News release

Board gives go-ahead for CILEX change

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The Board of the Solicitors Regulation Authority (SRA) has agreed it would regulate Chartered Institute of Legal Executives (CILEX) members, if <u>CILEX [https://www.cilex.org.uk/]</u> decides to redelegate this to the SRA.

CILEX approached the SRA about this potential change in 2022. Last year, <u>the SRA consulted [https://indemnity.sra.org.uk/sra/news/press/2023-press-</u><u>releases/sra-consults-regulating-cilex/]</u> on the arrangements it would introduce for the regulation of authorised CILEX members. Following a request from CILEX, it <u>recently consulted [https://indemnity.sra.org.uk/sra/news/press/2024-press-</u><u>releases/cilex-consultation-2/]</u> on its approach to the potential regulation of non-authorised CILEX members, such as CILEX students and paralegals.

The SRA's analysis is that there would be public interest benefits to it regulating all CILEX members. It would simplify the complex regulatory landscape, making it easier for consumers to navigate. It would bring more consistent standards and levels of protection.

Research done over many years shows that most members of the public have little knowledge of regulation in the legal sector, and when asked, find it confusing to understand and navigate. Our recent <u>polling</u> [<u>https://indemnity.sra.org.uk/sra/research-publications/consumer-views-cilex-proposals/</u>] and focus groups have showed that the public would support steps that would make it simpler and more consistent:

- 80% support having similar standards for legal professionals regardless of whether they are a solicitor or CILEX lawyer.
- 90% support having similar protections for clients in the same area of law.
- 86% agree that one regulator covering both legal professionals is better than separate ones.

The proposed changes would also result in efficiencies, including reducing duplication for the 75% of CILEX members that already work in SRA regulated firms. If the SRA became responsible for the 20 CILEX regulated firms, it would represent only a 0.2% increase in the firms it regulates, meaning the day-to-day work of regulating CILEX members would be a very small increment.

Views among the profession are mixed, with support for the change as well as objections. If redelegation went ahead, the SRA would make sure that its rules, processes and communications would maintain the distinct identities of CILEX members and solicitors.



The SRA would also make sure the costs of regulating CILEX members would be fully recovered from their practising certificate fees, so there was no financial cross subsidy between solicitors and CILEX members.

Anna Bradley, SRA Chair, said: 'Since CILEX approached us about this change, we have reflected long and hard on the potential risks and benefits. In making this decision we are conscious of the strong professional interests that are in play, but the key question for us has always been – is this in the public interest? All the evidence shows that consistency and relative simplicity in regulation matters to the users of legal service. This change would result in a simpler system, with more consistent levels of protection for consumers. There will also be efficiency benefits.

'Most people find the current regulatory landscape bamboozling. This change won't solve all the issues of complexity, but it would benefit the public.'

If CILEX decides it would like to go ahead, a decision to redelegate would then need approval from the Legal Services Board.

The SRA has set out in a <u>statement [https://indemnity.sra.org.uk/sra/news/sra-</u><u>statement-cilex/]</u> more detail on why the change would be in the public interest, as well as responses to issues raised through consultation. It has also <u>published minutes and Board papers [https://indemnity.sra.org.uk/sra/how-we-work/our-board/public-meetings/archive/]</u> from its meeting on 25 June where the decision was made.