

## **News from the Board**

### **Reflections on our January Board meeting - Anna Bradley**

03 February 2023

Our first formal meeting of the calendar was held to conclude the Board's work on three recent consultations – consumer protection for post six-year negligence, the publication of regulatory decisions, and the implementation arrangements for financial penalties. Thanks to all those of you who contributed to one or more of these, your feedback is always considered carefully and often results in changes to our approach.

The first item was the final rules of the future scheme for post six-year negligence. This will provide consumers with the same level of protection they previously got from the Solicitors Indemnity Fund. We made some final adjustments in the light of comments and agreed to make the rules ahead of submitting them to the Legal Services Board for approval, with the SRA-run scheme to be implemented in October.

Running the scheme ourselves will give us much better data than we have been able to gather during the consultation. The Board noted that we will run a periodic evaluation of the new scheme to make sure it is operating effectively and delivering the right outcomes, as we do for all of our policy developments. The data we will be able to collect will be key to that evaluation. We will of course be publishing all the details with our Board papers.

When our powers to fine traditional firms and those who work in them were increased to £25k last year, we recognised that with the increased fining powers we needed to provide assurance about the transparency and robustness of our processes. We have been consulting in two related areas: how we publish regulatory decisions, and the detail of our approach to new fining powers.

The Board approved the proposals for improving the quality of information we provide on regulatory decisions. We suggested that we should do more to share the themes emerging from our disciplinary work so that the wider profession can learn from where things have gone wrong. We also considered the potential equalities impacts of publishing more information.

We are hopeful that our research on the over-representation of Black, Asian and minority ethnic solicitors in concerns raised with - and then investigated - by us, will help to cast light on the picture that we and so many regulators and organisations see. We will also trial some new approaches to reporting decisions.

The Board also agreed our approach to using new fining powers. We asked that the approach to handling alternative business structures (ABSs) should be separated out from the wider approach and that it should be clear why this is the case. We also discussed the fact that if the proposals to give us unlimited fining powers in relation to economic crime, as set out in the Economic Crime and Corporate Transparency Bill, are enacted, we will need to revisit some of the issues.

Our next full Board meeting will be in late February 2023 in London. We are looking forward to meeting with the Legal Services Consumer Panel over dinner and hearing their thinking on what really matters to the users of legal services.