

# SRA Corporate Strategy 2023-2026

## Keeping our work programme under review

### Introduction – the need to review our work programme

Within our [Corporate Strategy 2023-2026](#) we have set out our mission of improving confidence and trust in legal services. Protecting the public is at the heart of this.

We have also set out [four strategic priorities](#) that will help us to deliver that mission:

1. We will deliver high professional standards.
2. We will strengthen our risk based and proactive regulation.
3. We will support innovation and technology.
4. We will be an authoritative and inclusive organisation, meeting the needs of the public, consumers, those we regulate and our staff.

We must be flexible to make sure we protect the public in light of new developments and changes in the environment in which we operate. So, while our four strategic priorities remain unchanged, we have revisited some of our specific plans to deliver our priorities given recent developments in the legal sector.

These developments include the possible shifts in risks that we are seeing, illustrated by an increase in the scale and impact of interventions. And some new issues that have emerged since we set out some key deliverables alongside the publication of our Corporate Strategy, such as potential consumer detriment as a result of no-win, no-fee bulk litigation claims. Consumers believed they were protected from any personal financial risk as a result of a law firm having taken out after the event (ATE) insurance.

In this context, we have decided to recalibrate the way that we will deliver our strategic priorities, including by initiating new work programmes such as the new [consumer protection review](#).

This note sets out what we now plan to do and changes that we are making. We will continue to keep our work plans under review.

### Changes to how we will deliver our strategic policy priorities

#### Corporate Strategy priority one

##### *Consumer protection review*

In February 2024 we began a fundamental review of our consumer protection arrangements, with a particular focus on potential improvements around how we can identify risks to client money and proportionate, targeted actions to mitigate those risks. And also to review the arrangements for redress through our compensation fund where consumers do lose out as a result of the dishonesty or unethical actions of a solicitor.

This is a significant new piece of work looking at all ideas for improvement, from near-term operational changes to fundamental long-term policy questions. It is being built on a foundation of wide and deep stakeholder engagement, and we anticipate it will set important pathways for many areas of our work in the remaining two years of our Corporate Strategy.

##### *Bulk litigation claims*

We are investigating the issues relating to the collapse of SSB Law and potential law firm wrongdoing. We will likely complete the investigation in the autumn. In the meantime, we

have started new work liaising with the Financial Conduct Authority (FCA - which regulates the ATE insurance providers), the Financial Ombudsman Service, the Legal Ombudsman and the Royal Institution of Chartered Surveyors (RICS - which regulates surveyors) to share information, insight, and to understand what action they may be taking - looking at the involvement of ATE providers and surveyors in these cases, and considering whether there are any wider issues or gaps in the current market. This includes exploring further the protections for consumers in respect of ATE insurance.

### *Consumer information and transparency requirements*

In this business plan year, we committed to consulting on improvements and potential additions to our requirements in relation to information for consumers. Informed by our evidence of their impacts, our aim was to make them more focused and better able to facilitate choice and comparison, alongside mechanisms to underpin long-term engagement with comparison sites covering legal services.

We have now identified three specific areas where we have evidence that demonstrates that there will be the most public benefit and consumers want further reform:

- Improving the comparability of the information we require solicitors to publish
- Increasing engagement with customer reviews
- Developing a cross regulator professional register

We intend to produce updated and improved guidance to quickly make progress. Any future consultation will also focus on these key areas, as we have evidence that it is here where we can make the biggest difference for consumers when they experience a legal need.

### *Other work streams*

In focusing our resources, we have decided to pause further work in two areas where we have previously said we would take action.

Following the one-year evaluation of our Standards and Regulation, we said that we would review a number of specific areas of our rules. Some of these we have delivered through making some [minor amendments to the Standards and Regulations](#). But we have paused other aspects of this work which were to review:

- how our arrangements work in relation to new ways of working, especially within a more digitally focused economy
- the restrictions on how freelancers can practise
- insurance arrangements for freelancers and solicitors working in an organisation or business we do not regulate.

And following our unbundling pilot, we planned to take a [number of actions](#) to increase awareness and availability of unbundled legal services. We have [published](#) some information for consumers on the [Legal Choices website](#) to raise awareness of the option. We will not be progressing the other actions, but we will continue to work with others to support the work they are doing in this area, for example the Law Society, on tackling the barriers to unbundling.

