Sent by email only to businessplan@sra.org.uk

Solicitors Regulation Authority's Business Plan and Budget 2025-2026

The Legal Services Consumer Panel (Panel) welcomes the opportunity to respond to the SRA's draft Business Plan and Budget for 2025/26. Our feedback is grounded in our commitment to protecting consumer interests, ensuring access to justice and promoting trust in legal services. While we acknowledge the SRA's efforts to address rising risks in the sector, we highlight key areas requiring stronger consumer-focused action, supported by evidence from the consultation documents and our previous work.

We acknowledge the SRA's efforts to address rising risks, such as misconduct reports and firm failures, but urge greater emphasis on preventative consumer protection, transparency and access to justice. Below we offer our recommendations to strengthen the business plan, leveraging evidence and past Panel work.

Strengthening Consumer Protection to Address Rising Risks
The SRA highlights a 40% increase in misconduct investigations and complex cases like the Post Office Horizon scandal. However, the plan should explicitly link deliverables to consumer outcomes, such as:

- transparency in enforcement: Publish data on case resolutions and redress for harmed clients. Publish full data on enforcement actions and their impact on consumer redress;
- proactive risk mitigation: the SRA should expand its use of data analytics (e.g., monitoring high-volume claims markets) and collaborate with third-sector groups to identify vulnerabilities, as recommended in our 2024 response on client money protections. The SRA should also expand scrutiny of firms with high complaint volumes to prevent systemic harm;
- the Plan's focus on professional ethics aligns with our 2025 call for the LSB to uphold ethical duties. We urge the SRA to publish clear metrics on how ethics training reduces harm.

Transparency and Consumer Empowerment
The SRA's past work on price transparency (e.g. 68% of firms now publish pricing data) has improved consumer decision-making. However, the 2025/26 Plan lacks ambition in this area. We recommend:

- working with other regulators to make prices comparable, e.g. collaborate with the Council for Licensed Conveyancers on conveyancing prices;
- expanding price transparency into contentious areas of law;
- pro-active development and sharing of implementable service quality indicators;

- enhance Legal Choices: The SRA should explore, with other regulators, expanding the platform to include real-time complaints data and firm risk ratings.

Practicing Fee and Compensation Fund: Balancing Affordability and Adequacy
While the £6 net rise of the Practicing Fee is modest, the Panel is concerned about the reduction in Compensation Fund contributions (individuals: £90→£70; firms: £2,220→£1,950). This reduction risks underfunding protections given the 18% rise in intervention costs. There is a persistent lack of transparency on the basis for these figures, despite the SRA's assurance of offsetting fee increases. We recommend:

- evidence-based funding: the SRA should demonstrate the fund's capacity to cover rising intervention costs (e.g. firm failures), which have increased by 18%;
- firm accountability: maintain robust contributions from firms, given the importance of their role in mitigating systemic risks.

Data and Risk Intelligence: Closing Gaps in Consumer Harm Detection
The Axiom Ince collapses underscore systemic risks. The SRA's focus on data-driven risk identification is therefore commendable, but gaps remain:

- early-warning systems: Share insights with consumers/consumer groups (e.g. alerts on firms with high complaint volumes);
- reintroduce mandatory summary accountant reports for all firms, not just those with qualified audits;
- address delays in investigations, as highlighted in our 2024 response to the SRA's Consumer Protection Review.

Equality, Diversity, and Inclusion (EDI): Embedding Consumer Needs
While the SRA mentions EDI assessments, we urge:

- targeted support: Address disparities in access to justice (e.g. affordability and communication barriers not limited to marginalised groups). Explore incentivised education/training in areas with a paucity of providers or known advice deserts).
- consumer feedback loops: Integrate lived experiences into policy design (e.g. via surveys or focus groups).

We hope you find this feedback helpful. Please contact Lola Bello, Head Consumer Panel, if you have any questions pertaining to this consultation lola.bello@legalservicesconsumerpanel.org.uk.

Yours sincerely,

Tom Hayhoe

Chair, Legal Services Consumer Panel