

Innovate projects

December 2022

Innovation in technology is highly collaborative and here you can learn all about our latest lawtech projects.

Open all [#]

Regulators' Pioneer Fund

We were successful in securing funding

[<https://www.sra.org.uk/sra/news/press/2022-press-releases/dispute-resolution-approaches/>] from the third round of the Regulators' Pioneer Fund. This new Department for Business, Energy and Industrial Strategy (BEIS)-led £12 million funding programme supports businesses to bring new products and services to market with the support of regulators.

Our grant of £119,691 will fund a project to explore ways to increase the use of technology-enabled dispute resolution to help individuals and businesses resolve legal issues, without the need to go to court.

Working with consortium partners the Access to Justice Foundation and Law Society, the project will launch in September 2023, and aims to encourage the development of technological solutions which will promote and expand the use of dispute resolution across England and Wales. We will also seek to work collaboratively with the Law Council of Wales.

The project will work with consumers and public representative groups to explore the potential barriers and benefits to using dispute resolution, in particular via digital and online platforms. This will include sharing and developing best practice which demonstrates how dispute resolution can deliver outcomes just as fairly and positively as any matter that goes to court.

Resolving issues before court proceedings can not only potentially save those involved time and money, but may also help relieve pressure on the wider court system.

The Ministry of Justice (MoJ) recently noted that around 68% of civil court users would prefer to avoid court unless as a last resort. Despite this, in 2019 alone over 2 million civil proceedings were started in County Courts - resulting in significant pressure on the court system and costs for all involved.

During both previous rounds of the RPF, we successfully won funding for, and delivered, projects designed to improve access to legal services.

Unbundled services pilot

Unbundling is the term used to describe when one or more of tasks that make up a legal service are taken on by the client, rather than the law firm completing the whole process. For example, the client might complete some forms themselves or attend a court hearing without representation.

In 2022, we ran a pilot to study the potential benefits to law firms and clients of unbundled services. This pilot was run in collaboration with the Law Society and the Legal Services Consumer Panel (LSCP), and supported by the Bar Standards Board (BSB), Chartered Institute of Legal Executives (CILEx) and the Cost Lawyers Standards Board (CLSB).

Watch our recent video [<https://www.youtube.com/watch?v=v2xICCVc3o>] which shows the findings of the pilot.

What firms said

Our findings, from providers who all offered or were interested in unbundled services in family law, showed that they:

- Had a positive attitude towards unbundled services.
- Said they were attracting more consumers due to lower charges with a more flexible service.
- Said unbundling could be profitable, especially for high-volume case load.
- Said there was a growing market demand especially from consumers who wish to feel more in control of their case.

Firms also told us

- They do not advertise unbundling as a matter of course.
- Lack of resources, investment and affordability of new technology are main barriers to greater use.

Technology is important to them because they feel it could help them to be more efficient and help to reduce administrative tasks so that they can free up resources to offer more unbundled services. This is an area we will continue to study in 2023.

Analysis of the data collected through this pilot indicates that there could be benefits of undertaking unbundling for legal service providers because there is the potential to attract more consumers who wish to feel in control of their case and those seeking a flexible service at a lower cost and build on profitability with a high-volume case load.

What consumers said

We commissioned a consumer survey through YouGov that compared respondents who have used unbundled services with those who have used end-to-end legal services.

Our data, from 674 consumers, shows that the key benefits they find from unbundled services are in line with our regulatory objectives as they have the potential to increase access to legal services because there is:

- Opportunity for those who would not have otherwise engaged a legal service provider to obtain legal advice.
- No significant compromise in customer satisfaction
- Potential cost savings
- Higher uptake by those on a lower income compared to those earning over £60,000.

However, awareness of unbundling, including the term itself, remains very low generally. We have follow-up research to continue in 2023 including issuing guidance for law firms and further discussions with PII insurers.

Agile Nations programme

A development from the World Economic Forum, the Agile Nations programme [<https://www.gov.uk/government/publications/agile-nations-charter>] is an intergovernmental network to foster global cooperation on rule making in response to innovation.

The SRA supports a professional services LawTech Working Group where we have partnerships in place with Canada, the UAE and support from observation groups in Singapore, Denmark and Italy.

We developed the Agile Nations Lawtech Innovation Network (ANLIN), with the following three workstreams:

Collaboration: to develop a framework of high-level principles as a common platform to respond to innovators making contact from other jurisdictions.

Communication: to structure the discussion areas of activity to draw out examples of good practice and case studies that highlight how to encourage a conducive environment for innovators to operate in.

Consumer: to work with our data protection and privacy regulator, the Information Commissioners Office (ICO), to highlight potential data issues and then work through any different approaches to dealing with them. Where possible, we will seek input from other agencies within the Agile Nations group to highlight the range of ways these might be addressed.

Read more about the full Agile Nations work programme.

[<https://www.gov.uk/government/publications/agile-nations-work-programme-plan-2020-to-2021>]

Following on from this programme lawtech companies looking to expand overseas should be excited by the first in principle digital economy agreement [<https://www.gov.uk/government/news/uk-agrees-worlds-most-comprehensive-digital-trade-deal-with-singapore>] announced by the Department of Trade and Industry.

This provides new opportunities to expand digital services into Singapore by promoting trusted cross border data flows, removing the requirement for localised data storage and processing, and stronger cyber security.

It signals a deep commitment between the UK and Singapore to collaborate in supporting lawtech innovators.

Lawtech Insight newsletter

In 2022 we tested a short, tech-focused newsletter that shared highlights from the lawtech industry. Rather than focus solely on the SRA's work, we curated a number of articles and updates from around the legal sector that we felt were worth sharing with our regulated community.

Feedback from this and readership numbers for Lawtech Insight exceeded our expectations, so we have committed to more in 2023. Each will feature a main article as well as smaller news stories.

You can read all editions here [<https://www.sra.org.uk/sra/news/lawtech-insight/>] and sign up to SRA update [<https://www.sra.org.uk/sra/news/sra-update/unsubscribe/>] to be notified of when the latest edition is published.

Lawtech UK Sandbox pilot

We have continued our involvement with the LawTechUK programme [<https://technation.io/>] by supporting their Regulatory Response Unit (RRU).

It aims to fast-track transformative ideas, products and services that address the legal needs of businesses and society, providing access to tools, services and people, to help accelerate the development of their lawtech solutions.

The RRU consists of a number of regulators in the legal sector and beyond that help innovators bringing new products and solutions to the industry. We provide regulatory advice for start-ups in the sandbox, and beyond, to help those seeking market entrance advice.

If this is something your business needs help with please get in touch [<https://form.sra.org.uk/s3/contactinnovate>] .