

SRA Update

Issue 113 - March 2023

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Welcome to the latest issue of SRA Update. Last month we talked about the use of strategic litigation against public participation – SLAPPs. Although it is important that claimants can bring legitimate claims and for solicitors to act fearlessly in their interest, that should never extend to abusing the litigation process. SLAPPS have the potential to be a threat to the rule of law and free speech. In this issue, we share the findings of our review into firms working in this area of the law. Our findings were generally positive, but there's still more firms could be doing. The actions of a few can undermine trust in the profession. Also in this issue we have agreed the final rules for running our own indemnity scheme for post six-year negligence claims, our financial penalties regime, and for publishing disciplinary decisions.

Review shows firms need to do more on SLAPPs [\[https://upgrade.sra.org.uk/home/hot-topics/slapps-abusive-litigation/\]](https://upgrade.sra.org.uk/home/hot-topics/slapps-abusive-litigation/)

Law firms need to do more to guard against the risk of strategic lawsuits against public participation (SLAPPs) and other types of abusive litigation, our new review has shown. We visited 25 law firms, including those who work on the claimant and defendant side. Through interviews and file reviews, we assessed how well firms understand and manage the risks around abusive litigation.

[Read more about: Review shows firms need to do more on SLAPPs](https://upgrade.sra.org.uk/home/hot-topics/slapps-abusive-litigation/)
[\[https://upgrade.sra.org.uk/home/hot-topics/slapps-abusive-litigation/\]](https://upgrade.sra.org.uk/home/hot-topics/slapps-abusive-litigation/)

Updated approach to fines and publishing decisions [\[https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/financial-penalties-publication-policy/\]](https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/financial-penalties-publication-policy/)

We have confirmed the detail of changes for how we levy financial penalties to law firms and solicitors. The reforms will come into effect later this year. We have also published our approach to publishing information on disciplinary decisions to make sure it is transparent and accessible.



[Read more about: Updated approach to fines and publishing decisions](https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/financial-penalties-publication-policy/)
[<https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/financial-penalties-publication-policy/>]

Board finalises rules for post six-year client protection

[<https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/six-year-negligence-claims-rules/>]

Our Board has agreed the final rules which will bring the Solicitors Indemnity Fund (SIF) under our control and make sure future consumer protection for post six-year negligence claims continues. The rules will now be submitted to the Legal Services Board (LSB) for approval, ahead of the new arrangements becoming effective from October.

[Read more about: Board finalises rules for post six-year client protection](https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/six-year-negligence-claims-rules/)
[<https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/six-year-negligence-claims-rules/>]

How has technology helped you get ahead?

[<https://upgrade.sra.org.uk/sra/news/sra-update-113-technology-case-studies/>]

Firms have made great strides in using new technology to improve how legal services are delivered, a process accelerated by the pandemic. As part of our SRA Innovate initiative, we are looking for great examples of where firms used new developments to get ahead.

[Read more about: How has technology helped you get ahead?](https://upgrade.sra.org.uk/sra/news/sra-update-113-technology-case-studies/)
[<https://upgrade.sra.org.uk/sra/news/sra-update-113-technology-case-studies/>]

Find out more about Legal Ombudsman scheme rules changes

[<https://upgrade.sra.org.uk/sra/news/sra-update-113-ombudsman-rules/>]

We have previously told you about the Legal Ombudsman (LeO) consulting on changes to its scheme rules. The proposed amendments come into effect on 1 April 2023. The Ombudsman has produced a range of resources about what's changed and how it might affect you.

[Read more about: Find out more about Legal Ombudsman scheme rules changes](https://upgrade.sra.org.uk/sra/news/sra-update-113-ombudsman-rules/) [<https://upgrade.sra.org.uk/sra/news/sra-update-113-ombudsman-rules/>]



Join our online conference to get the key info on qualifying work experience

[\[https://upgrade.sra.org.uk/sra/news/sra-update-113-sqe-conference/\]](https://upgrade.sra.org.uk/sra/news/sra-update-113-sqe-conference/)

Those looking to learn more about qualifying work experience (QWE) – for example what counts and what workplaces are allowed to give it – should join our virtual Solicitors Qualifying Examination conference. This free event takes place on 23 March and will look at, among other things, the results of our QWE perception survey.

[Read more about: Join our online conference to get the key info on qualifying work experience \[https://upgrade.sra.org.uk/sra/news/sra-update-113-sqe-conference/\]](https://upgrade.sra.org.uk/sra/news/sra-update-113-sqe-conference/)

Webinar - qualifying as a solicitor

[\[https://events.sra.org.uk/sra/630/home\]](https://events.sra.org.uk/sra/630/home)

We are holding a free webinar on 7 March to showcase the experiences of those who have qualified as a solicitor through our new route, the SQE. This includes those who have completed their professional qualifications through the apprenticeship route.

[Read more about: Webinar - qualifying as a solicitor \[https://events.sra.org.uk/sra/630/home\]](https://events.sra.org.uk/sra/630/home)

Showcase your continuing competence approach

[\[https://upgrade.sra.org.uk/sra/news/sra-update-112-continuing-competence-examples/\]](https://upgrade.sra.org.uk/sra/news/sra-update-112-continuing-competence-examples/)

How is your firm helping its solicitors remain competent to practise? We want to help the wider profession by showcasing your best practice and new ways of working in this crucial area.