## **Corporate Strategy priority two**

### *Equality, diversity and inclusion*

In this business plan year, we said we will publish our firm diversity data with its new insight into the diversity breakdown at the most senior levels in law firms, improve the diversity data we hold for individuals and establish a framework to evaluate our progress around EDI.

We have published the [new diversity breakdown for firms](#) and are progressing work to improve the data we hold on individuals. However, in light of our other priorities, we have decided that we will delay the production of the EDI evaluation framework until year two of the Corporate Strategy (November 24 to October 25). This approach supports us to properly take account of our improved diversity data and the LSB's proposed EDI policy statement during the development stage of our EDI evaluation framework.

### **Corporate Strategy priority three**

#### *Regulating Artificial Intelligence and safe testing*

We are committed to supporting innovation and technology that could improve access to legal services, while protecting consumers by making sure it is adopted responsibly.

We said in our Corporate Strategy, and in our Business Plan for the first year of the Strategy, that we would continually develop our capability to understand emerging technology and its potential impact. We would also evolve our offering to make a difference in the sector. In particular, we said we would deliver a proof of concept to test demand and likely effectiveness of a new sandbox in year one.

However, we have decided to put a particular focus on AI and its regulation this business plan year, taking into account the government's recently published pro-innovation framework for sector regulation of AI and accompanying [guidance](#). We think it is timely and important to prioritise this area of our work in 2024, given the increasing profile of AI, so that we can then build and evolve our approach further during the remaining years of the Strategy. We will engage with a range of stakeholders and use horizon scanning to identify the emerging opportunities and issues in practice, leading policy debates around them and providing helpful supporting material to consumers and those that we regulate.

We will also progress our commitment to explore a safe testing environment for law firms and technology partners this Business Plan year. But we will do this by exploring the demand and potential benefits of a new safe testing environment, without delivering a proof of concept of a new sandbox. Taking this approach positions us well to then use the learning from this work to inform our next steps over the rest of the periods of the Corporate Strategy.

#### *Supporting small firms*

We have put a focus on supporting small firms to adopt technological solutions. We confirmed that, in the first year of our current Corporate Strategy, we would work with small law firms and technology providers to produce a map of the specific areas where more resources and support are most needed and deliver pilots focused on particular technologies and themes. However we are focusing our work in 2024 on commissioning research to identify the needs of small firms and our role in meeting those needs. This will help identify where we can have the most impact in supporting small firms to use technology, which means we will then be well-placed to progress further during subsequent years of work under our Strategy. We are also focusing our support to small firms this business plan year through our SRA Innovate events, a series of webinars on AI, and on our Lawtech Insights newsletter.

#### *Front door support service*

More broadly, we are looking to develop a more targeted approach to our support for providers. We currently run an open-door advice service for any legal businesses or individuals who are interested in innovating. We think however it makes good sense to shift our approach to focus on supporting approaches where there will be the most public benefit, to make the best use of our available resources. This could be linked to the type of legal user the business is serving, the area of law or how they will be using technology.

#### **Corporate Strategy priority four**

##### *How we communicate*

We said that we will review how we communicate in Welsh and consider opportunities to expand our offering during this business plan year, and the first year of our current Corporate Strategy. We remain committed to this work, but we are focusing this year on scoping the review and we intend to then conduct it next year.

##### *Insights and influence*

We said we would produce policy statements about access to justice and ESG (Environmental, Social, and Governance) in this business plan year.

We have decided to delay publishing a regulatory position statement on access to justice until the final year of our corporate strategy. Until then we will focus on access to justice issues through specific workstreams such as our work on innovation and technology, including delivering our project to support on-line dispute resolution, and working with the Legal Services Consumer Panel on continuing to develop insights about how regulation can best support this objective. We think these areas of work are important to prioritise during the first year of our Strategy as they will inform the shape of our access to justice statement in due course.

We will not produce a position statement in relation to ESG. We will focus on playing a leadership role, highlighting good practice, and communicating about our internal work in this area. We will also continue to work with the Law Society to support the profession with the practicalities of ESG.