

News release

SRA approves first Al-driven law firm

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We have authorised the first law firm providing legal services through artificial intelligence (AI). While many firms are already using AI to support and deliver a range of back-office and public-facing services, Garfield.Law Ltd is the first purely AI-based firm we have authorised to provide regulated legal services in England and Wales.

Garfield.Law offers small and medium sized businesses
[https://www.garfield.law/press/launch], as well as law and other firms, the use of an Al-powered litigation assistant to help them recover unpaid debts, guiding them through the small claims court process up to trial.

We are encouraging the development of new approaches and models due to the potential consumer benefits. Al-driven legal services could deliver better, quicker and more affordable legal services. There are, however, <u>potential risks to the public [https://higher-rights.sra.org.uk/sra/research-publications/artificial-intelligence-legal-market/]</u>, so we have been making sure there are appropriate checks in place to make sure that consumer protections are not diluted.

Before authorising Garfield.Law, we engaged with the owners to consider the firm's processes and assure ourselves that our rules can be met by an Al service. For instance, we have sought reassurance that there are appropriate processes in place to quality-check work, keep client information confidential, and safeguard against conflicts of interests.

We have also checked the firm is managing the risk of 'AI hallucinations.' The system will not be able to propose relevant case law, which is a high-risk area for large language model machine learning.

Garfield is not autonomous and will only take a step where the client has approved it, and furthermore there are supervision and monitoring processes in place. This includes greater oversight of claims in the initial launch phase, so that issues or risks can be identified.

Under our rules, named regulated solicitors will still ultimately be accountable for the firm delivering high professional standards. This means they will also be responsible for all the system outputs and for anything that goes wrong. All regulated law firms must also have a minimum level of insurance in place to protect clients.

Paul Philip, SRA Chief Executive, said: 'The first regulatory approval of an Al-based law firm is a landmark moment for legal services in this country.

'With so many people and small businesses struggling to access legal services, we cannot afford to pull up the drawbridge on innovations that could have big public benefits. Responsible use of AI by law firms could improve legal services, while making them easier to access and more affordable.

'Yet trust and confidence in regulated legal services depends on the public knowing that high professional standards are being met. Any new law firm comes with potential risks, but the risks around an Al-driven law firm are novel. So we have worked closely with this firm to make sure it can meet our rules, and all the appropriate protections are in place.

'As this is likely to be the first of many Al-driven law firms, we will be monitoring progress of this new model closely, so we can both manage the risks and realise the benefits to consumers.'

We have a <u>dedicated team committed supporting innovation [https://higherrights.sra.org.uk/solicitors/resources/topic/innovate/]</u> in the legal sector. This includes working with law firms and technology providers to test ideas and help develop new ways of working which could benefit the public.