Solicitors Regulation Authority

News from the Board

Reflections on our Birmingham Board meeting - Anna Bradley

12 April 2022

This month's meeting was the first at our refurbished Birmingham office. The switch to hybrid working meant we needed to revamp our office layout to major on collaboration and networking and the Board were fortunate to be able to see the new layout on only the second full day of operation.

There is little added benefit to colleagues commuting to work to sit at a screen all day and join video calls with others who are working from home. So we have had a complete re-think about the way we work. I thought it looked fantastic, and colleagues are already telling me it is improving their work experience and helping them get things done. We are obviously now collecting lots of feedback to fine tune. I hope some of you get to visit in the coming months.

During the day, Board members spent time in one of our biggest meeting spaces with colleagues from different functions within the organisation. It was wonderful to be able to meet with staff again and take the time to find out what they are focussed on; what issues solicitors and the public are bringing to our door; and how we are looking to improve.

The SRA staff never cease to impress me – I hope your interactions with them leave you with the same feeling!

Solicitors Indemnity Fund

Readers of this blog will know that options for the future of post six-year run-off cover and the Solicitors Indemnity Fund (SIF) have been a regular topic of discussion.

This cover is additional to the standard indemnity insurance that all solicitors and firms must have and buy on the open market. The standard cover protects consumers if something goes wrong while a firm is open. It also extends to six years after a company closes; the latter is known as ‘run-off cover’. History shows that the vast majority of claims against firms that have closed, fall within this period.

We have been consulting on what should happen to the additional cover that is currently provided through the SIF. This additional cover extends beyond the six-year run off period.

At our meeting, we discussed the extensive feedback we received through our consultation. The level and depth of the responses has been hugely helpful in giving us evidence to move our thinking forward. There was widespread agreement among those who replied that providing appropriate consumer protection is key, and importantly evidence to show that the profession think this is a benefit worth funding. But there is clearly still room for debate about how this might be delivered .

We still think the costs of running the SIF in its current form are disproportionate to the benefits delivered. So, in the next few months, we will be looking at whether there are options for providing consumer protection in a more efficient and effective way. In the meantime, we will extend the cover of the SIF until September next year, subject to Legal Service Board approval, and formal confirmation from SIF Limited that it is affordable without an additional levy.

Ongoing engagement will be vital. We want to build on the constructive ideas we heard through our consultation. We will be getting back in touch with stakeholders – including particularly The Law Society – to explore credible, value-for-money options that could provide proportionate consumer protection. The Law Society's involvement is critical, in our view, which is why we have asked them to work with us. SIF was established by The Law Society not by the SRA and some of the options available to us, will need their agreement, while other others could be delivered only by The Law Society. In short, we have a shared responsibility for finding possible solutions.

I recognise some people will be frustrated that we still do not have a decision on a long-term position. But the consultation has thrown up new issues which we need to explore further so we can make a decision based on the best available evidence. The work we do, including extensive engagement, will help us develop that evidence before the issue comes back to our Board at the end of the summer.