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Legal Services Board (LSB) Performance assessment update

- 1 The Board has agreed that the updates it receives on the LSB's performance assessment should be focused on:
 - The expectations of the SRA arising from the LSB's most recent performance assessment report, with a progress report on delivering the actions so the Board can assess progress. This includes the expectations specific to the SRA, as well as the themes highlighted for all regulators.
 - Exception reporting against other areas from the LSB's Performance Assessment Framework - Sourcebook of Standards and Characteristics.
 - A summary of any LSB position papers and consultations with an overview of how we are responding.

Latest LSB performance assessment

- 2 The LSB [published](#) its 2024 performance assessment report on 31 March 2025, which covers an overview of the performance of all legal services regulators, as well as reports on each regulator. It is worth noting that this was over 12 months ago and covered the period from June 2023 to September 2024.
- 3 There were 12 expectations of the SRA noted in that report. These are set out below, along with progress updates against each covering the performance reporting period from November 2025 to February 2026.
- 4 The outcome of the performance report covers a number of areas in the Axiom Ince Independent Review report, which means there is duplication with the implementation plan for the LSB Directions that we are reporting on separately.
- 5 As the Board is aware, since the publication of the last assessment, the independent review of our actions relating to the SSB group has been published, along with the public censure and the LSB's Directions to us as a result. We have subsequently [published](#) our public targets in response.

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LSB expectation of the SRA	Updates this quarter
1. Providing clearer and more detailed descriptions in SRA Board minutes of discussions of how the SRA's activities promote the public interest and address the regulatory objectives.	• SRA Board effectiveness review report was discussed by the Board in February. The recommendations include potential enhancements relating to Board minutes and we will be talking to the LSB about the review and resulting actions at a future Board to Board meeting.
2. SRA continues to review its governance arrangements and new changes it may introduce as a result of its own reviews and the Axiom Ince review report.	• This expectation is in part covered by the implementation plan for the LSB Directions following the Axiom Ince Independent Review report (Direction 1a). The Board received the latest progress update in February, prior to it being submitted to the LSB. • The Board discussed the Board effectiveness review report in February. • An action plan is in place to make improvements.
3. SRA to apply the findings of its communications review and perceptions research to its substantive work and to its engagement with the public, consumers, the regulated community and others.	• We continue to look to take a campaigns-based approach to communications, as recommended in the communications review that had been undertaken at the time of the last LSB performance assessment. Examples include our communications approach to High Volume Consumer Claims, the Solicitors Qualifying Examination and Anti-money laundering. We have also taken some learnings from this approach into our core communications work, such as enhanced use of social media.

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LSB expectation of the SRA	Updates this quarter
4. SRA to monitor the effectiveness of its engagement activities, and whether it will be better able to evaluate and assess their impact on its regulated community's compliance with rules and regulations.	- Improving collaboration and engagement with stakeholders and a focus on our approach to communications is one of organisation's priorities for 2026, following the arrival in November of our new CEO. A good example of this has been the approach we took following the intervention into PM Law, where we sought to provide more information, sooner and more regularly to those impacted. We also shared more information with the media and stakeholder groups, leading to a significant increase (compared to comparable interventions) in the reach and scale of media coverage – especially that which features help and useful information for consumers. Examples included pieces on Money Saving Expert, BBC Morning Live, BBC radio and various regional media. - We are regularly applying behavioural insight to the framing of operational communications. For example, we undertook some testing to optimise emails to non-practising solicitors asking them to confirm they wish to remain on the roll. The exercise used data driven testing to strengthen regulatory communications and help us understand how to increase impact.
5. SRA to address the quality issues identified in some of its applications for changes to its regulatory arrangements.	- We continue to proactively engage with the LSB in the pre-application phase and during the application process to understand its areas of interest and expectations for applications. - We are capturing feedback from the LSB on our applications when it gives its decision on the application to address any learning for future

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LSB expectation of the SRA	Updates this quarter
	applications.
6. SRA to rapidly implement its new model for risk identification, analysis and management, progressing the development of its long-term data strategy and implementing risk-based inspections in areas other than AML and demonstrating that it can identify risk and take action to prevent firm failures and detriment to clients.	- This is covered by the implementation plan for the LSB Directions following the Axiom Ince Independent Review report (LSB direction 2a). It also one of the areas of focus in our performance targets following the independent review of SSB. - We have updated our plans to deliver our first Market Risk Assessment in order to reflect issues identified in recent cases including PM Law. And while we continue to make improvements to our arrangements, we recognise there is more to do to build the risk and data model that we need for the future.
7. SRA to address the recommendation arising from the Axiom Ince review report that it uses its powers to develop an alternative option to address concerns with firms and protect clients, short of intervening.	This is covered by the implementation plan for the LSB Directions following the Axiom Ince Independent Review report, LSB direction 6a. In our quarter three progress report, we noted we were on target to meet this Direction.
8. SRA to make further progress on the development of quality indicators for legal services and providing consumers with information about the quality of legal services providers.	We continue to explore issues of quality in legal services through a variety of work areas. Over the most recent period this has predominately been focused on gathering insight from consumers in relation to quality measures, through our work on complaints handling.

