources as well as those from stakeholders such as LeO and The Law Society.

We have already published our [thematic review of first-tier complaints handling](#) which includes good practice examples and case studies. Therefore, if there are any adverse impacts of these new requirements on smaller firms, we believe our approach will mitigate the impact of these changes.

We also believe there will be overall positive impacts for firms of all sizes in improving how they handle complaints. Firms we spoke to as part of our thematic review told us that good complaints handling can create business benefits. They recognised that clients who were satisfied with the firm's handling of a complaint were more likely to reinstruct or recommend them.

We will monitor our data going forward so we can identify if there are any adverse equality impacts.

## Impact on consumers

Our proposed changes are designed to enhance the transparency and accessibility of the complaints process for all consumers universally, and our guidance will promote inclusive communication practices. When considering the potential impact on consumers of legal services of our proposals, we took account of users with protected characteristics and/or who are vulnerable by their characteristics or circumstances.

Research indicates there are additional barriers for some consumers. This includes those who may be vulnerable because of their protected characteristics and those who may be vulnerable because of their circumstances. For example, our [joint research with LeO](#) in 2017 found that people whose day-to-day activities were limited by disabilities were more likely than those who were not disabled to say they did not understand the complaints procedure or know how to complain. And [Research by Refugee Action](#) for the Bar Standards Board identified barriers for some consumers seeking immigration advice, particularly asylum seekers. These include a lack of knowledge about the right to complain and complaint processes, and a fear that a complaint would negatively impact the outcome of their application. These barriers could adversely impact those from particular ethnic groups and those who have a particular religion or belief.

The findings from our thematic review of first-tier complaints handling showed that some firms recognised the importance of supporting vulnerable clients and had a range of measures in place, but others did not. There was agreement that more guidance on supporting vulnerable clients would be welcomed.

In our consultation and engagement in 2025, there was support for the proposal for law firms to provide complaints information more regularly, in particular from consumers and consumer groups. These groups agreed there were barriers for vulnerable consumers and

felt the proposal could help people to overcome them. They also supported our proposal to adopt a consistent definition of a complaint and to require complaints information to be more prominently displayed on a firm's website. Several consumer groups also urged us to consider digital inclusion. We have addressed this and the wider issues about the accessibility of first-tier complaints information below. It will be important to ensure that the proposed requirements are implemented by law firms in a way that will make a difference to the consumers they are intended to benefit.

To help solicitors and firms to meet both our existing and proposed new requirements for complaints handling, we plan to publish a Complaints Handling Requirements Statement.

To further support, we will produce guidance that will give examples of how firms can move beyond the minimum standards and strive to deliver best practice. We have asked for views on the areas this should cover in the consultation.

These resources will help solicitors and firms to:

- tailor their approach to individual needs
- identify and provide support for vulnerable clients
- provide reasonable adjustments for disabled clients
- be inclusive in all communications with clients
- be empathetic and responsive in their approach to complaints handling.

# Impact of our proposals on our regulatory objectives

We have identified the following potential impacts of our proposals on the regulatory objectives set out in the Legal Services Act 2007. We have also considered the Better Regulation principles (proportionate, targeted, consistent, transparent and accountable).

Legal Services Act s1(1) Regulatory Objective	Impact of proposals on the Regulatory Objectives (and, in bold, engagement of the principles under which our regulatory activity should be transparent, accountable, proportionate, consistent, and targeted only at cases in which action is needed.)
RO1 - Protecting and promoting the public interest	<p>Our proposals are designed to protect the public interest. Better complaints handling, including provision of complaints information, puts members of the public in a stronger, more confident position when there are problems with the legal service they have received. Our proposed new requirements are clear and <b>transparent</b> and apply <b>consistently</b> to solicitors and law firms. They are a <b>proportionate</b> solution to the problems currently experienced by clients when raising a complaint. They are <b>targeted</b> at the issues identified by our evidence-gathering activity, as well as by the LSB and LSCP.</p> <p>At this stage, we have not identified any negative impact of our proposals on this objective.</p>
RO2 - Supporting the constitutional principle of the rule of law	N/A
RO3 – Improving access to justice	<p>Improving consumers’ experiences of raising complaints, including improving the information they receive and how this is communicated, may lead to greater confidence in legal services and thereby improve access to justice. <b>Transparent</b> information is a key indicator when choosing a service provider, and knowing that they can complain, and how to do so, can help increase confidence when instructing a provider.</p> <p>At this stage, we have not identified any negative impact of our proposals on this objective.</p>
RO4 – Protecting and promoting the interests of consumers	<p>Our proposals are designed to promote the interests of consumers of legal services, by improving their experiences when raising complaints including the information they receive and how this is communicated. Our proposed new</p>

