

Intervention into a practice

Last updated 5 July 2021

Intervention

We intervene into a practice to protect clients' interests and client money.

Main effects

- If you are an authorised body, your authorisation may be revoked.
- Practice monies vest in us.
- We take possession of the practice's documents, including client papers.
- As a solicitor, registered European lawyer or registered foreign lawyer, your practising certificate or registration may be suspended.

An agent, appointed by us, carries out the intervention. In effect, an intervention amounts to the end of the practice. This has [practical implications \(#implications\)](#).

When do we intervene?

Statute provides us with [grounds for intervention \(#grounds\)](#). We will intervene if

- there are grounds to intervene, and
- an intervention is necessary to protect the public.

Decisions to intervene may be published. You can view our [published regulatory and disciplinary outcomes](#) (<https://upgrade.sra.org.uk/consumers/solicitor-check/>) and read our [guidance on publishing regulatory and disciplinary decisions](#) (<https://upgrade.sra.org.uk/solicitors/guidance/disciplinary-publishing-regulatory-disciplinary-decisions/>).

Grounds for intervention

The grounds for intervention are set out in various statutes, and depend upon the type of practice and individual concerned. The following types of practice are governed by the following statutes:

- Solicitors' practices - [section 35 and Schedule 1 of the Solicitors Act 1974](#) (<http://www.statutelaw.gov.uk/content.aspx?LegType=All+Legislation&title=the+Solicitors+Act+&Year=1974&searchEnacted=0&extentMatchOnly=0&confersPower=0&blanketAr>) (as amended)
- Registered European lawyers - [section 35 and Schedule 1 of the Solicitors Act 1974](#) (<http://www.statutelaw.gov.uk/content.aspx?LegType=All+Legislation&title=the+Solicitors+Act+&Year=1974&searchEnacted=0&extentMatchOnly=0&confersPower=0&blanketAr>) as applied by the [European Communities \(Lawyers Practice\) Regulations 2000 \(ECR 2000\)](#) (<https://www.legislation.gov.uk/uksi/2000/1119/contents/>)
- Registered foreign lawyers - [Schedule 1 of the Solicitors Act 1974](#) (<http://www.statutelaw.gov.uk/content.aspx?LegType=All+Legislation&title=solicitors+act+&Year=1974&searchEnacted=0&extentMatchOnly=0&confersPower=0&blanketAmendm>) as applied by paragraph 5 of Part II of Schedule 14 of the [Courts and Legal Services Act 1990](#) (<http://www.statutelaw.gov.uk/legResults.aspx?LegType=All+Legislation&title=Courts+and+Legal+Services+Act+&Year=1990&searchEnacted=0&extentMatchOnly=0&confersPowe>)
- Recognised bodies - [Schedule 1 of the Solicitors Act 1974](#) (<http://www.statutelaw.gov.uk/content.aspx?LegType=All+Legislation&title=solicitors+act+&Year=1974&searchEnacted=0&extentMatchOnly=0&confersPower=0&blanketAmendm>) as applied by paragraphs 32-35 of Schedule 2 of the [Administration of Justice Act 1985](#) (<http://www.statutelaw.gov.uk/legResults.aspx?LegType=All+Legislation&title=Administration+of+Justice+Act+&Year=1985&searchEnacted=0&extentMatchOnly=0&confersPower=0>)
- Licensed Bodies - [section 102](#) (<http://www.legislation.gov.uk/ukpga/2007/29/section/102>) and [Schedule 14](#) (<http://www.legislation.gov.uk/ukpga/2007/29/schedule/14>) of Legal Services Act 2007

In each case, the grounds on which we can intervene are different.

Practical implications

If we intervene into your practice, in effect it ceases to exist, as

- client and office account monies vest in us, and
- we take possession of the practice's documents, including client papers.

We will appoint an agent, who will attend your practice with us and [carry out the intervention \(#process\)](#).

Your conduct

It is very likely that we will authorise the making of an application to the [Solicitors Disciplinary Tribunal](#) (<https://upgrade.sra.org.uk/SDT/>). We normally decide this at the same time as we decide to intervene.

As a solicitor, it is possible that your practising certificate will automatically be suspended, if you are a manager and if the grounds of intervention are

- reason to suspect dishonesty,
- Solicitors' Accounts Rules, Code of Conduct or investment business rules breaches, or
- because you have been committed to prison.

