

Small firms

Are you a sole practitioner, or do you work for a small firm?

We want to make sure that sole practitioners and small firms can comply with our rules in ways that work best for them, so that they can get on with doing business and serving their clients. In this part of the website you can find resources and information designed to help you keep up to date with regulation, and to make it easier to meet the right requirements.

Join the small firms virtual reference group [<https://form.sra.org.uk/s3/sfgroup>]

Regulatory updates

Payment Protection Insurance (PPI)

With the introduction of a new 20 percent cap which comes into effect on 10 July, law firms have been reminded that when handling claims for mis-sold payment protection insurance (PPI) they must make sure they are acting in their client's best interests and charging clients appropriately.

To support firms' understanding of the new legislation, we have produced an online Q&A [[/solicitors/guidance/warning-notices/payment-protection-insurance-ppi-claims--warning-notice/#qa-fee-cap](#)] whilst working with the Claims Management Regulation Unit. We have also issued an update to our PPI Warning Notice [[/solicitors/guidance/warning-notices/payment-protection-insurance-ppi-claims--warning-notice/](#)] first published in August 2017.

Publishing information about prices and protections

Law firms must publish information on the prices they charge for certain public-facing services and also display a new logo showing the protections their regulated status gives customers, under new measures we have confirmed.

Key measures include:

- From December 2018, all regulated law firms will be required to publish information on prices they charge, and what these cover, across a number of common services:
- For members of the public: conveyancing, probate, motoring offences, employment tribunals (claims for unfair or wrongful dismissal) and immigration (excluding asylum).
- For small businesses: debt recovery (up to £100k), employment tribunals (defending claims for unfair or wrongful dismissal) and licensing applications for business premises.
- A new searchable register will be developed providing information on all solicitors and regulated law firms in England and Wales, including details on the areas of law they practise and any regulatory matters.
- We will develop a clickable logo scheme. This will be displayed on regulated firms' websites and promote the public protections being regulated provides customers.

Accountants' reports

The number of accountants' reports being submitted for review to us has fallen by two-thirds since changes to the SRA Accounts Rules 2011 were introduced.

These changes allow accountants to apply greater professional judgement in reviewing risks to client money. This reduction has coincided with a trebling of the number of reports we investigate more fully because the reasons for qualifying the reports focus more specifically on genuine risks to client money.

We have published a report on what has happened since the change in the rules.

Our approach to continuing competence

Since 1 November 2016, solicitors should have adopted our new approach to continuing competence . It requires all solicitors to reflect on the quality of their practice and to address their learning and development needs. To help you understand what you need to do, we have produced an online toolkit [\[solicitors/cpd/tool-kit/continuing-competence-toolkit\]](#) .

Recently published warning notices

We have recently published two warning notices which sets out in:

- [Payment Protection Insurance \(PPI\) claims \[solicitors/guidance/warning-notices/payment-protection-insurance-ppi-claims--warning-notice/\]](#)
- [Relation to money laundering and terrorist financing \[solicitors/guidance/warning-notices/money-laundering-and-terrorist-financing--suspicious-activity-reports--warning-notice/\]](#)

You should take time to familiarise yourself with these notices and contact Professional Ethics for further guidance.

Previous regulatory updates [\[solicitors/resources/small-firms/small-firms-regulatory-updates/\]](#)

Risk Outlook 2018/19

The Risk Outlook outlines our priority risks for 2017/18: why they matter, current trends, tips for managing them and what we are doing to help. The risks are:

Anti money laundering – Having a firm wide risk assessment is a legal requirement. This will protect you and your firm, along with other measures such as making SARs and training your staff.

Client money – All solicitors are responsible for keeping client money safe. Having good accounting systems and strong IT systems will help to protect your clients' money.

Diversity in the profession – Looking at the impact of a lack of diversity and the role all firms can play in improving diversity and inclusion in the profession.

Information and cyber security – A must-read chapter on protecting information from both traditional and cyber threats.

Integrity and ethics – The importance of high standards and ethical behaviour is highlighted in our spotlights on harassment, non-disclosure agreements and leasehold work.

Investment schemes – Solicitors are used to legitimise these schemes. We explain how to avoid this and protect the public.

Managing claims – Looking at a range of claims, including personal injury and holiday sickness, with useful information about how to avoid being involved in poor claims management.

Meeting legal needs – Many people do not get the legal help they need. You are best placed

to serve your community, and we have reformed our regulation to make this easier.

Standards of service – High professional standards of behaviour and competence, along with good complaints handling, benefits your firm and clients.

Check out our Risk Outlook [\[risk/risk-outlook/\]](#) and other risk resources [\[risk/\]](#) now.

Resources

Useful links

- LawCare [\[http://www.lawcare.org.uk/\]](http://www.lawcare.org.uk/) – an advisory and support service designed to help lawyers, their immediate families and their staff to deal with a range of issue
- Sole practitioners group [\[http://www.spg.uk.com/\]](http://www.spg.uk.com/) – an independent external stakeholder group, dedicated to representing the interests of sole practitioners
- The Law Society Practice Advice Service [\[http://www.lawsociety.org.uk/advice/practice-advice-service/\]](http://www.lawsociety.org.uk/advice/practice-advice-service/) – for advice and support on all aspects of legal practice
- The Law Society Small Firms Division [\[http://communities.lawsociety.org.uk/small-firms/\]](http://communities.lawsociety.org.uk/small-firms/) – provides information and services relevant to your practice, including industry news, business and finance analysis.

How does the SRA define a 'small firm'?

Our view is that a small firm can be best defined as a sole practitioner or a firm with no more than four partners, members or directors, which has an annual turnover of no more than £400,000. We do not feel it is necessary include any limit on the number of PC holders, as in practice turnover operates as the appropriate restriction.

Help

Professional Ethics Guidance team [\[home/contact-us/#helplines\]](#) – call our professional ethics advisors for advice on the SRA Handbook.

Contact Centre [\[home/contact-us/\]](#) – available to help with most queries, including all mySRA user support requests

Your health, your career [\[solicitors/resources/your-health-your-career/\]](#) – Worried about your health? Problems at work? Talk to us early. We will try to help.

Supervision for small firms [\[solicitors/supervision/supervision-for-small-firms/\]](#) – dedicated support for small firms facing regulatory issues

Regulating small firms [\[risk/risk-resources/regulating-small-firms/\]](#) – This guide offers you information on issues specific to smaller businesses.

Use www.sra.org.uk/smallfirms to link to this page.