

News release

Report looks at pros and cons of AI in law firms

20 November 2023

The opportunities – and risks – presented by artificial intelligence (AI) are outlined in a new report.

[The latest in our Risk Outlook series](https://indemnity.sra.org.uk/sra/research-publications/artificial-intelligence-legal-market/) [https://indemnity.sra.org.uk/sra/research-publications/artificial-intelligence-legal-market/] looks at how AI is impacting the legal services sector. The report outlines current and potential future developments, and what firms may need to think about in each area to help them assess if and how they might be affected.

Opportunities that firms could consider include using AI to complete administrative tasks more efficiently, so as to free up staff capacity for more complex tasks. Automation can reduce costs – it could be used, for instance, to capture client information before a first consultation. Firms may already have access to software, which can help them harness AI and develop new ways of working.

Among the risks the profession should consider are:

- Accuracy and bias problems – these can cause AI to produce incorrect and possibly harmful results, either through hallucinations or amplification of existing bias in the data. These effects can have the added problem that people often put more trust in computers than in humans.
- Client confidentiality – maintaining client confidentiality when using AI, not just protecting against exposure to third parties but also making sure sensitive information is secure both in their firm and when dealing with the system provider.
- Accountability – solicitors need to remember that they are still accountable to clients for the services provided, whether or not external AI is used.

Paul Philip, SRA Chief Executive, said: 'It is difficult to predict how quickly AI will change the legal sector, but increasingly we won't be able to ignore its impacts.

'So far it has mainly been larger firms using AI. However, with such technology becoming increasingly accessible, all firms can take advantage of its potential. There are opportunities to work more efficiently and effectively. This could ultimately help the public access legal services in different and more affordable ways.

'Yet there are risks. Firms need to make sure they understand and mitigate against them – just as a solicitor should always appropriately supervise a more junior employee, they should be overseeing the use of AI. They must make sure AI is helping them deliver legal services to the high standards their clients expect.

'Our Risk Outlook summarises key things firms should be considering before using AI.'

The use of AI in law firms was covered in our Risk Outlook paper of June 2022 on [innovation in a competitive landscape](https://indemnity.sra.org.uk/sra/research-publications/risk-outlook-paper-innovation-competitive-landscape/) [https://indemnity.sra.org.uk/sra/research-publications/risk-outlook-paper-innovation-competitive-landscape/]. And our 2021 research report on [innovation in legal services](https://indemnity.sra.org.uk/sra/research-publications/technology-innovation-in-legal-services/) [https://indemnity.sra.org.uk/sra/research-publications/technology-innovation-in-legal-services/] also discussed some of the key considerations around the use of AI.