

News release

Small businesses left to fight their own legal corner

29 July 2019

- Two-fifths of small and medium businesses believe the legal system is only set up for big businesses
- This means as many as 2.4 million SMEs could be falling into a 'legal gap'
- Eight in ten think it should be easier to check if a problem can be resolved through the legal system

Two-fifths of small and medium businesses in England and Wales believe that legal advice is reserved for big businesses or those that can afford it, according to a recent survey by Nesta Challenges to mark the launch of the Legal Access Challenge.

Nearly half (43 percent) of small businesses owners and self-employed people questioned agreed that the legal advice sector was not set up for them – a stronger perception than in the wider population where the figure is 32%. With 5.6 million small businesses in the UK, that could mean as many as 2.4 million risk falling into the “legal gap”.

The vast majority (79%) of the small and medium business owners called for it to be easier for people to check whether a problem they were experiencing could be resolved through the legal system. There is also a strong willingness among the self-employed and small business owners to embrace digital services to help with a legal problem (45%).

To combat this divide between those who are able to navigate the legal system and those small and medium business owners and self-employed who cannot, we have partnered Nesta Challenges to launch the Legal Access Challenge to award £250,000 in prize money to improve legal access for small and medium businesses. Innovators and entrepreneurs are being invited to submit new ideas that demonstrate how technology can narrow the 'legal gap' and make it far easier for individuals and SMEs to access the legal system. This might be a solution to help someone identify whether they have a legal problem in the first place, or perhaps help them to create tailored documents or contracts.

The Legal Access Challenge is also bringing people together to help build new networks and opportunities for collaboration. The aim is to build a growing community of innovators seeking to use technology to widen access to legal services and to identify any barriers to their success. So far there have been more than 85 expressions of interests in applying for the

funding, including from entrepreneurs, legal professionals, technologists, law schools and charities.

Four finalists will each win a prize of £50,000 to develop their product and bring it to life with our support. One winner from the four finalists will also go on to win a further £50,000 to continue advancing the product.

Anna Bradley, Chair of the SRA Board, said: "Small businesses are the lifeblood of our economy. From helping complete a new lease to taking on the first member of staff, sound legal advice is crucial if businesses are to succeed. But it's clear that too many small businesses struggle to access the legal support they need.

"We want the Challenge to move things on and open up legal services for small businesses as well as the public. And it's about much more than simply offering funding to those with good ideas.

"Innovators need support and networks to get their ideas off the ground. We are creating those networks, enabling people to tap into expert support and to collaborate. Whether you're a trade association with a good idea or a tech firm looking to partner with a legal expert, I'd encourage you to get involved."

Chris Gorst, Head of Better Markets, Nesta Challenges, added: "It is deeply worrying that so many small business owners feel they can't make use of our legal system. England and Wales have one of the best legal systems in the world and yet we are witnessing a 'legal gap' between those businesses that have the wealth and knowledge of the system to access it, and those that feel they don't. With 5.6 million SMEs in the UK, employing 16.3 million people, it's vital they can get the legal advice they need, when they need it.

"The Legal Access Challenge aims to light a spark among the UK's active community of innovators and entrepreneurs to bring forward the best ideas using technology to broaden access to the legal system, for both citizens and small and medium businesses. Having fair access to legal advice is something that everyone should benefit from, yet too many small business owners and self-employed people currently miss out. We look forward to playing our part in turning that around."

The Legal Access Challenge is accepting applications until 11 August 2019.

Find out more here:

Go to the Legal Access Challenge [<http://www.legalaccesschallenge.org>]