In such cases, the suspension takes effect as soon as we decide to intervene, unless [we direct not to suspend](#) <http://www.statutelaw.gov.uk/content.aspx?LegType=All+Legislation&title=the+Solicitors+Act+&Year=1974&searchEnacted=0&extentMatchOnly=0&confersPower=0&blanketAmendments=0>. We might decide to impose conditions.

If you are an authorised body

We may revoke recognition on intervention.

Costs

You are [personally liable for the costs of an intervention](#) <http://www.statutelaw.gov.uk/content.aspx?LegType=All+Legislation&title=the+Solicitors+Act+&Year=1974&searchEnacted=0&extentMatchOnly=0&confersPower=0&blanketAmendments=0>. We have set out our approach to how we make decisions about recovering our costs in [recovering costs](#) <https://upgrade.sra.org.uk/sra/decision-making/guidance/disciplinary-recovering-costs/> and [recovering costs and payments from third parties](#) <https://upgrade.sra.org.uk/sra/decision-making/guidance/general-recovering-costs-payment-third-parties/> guidance.

The intervention process

We appoint an intervention agent. The agent will not take over client matters and will not take over your practice.

The agent will meet you, at your practice address, on the day of intervention. One of our officers will explain that

- all files, papers, records and monies of the practice vest with us except for purely administrative papers, e.g. PAYE records, VAT returns; and
- you have a right to [contest the intervention](#) [\[#contest\]](#).

The agent will also inform you if your practising certificate, or registration is automatically suspended and explain the consequences.

The agent will identify

- urgent client matters requiring immediate attention,
- the accounts system used,
- practice monies,
- client papers,
- deeds and will stores,
- archived files.

The agent will remove all papers, schedule them, and distribute them in accordance with client instructions.

Contesting an intervention

Once an intervention has been effected by us, [you have a right to apply to the High Court for the intervention to be withdrawn](#) <http://www.statutelaw.gov.uk/content.aspx?LegType=All+Legislation&title=the+Solicitors+Act+&Year=1974&searchEnacted=0&extentMatchOnly=0&confersPower=0&blanketAmendments=0>.

You can do this by applying to the High Court within eight days of service of our intervention notice on you. You must give us and our intervention agent notice in writing of your application.

The application itself will not stay the intervention.

Recovery of costs from you

The agent we appoint to effect the intervention incurs costs.

How it works

The agent sends us invoices as he or she incurs costs. We approve each invoice before paying it and sending a copy to you. The amount becomes a [debt payable by you](#) <http://www.statutelaw.gov.uk/content.aspx?LegType=All+Legislation&title=the+Solicitors+Act+&Year=1974&searchEnacted=0&extentMatchOnly=0&confersPower=0&blanketAmendments=0>. Read more details about our [approval to recovering costs](#) <https://upgrade.sra.org.uk/sra/decision-making/guidance/disciplinary-recovering-costs/>.

When you receive the first invoice, we will ask you for your proposals to [settle the debt \[#debt\]](#). We will keep you informed of all costs incurred.

We can pass a resolution to vest in us any rights you have to pursue debts owed to your firm or raise bills. In other cases, you can raise bills and pursue outstanding costs due to your practice. Any money you recover vests in us and offsets your debt to us.

Any grants paid by the [Compensation Fund \[#compfund\]](#) will be recoverable from you as a debt.

What happens to client monies after an intervention

Following an intervention we will hold (on statutory trust) any monies held by your practice. The agent will try to identify those with a beneficial entitlement to the money held and to distribute it to them.

If clients are unable to wait for the distribution of money held on trust, they may apply to the [Compensation Fund \[https://upgrade.sra.org.uk/consumers/compensation-fund/\]](#). If we pay money out of the Compensation Fund, the fund may then be entitled to the money held in the statutory trust account for that client up to the amount paid out by the fund. In this case, the money from the trust account is offset against the amount owed by you.

Ways to settle your debt

You can settle the debt

- in one lump sum; or
- by instalments, with our agreement.

Payment can be made

- by credit card (a charge of 1.75 per cent is made); or
- if paying instalments, by standing order.

Enforcement

If we do not receive satisfactory proposals from you, we will take enforcement action to recover the costs.

Compensation fund

An individual can apply to the [Compensation Fund \[https://upgrade.sra.org.uk/consumers/compensation-fund/\]](#) if, in the normal course of your business, they have

- suffered loss because of your dishonesty, or
- suffered loss due to your failure to account (for the money you have received), or
- suffered loss as a result of civil liability where a policy of insurance should have been in place but is not.

A grant out of the fund is made at our discretion.

If the compensation fund makes a grant, we may recover money from you.