[Read more about: Showcase your continuing competence approach \[https://upgrade.sra.org.uk/sra/news/sra-update-112-continuing-competence-examples/\]](https://upgrade.sra.org.uk/sra/news/sra-update-112-continuing-competence-examples/)

Standards and Regulations - minor amends to our rules

[\[https://upgrade.sra.org.uk/sra/news/press/2022-press-releases/standards-regulations-amends-consultation/\]](https://upgrade.sra.org.uk/sra/news/press/2022-press-releases/standards-regulations-amends-consultation/)

We are consulting on a series of minor amendments to our Standards and Regulations to clarify our rules. This comes after feedback from stakeholders suggested the new rules had either had unintended



consequences or needed to be clearer on specific issues. You have less than a week left to respond.

[Read more about: Standards and Regulations – minor amends to our rules](https://upgrade.sra.org.uk/sra/news/press/2022-press-releases/standards-regulations-amends-consultation/) [<https://upgrade.sra.org.uk/sra/news/press/2022-press-releases/standards-regulations-amends-consultation/>]

Your health, your career

[<https://upgrade.sra.org.uk/solicitors/resources-archived/your-health-your-career/>]

Are you worried about your health affecting your work? Life as a solicitor can be challenging and the demands and pressures can easily build up. We can signpost you to sources of help and make adjustments for you if you are in difficulty.

[Read more about: Your health, your career](https://upgrade.sra.org.uk/solicitors/resources-archived/your-health-your-career/) [<https://upgrade.sra.org.uk/solicitors/resources-archived/your-health-your-career/>]

Welcome to the latest issue of Compliance News. We all play a role in making sure public trust in the profession is maintained. Fundamental to that trust is clients knowing that their money is safe. Our Accounts Rules govern how you protect this money. Misuse of client money is a serious matter and will likely end up at the Solicitors Disciplinary Tribunal. This issue features a range of updates on Accounts Rules matters, such as the need to get an accountant's report, case studies on Rule 3.3 which prohibits use of the client account for banking facilities, and updated information on being asked to hold client money when you do not have a client account in the first place. And following the one-year anniversary of the Russian invasion of Ukraine, it is an appropriate time to remind you how important is it that you keep up to date with the financial sanctions regime.

Client accounts and accountants' reports

[<https://upgrade.sra.org.uk/sra/news/sra-update-113-accountants-reports/>]

If you hold or receive client money then you must obtain an accountant's report for the relevant period. Any report that is qualified because it shows a failure to comply with our rules should be delivered to us.

[Read more about: Client accounts and accountants' reports](https://upgrade.sra.org.uk/sra/news/sra-update-113-accountants-reports/) [<https://upgrade.sra.org.uk/sra/news/sra-update-113-accountants-reports/>]

Make sure you do not provide banking facilities



[\[https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/banking-facilities-ban-case-studies/\]](https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/banking-facilities-ban-case-studies/)

As the High Court has said, banks do not give legal advice, so solicitors should not provide banking facilities. Our rules explicitly prohibit a law firm from providing banking facilities through its client account. Any movement of money from a client account must be in respect of the delivery of regulated services provided by a law firm.

[Read more about: Make sure you do not provide banking facilities \[https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/banking-facilities-ban-case-studies/\]](https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/banking-facilities-ban-case-studies/)

Update to help with client account queries

[\[https://upgrade.sra.org.uk/solicitors/guidance/operate-client-account/#collapse_6a1d\]](https://upgrade.sra.org.uk/solicitors/guidance/operate-client-account/#collapse_6a1d)

A number of firms have approached us for guidance where the client has approached them asking them to hold monies on their behalf, but they do not wish to do so. We have therefore added this – and our response – to our client account Q&As.

[Read more about: Update to help with client account queries \[https://upgrade.sra.org.uk/solicitors/guidance/operate-client-account/#collapse_6a1d\]](https://upgrade.sra.org.uk/solicitors/guidance/operate-client-account/#collapse_6a1d)

Digital ledger technology – are you blockchain ready?

[\[https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/risk-outlook-digital-ledger/\]](https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/risk-outlook-digital-ledger/)

Is your firm ready for the blockchain revolution? Some firms are already taking advantage of new technologies, while other developments might soon become commonplace in legal services. Our latest Risk Outlook report lays out the challenges and opportunities you might face.

[Read more about: Digital ledger technology – are you blockchain ready? \[https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/risk-outlook-digital-ledger/\]](https://upgrade.sra.org.uk/sra/news/press/2023-press-releases/risk-outlook-digital-ledger/)

Keep up to date with the financial sanctions regime

[\[https://upgrade.sra.org.uk/sra/news/press/2022-press-releases/sanctions-regime-stay-compliant/\]](https://upgrade.sra.org.uk/sra/news/press/2022-press-releases/sanctions-regime-stay-compliant/)

We have published guidance to help you understand your obligations under the Government's financial sanctions regime. This situation is fast-changing – the regulations changed just before Christmas to include a



ban on providing trust services to those connected with Russia. Our guidance should help you keep up to date.

[Read more about: Keep up to date with the financial sanctions regime \[https://upgrade.sra.org.uk/sra/news/press/2022-press-releases/sanctions-regime-stay-compliant/\]](https://upgrade.sra.org.uk/sra/news/press/2022-press-releases/sanctions-regime-stay-compliant/)

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