

Using the Risk Outlook

23 November 2020

This Risk Outlook is designed to help you develop and update your own risk assessments as we:

- share our views on the priority risks in the legal market so you can reflect on how they impact your work
- remind you of some of your legal and regulatory obligations in relation to these risks
- suggest how you can manage risks and avoid harm to the public, the rule of law and the proper administration of justice
- include resources that you and your colleagues can refer to
- highlight potential changes and planned actions for the risks, including forthcoming regulatory and legislative changes, where applicable.

We are continually building our understanding of opportunities and challenges for the legal sector. This includes actively horizon scanning to build our understanding of the implications of social, political, economic and environmental pressures. This year's Risk Outlook includes our overview of the market landscape, which highlights some of the recent and upcoming changes in the sector and reflects the societal risks that have emerged from the Covid-19 pandemic.

Our priority risks for 2020/21

Anti-money laundering

Solicitors and law firms are targeted by criminals. Money laundering damages society and the economy. You can help to stop it.

Client money

People and businesses trust solicitors to look after their money. Keeping it safe is your responsibility.

Diversity in the profession

The profession should reflect the diversity in society to make sure there is public confidence in the legal system. Diverse businesses are better businesses and inclusive workplace cultures are key to making sure that everyone can perform well, prevent discrimination and support customers from every background.

Information and cyber security

The information and money entrusted to solicitors and law firms is a target for criminals. You need to have systems and controls in place that help to protect this.

Integrity and ethics

Your firm's culture and practices should reflect the ethical standards expected of everyone we regulate. Falling short of the ethical standards we set damages people's lives and trust in the profession. We highlight the risks associated with investment schemes.

Meeting legal needs

Many people and small businesses do not get the legal help they need. Helping these consumers will widen access to justice, as well as benefit your business.

Standards of service

Poor standards of work and service can affect people's lives, liberty and finances, as well as public confidence in the rule of law. Your firm should make sure that everyone can and does meet the professional standards of competence.

Managing risks

These are long-standing priority risks. They have all been heightened this year because of the rapid changes and uncertainty in the market – mostly because of the effects of Covid-19.

To get the most benefit from the Risk Outlook, you and your firm should:

- recognise how the priority risks apply to you
- consider any other risks that are specific to you
- decide the actions you can take to control them and monitor the success of your actions.

Our assessment of risk is based on a wide range of inputs from across the sector. The Risk Outlook is not guidance and does not contain exhaustive lists of obligations or actions. It should be used to raise awareness of the priority risks that your firm needs to manage.

We welcome your feedback on the Risk Outlook and your input on the risks you are seeing across the legal market, please contact us.

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