



# Year one evaluation of our Standards and Regulations

15 December 2021

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## This report

This report provides some highlights of our one-year evaluation into the impact of the SRA Standards and Regulations, and sets out the immediate action that we intend to further support solicitors, their firms and their clients.

The evaluation is underpinned by independent research we commissioned from the Centre for Strategy and Evaluation Services to gather the views of consumers, solicitors and wider stakeholders. We also engaged extensively with those that we regulate and beyond since introducing the [Standards and Regulations](#) [\[https://upgrade.sra.org.uk/solicitors/standards-regulations/\]](https://upgrade.sra.org.uk/solicitors/standards-regulations/). This was as well as monitoring information and data about how the reforms were settling in.

It will take time for the benefits of these reforms to fully embed in the market and this is intended to be a 'direction of travel' study. We have committed to carry out further evaluations after three and five years, which will provide a more complete picture of impacts on the wider market.

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## [Background](#)

On 25 November 2019, we introduced our new [Standards and Regulations](#) [\[https://upgrade.sra.org.uk/solicitors/standards-regulations/\]](https://upgrade.sra.org.uk/solicitors/standards-regulations/) reforms. These saw us review and redraft our rulebook to introduce shorter, simpler rules. We sought to remove unnecessary prescription and outdated restrictions.

The new rules put greater trust in professional judgement and provide solicitors with greater flexibility about how and where they practise. This approach was designed to be fit for purpose in a fast-changing and dynamic legal services market, helping to further reduce the regulatory burden on the profession and providing more options for how services are delivered and therefore more choice for consumers.



Key changes included:

- Updating the principles that we expect solicitors to uphold
- Introducing separate codes of conduct for individuals and firms
- Streamlining our Accounts Rules to focus on keeping client money safe
- Simplifying our authorisation rules
- Introducing a new enforcement strategy – which provides greater clarity and transparency

We also allowed, for the first time, solicitors to provide certain services directly to the public while working in ways other than through a regulated law firm. For example, this could be while working for an organisation or business we did not regulate, working in-house or working as a freelance solicitor.

As well as supporting the launch of the reforms with an extensive communication and engagement campaign, we have continued to support the profession by issuing additional support materials and guidance on an on-going basis.

Prior to introducing these changes we also introduced our [Better Information](https://upgrade.sra.org.uk/sra/consultations/consultation-listing/lttf-better-information-consultation/) [https://upgrade.sra.org.uk/sra/consultations/consultation-listing/lttf-better-information-consultation/], reforms (known as the SRA Transparency Rules) on 6 December 2018.

These transparency rules were developed in response to the Competition and Market Authority's [review of the legal services market](https://assets.publishing.service.gov.uk/media/5887374d40f0b6593700001a/legal-services-market-study-final-report.pdf) [https://assets.publishing.service.gov.uk/media/5887374d40f0b6593700001a/legal-services-market-study-final-report.pdf]. The rules aim to help members of the public and small businesses make more informed choices when purchasing legal services, by ensuring they have easy access to accurate and relevant information.

We have already conducted a [one-year evaluation of these transparency rules](https://www.sra.org.uk/sra/news/press/transparency-research-2020/) [https://www.sra.org.uk/sra/news/press/transparency-research-2020/].

## **Key findings from the year one evaluation of our Standards and Regulations**

- Three quarters of practising solicitors participating in the research were familiar with the reforms
- The majority of solicitors were positive about the overall effects of the changes and said they were working more flexibly and felt more trust was being put in their professional judgement
- There was high awareness among the profession of the new codes and principles, with more than half of those surveyed saying they found the tools and resources we published useful in helping them understand the new rules



- At the time of the research there were 300 freelance solicitors (now 413 as of November 2021) - this is encouraging, showing evidence of increased competition and diversity in how solicitors practice
- A small but growing number of solicitors working for non SRA-regulated organisations are already - or are considering - offering some legal services directly to the public
- Consumers continue to place high value on the professional status of individual solicitors, whether they are working within regulated or non-regulated organisations
- While many consumers stated a clear preference for using solicitors in a regulated law firm for serious matters, there was also a clear appetite to consider solicitors working in other settings. Key factors people suggested they would think about in deciding between using a solicitor working in a law firm, or other setting, were convenience, personal recommendations, cost and accessibility

## **Next steps**

Based on the recommendations within this independent report, and broader feedback we have received since the Standards and Regulations were introduced, we will:

1. Continue to raise awareness among the profession of the new opportunities offered by the reforms, while also promoting to the public and wider stakeholders how a diversity of business models and services will help provide greater choice and affordability for consumers.
2. As part of our policy work programme over the coming year, we will take forward projects to review:
  - a. How our arrangements work in relation to new ways of working, especially within a more digitally-focused economy. For example in relation to our rules around marketing and publicity and operating a totally virtual firm
  - b. The restrictions on how freelancers can practise – including the current prohibition on carrying out any immigration or claims management work
  - c. Insurance arrangements for freelancers and solicitors working in an organisation or business we do not regulate, including liaising with the insurance market to build our understanding of available policies
  - d. The rule placing restrictions on solicitors who want to be able to administer oaths or statutory declarations outside their employment, for friends, family or members of their community
  - e. Certain aspects of our Accounts Rules – focussing on aiding ease of operation for those that we regulate
3. We will take steps to improve our understanding of how the unregulated sector is developing. This will include examining data and reviewing the number and profile of solicitors who are working

in non-SRA regulated organisations while providing legal services to the public. This will include monitoring the extent to which some regulated firms might be moving all, or part, of their services outside the scope of SRA regulation, and understand risks and benefits of any changing profile.