

## **News from the Board**

### **Reflections on our June and July Board meetings - Anna Bradley, SRA Chair**

18 July 2025

At our two recent Board meetings – in June and last week in Liverpool – a central concern was prioritisation. In other words, what will have the greatest impact when it comes to driving confidence and trust in legal services.

This is particularly challenging, when the risks in the sector are changing rapidly. A good example is the high-volume consumer claims market.

#### **High volume consumer claims**

Liverpool was an apt location for a discussion about this section of the market, including 'no win, no fee' arrangements. The city – and the wider north-west – has a strong presence in this part of the market.

'No win, no fee' arrangements can play a vital role in delivering access to justice, helping those who otherwise might struggle to afford to make a claim. But we have become concerned about poor practice in this space and the resulting serious risks to consumers.

We have recently conducted a thematic review, visiting 25 firms doing high-volume claims work, and while we found examples of good practice, we also found matters of significant concern.

We discussed these issues with more than 30 legal professionals, academics and consumer representatives at our evening stakeholder event, with a follow-up workshop session at our Board.

We are committing significant resource to tackling these issues. We have carried out targeted visits to firms to check for compliance. Where we have found issues, we are taking action. As a result, we are now investigating more than 70 firms working in this area. We are progressing these at pace and will take enforcement action where needed to protect the public.

We will also shortly be writing directly to firms operating in this area to remind them of their obligations and seek assurance that they are meeting them. This will build on Warning Notices we have already issued to the whole profession outlining our concerns.

We also want to help consumers make informed choices, so have produced a guide to navigating 'no win, no fee' agreements. Its message

is clear – 'no win, no fee' can have benefits, but it isn't necessarily risk-free. We have been working with organisations such as Citizens Advice and Consumer Voice to help promote and communicate this information to those who need it.

We are determined to address issues in this sector by taking action ourselves, but we think there are some wider systemic issues which we can't resolve alone in relation to the funding of this kind of claims work, including insurance and the regulation of claims management. In order to address some of these wider issues we are working with other regulators and government to help deliver a cross-sector response, so we can make sure this area of the market works more effectively in the public interest.

## **Tackling risks**

Regular readers of my blog will know that two of our most important programmes of work involve how we use our data to spot and act on risks and progressing safeguards around client money.

These are central to our business plan proposals and will transform the way we regulate. We returned to them at this meeting, reflecting on the progress made, and prioritising our next steps, particularly in light of the challenging timelines for fulfilling the Legal Services Board Directions which cover some of these issues.

We had a good debate around how to make sure we design proportionate and targeted rules, and monitoring arrangements to improve safeguards for consumers. In particular, what this might mean for changes to compliance roles, accountants reports, and our approach to risk in relation to sales, mergers and acquisitions of law firms.

## **Budget and fees**

The scale of the challenge caused by rapid changes in the market means prioritisation can only get us so far - we also need more resource. This will be key to dealing with the significant and sustained increase in reports of solicitor misconduct, alongside dealing with a more complex and varied caseload. It will also enable us to be more proactive with our investigation work to act more swiftly on risks we identify in the market.

At these two Board meetings we considered feedback on our recent proposals to increase our budget. The feedback from our consultation and engagement was generally supportive – both the public and the profession recognised the need for us to invest. So we approved the budget and consequent practising certificate fee for those we regulate.

Notwithstanding, individual solicitors will not see a rise in the overall fees that fund us, the Law Society and a range of other organisations. This is

because the number of solicitors continues to rise and compensation fund contributions will fall next year. As a result, the overall individual fee will be £1 lower than last year. There will be a fee rise for firms, but the level of the rise depends largely on where their turnover positions them in our fee bands.

Our budget and fees proposal will now go to the Legal Services Board for final approval. We will then finalise our business plan in the September Board meeting, taking account of feedback from the consultation.