	<p>requirements are clear and <b>transparent</b> and apply <b>consistently</b> to solicitors and law firms. They are a <b>proportionate</b> solution to the problems currently experienced by clients when raising a complaint. They are <b>targeted</b> at the issues identified by our evidence-gathering activity, as well as by the LSB and LSCP. See also our Equality Impact Assessment.</p> <p>At this stage, we have not identified any negative impact of our proposals on this objective.</p>
<b>RO5</b> – Promoting competition in the provision of services	<p>A <a href="#">2013 report from LeO</a> stated that good complaints handling by law firms could increase operating profits by between 2 per cent and 3 per cent and could generate net financial benefits across the sector of between £53m and £80m over a 10-year period.</p> <p>By introducing clear, <b>consistent</b> requirements, our proposals will contribute to a level playing field for all the legal services providers we regulate. They are <b>proportionate</b> to, and <b>targeted</b> at, the issues identified by our evidence-gathering activity, as well as by the LSB and LSCP.</p> <p>Using the statement to draw together our requirements clearly in one place will make them easier for solicitors and firms to understand, which will help contribute to a level playing field.</p> <p>At this stage, we have not identified any negative impact of our proposals on this objective.</p>
<b>RO6</b> – Encouraging an independent, strong, diverse and effective legal profession	<p>Our assessment of equality impacts on the profession is set out in our Equality Impact Assessment – there are no significant negative impacts.</p>
<b>RO7</b> – Increasing public understanding of the citizen’s legal rights and duties	<p>Having clear and <b>transparent</b> requirements for complaints handling means it is easier for consumers to understand their rights and what they need to do.</p>
<b>RO8</b> – Promoting and maintaining adherence (by authorised persons) to the professional principles	<p>Clear and <b>transparent</b> requirements for complaints handling support well-functioning legal services, helping to drive adherence to the professional Principles.</p> <p>At this stage, we have not identified any negative impact of our proposals on this objective.</p>
<b>RO9</b> – Promoting the prevention and detection of economic crime	<p>N/A</p>

# Impact of our proposals on innovation and economic growth

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We have not identified any negative impact of our consultation proposals on innovation and growth.

Though we note that this study was undertaken some time ago, LeO's 2013 report stated that good complaints handling by law firms had significant financial benefits. And could increase operating profits by between 2 per cent and 3 per cent and generate net financial benefits across the sector of between £53m and £80m over a 10-year period.

Clear and transparent requirements for complaints handling support well-functioning legal services. We encourage innovation and technology that supports those that deliver legal services to do so more efficiently, effectively and accessibly. We provide resources and guidance on our [SRA Innovate](#) pages.

Improving consumers' experiences of raising complaints, including improving the information they receive and how this is communicated, may lead to greater trust and confidence in legal services. Clear, consistent and transparent requirements for complaints handling support well-functioning legal services and that contribute to a level playing field for all the legal services providers we regulate. They are proportionate to, and targeted at, the issues identified by our evidence-gathering activity, as well as by the LSB and LSCP.

Firms' opportunities to learn from better complaints handling may, in future, help them innovate in the ways they deal with complaints and in respect of overall service provision to clients. For example, clear, prompt communications with clients based on modern service standards and using technology in ways that are appropriate to clients' needs.

## Impact on how we operate

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We have not identified at this stage any increased operational costs for us of implementing our proposals.

## Impact on other legal services regulators

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We have not identified negative impacts on the other approved regulators under the Legal Services Act 2007, and we believe the changes overall will bring greater consistency across the sector, as all of the frontline regulators will have implemented the LSB's requirements.

We have been working closely with the other frontline regulators as part of LeO's Regulators' Complaints Handling Forum and direct discussion, which has helped to support alignment in our approaches to making improvements in complaints handling across legal services and implementing the LSB requirements. For example, we understand that the majority of the other legal regulators and LeO had a definition of a complaint in either their rules or guidance that was generally aligned with the LSB's definition. We therefore consulted in 2025 on adopting the same definition into our glossary. This will bring about consistency in how complaints are identified as well as how they are reported in respective data collection exercises. This will help us to monitor the impact of changes across legal services.

We have also considered the impact on individuals who are dual-regulated or individually regulated by the SRA while working in a firm regulated by another regulatory body. We do not think the changes will have a disproportionate impact on these individuals or that the changes would contravene any rules or guidance set out by another regulatory body. This is especially given that the other approved regulators will be looking to achieve the same outcomes set out by the LSB. We will monitor this in continued collaboration with the other legal regulators.

We have also not identified any negative impacts of our proposals on LeO. Our proposed changes to our requirements are intended to reduce the number of complaints escalated to LeO. This is because the changes aim to support solicitors and firms to identify and resolve complaints effectively at first-tier, without the need to escalate to the second-tier (LeO).

We plan to provide new complaints handling guidance that signposts to both SRA and external resources, including template letters from LeO and practice notes from The Law Society.

We have been working with LeO and other legal regulators on the development of a [Model Complaints Resolution Procedure](#) – a standardised approach to complaints handling which aims to bring simplicity, clarity and confidence in complaints handling for consumers and legal service providers. We supported this by gathering views as part of our 2025 consultation and engagement programme with consumers and consumer organisations. We shared the responses, feedback and suggestions with LeO. We also responded to LeO's recent call for input expressing our support, and we will continue to support this work as it progresses.

# Monitoring and evaluation

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We will monitor and evaluate the effectiveness and impact of our proposals should we implement them. We will undertake an evaluation exercise so that we can maximise the positive impacts of the proposed changes to our regulatory arrangements and our complaints information programme as a whole.

In monitoring and evaluating the changes we are proposing, we will also make sure that we identify and understand the reasons for any unintended consequences. We will use the data and evidence gathered in our survey and thematic review, as well as that of our stakeholders, to provide a baseline for the changes we are making and monitor the impact. This includes using data from LeO, the LSB Legal Needs Survey and LSCP Tracker Survey. We will also use our engagement with consumer groups to understand and identify the impact on different consumer groups.

We will continue to work collaboratively with the other frontline regulators and LeO:

- to evaluate the impact of the changes to the overall complaints handling landscape in legal services
- on improvements to both the standards of complaints handling and the outcomes for consumers.