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	We have ensured that our Year 5 Transparency Rules evaluation has for the first time asked both solicitors and consumers about pricing and quality aspects separately. This means we can explore these areas and potential issues and solutions in more depth.
9. SRA's response to the results of its planned evaluations of its Standards and Regulations and of the SQE, and what changes to them may result.	- Solicitors Qualifying Examination: Phase Three Evaluation was published in December 2025. We have published the key findings alongside what we are doing / planning to do in response to the findings. - Five-year evaluation of Standards and Regulations is currently in progress.
10. SRA's monitoring of Kaplan's performance against its action plan to address the causes of the marking errors in April 2023 and January 2024 and how the SRA monitors Kaplan's overall performance.	- The January 2024 error arose because Kaplan did not round scores at the point in the results process that was set out in the published policy in force at the time. There were no marking errors. Kaplan investigated the cause of this error and committed to an action plan to address the findings. We are satisfied that all the actions to which Kaplan committed are complete. - We continue to monitor Kaplan's performance through our established fora and processes. The Board had a session with Kaplan on the SQE in March, from which it took some assurance and confidence in terms of Kaplan's performance.

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11. SRA to begin publishing SQE training provider pass-rate data by Autumn 2025 at the latest.	An update is provided in the CEO report to the Board for this meeting.
12. Implementation of the action plans that derive from its research into differential outcomes for ethnic minority solicitors on SQE and overrepresentation of ethnic minority solicitors in its disciplinary processes.	- We have published the actions that we are taking forward following our research into differential outcomes for minority ethnic solicitors in legal professional assessments. Work to deliver these actions is progressing well. This includes multivariate analysis of SQE (published on 10/11/25) and guidance for training providers on writing multiple choice questions to facilitate SQE1 preparation. - We have continued to implement actions in light of the findings from our research on overrepresentation of minority ethnic solicitors in our enforcement processes (including all staff refresher training on unconscious bias engagement with diversity groups).

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- 6 Across its assessment of all regulators, the LSB identified the following themes that require focus and improvement. Our progress and comments against the themes are in the table below, as requested by the Board at the last performance meeting:

LSB themes across all regulators	LSB Performance assessment report comments	SRA progress / comments – June 2025
13. How regulators evaluate the impact of regulatory activities	Identified as a significant area of concern in two assessments (SRA and BSB).	This is covered by the Directions issued by the LSB following the review of the regulatory events leading up to our intervention into Axiom Ince (LSB direction 1(a)(ii)). In the latest update, we were on track to deliver on this Direction.
14. Risk management	LSB state that regulators had developed their frameworks for managing risk. However, it was not possible to tell how effective these were at the time of the assessment.	As above, this is covered in the Directions issued by the LSB following the review of the regulatory events leading up to our intervention into Axiom Ince (LSB direction 2a).
15. Effectiveness with which Boards oversee	This has been identified this this year for ICAEW, FO and SRA,	We understand these comments to relate to the findings from the LSB's review into the regulatory events leading up to our intervention into Axiom Ince, and it is covered in the Directions

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LSB themes across all regulators	LSB Performance assessment report comments	SRA progress / comments – June 2025
the Executive and hold it to account	particularly in respect of the impact on consumers.	issued (LSB direction 1a). In the latest update report, we were on track to deliver against this Direction. The Board effectiveness review has recently reported and been discussed by the Board. An action plan is in place to make improvements.
16. Transparency	LSB wrote to regulators in May 2024 setting out the steps that they should take in order to provide meaningful transparency about the decisions they make.	The SRA was called out in the report as generally performing 'quite well' in respect of transparency. Being open and engaged is one of our new CEO's priorities.
17. EDI	While some regulators have provided evidence of good practice in respect of EDI, three assessments identified that improvements were needed in this area.	There were no areas of concern relating to EDI specifically raised about the SRA in the LSB's performance assessment report. We have considered and responded to the LSB's proposed EDI policy statement which will shape our approach to EDI once published by the LSB.

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LSB themes across all regulators	LSB Performance assessment report comments	SRA progress / comments – June 2025
18. Quality of statutory decision applications to the LSB	Three assessments (CRL, SRA and ICAEW) identified issues in respect of statutory decisions applications.	Covered in the table above on the expectations set out for the SRA.

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Next LSB performance assessment

- 7 The LSB is currently reviewing its approach to oversight and its performance assessment. We are continuing to wait for updates from the LSB on the outcomes of this review and timelines for the next performance assessment.

LSB position papers and consultations

- 8 In the period since our last update to the Board, we have responded to the LSB's [consultation](#) on its draft statement of policy on 'Encouraging a diverse legal profession.' The draft statement contained a series of outcomes and expectations for legal services regulators to pursue in support of equality and diversity across the profession, which were covered in the last update to the Board. The Board had sight of our draft response. We have also published [our response](#).
- 9 The LSB has [published](#) its interim findings on litigation guidance. This follows the review it announced to establish what has happened in the past in relation to information on conducting litigation and to consider what lessons can be learned as a result of the High Court decision in Mazur, which has prompted discussion about how the reserved legal activity of conducting litigation has been interpreted and applied. The interim report provides a summary of the LSB's initial review of material provided by approved regulators and regulatory bodies. This material includes guidance, correspondence, and other information about how advice on the conduct of litigation has been developed and shared. The report's interim findings are:
 - there are differences in the clarity and consistency of advice and guidance available to the profession across parts of the regulated sector
 - there is variation in the extent of engagement between regulators on draft guidance, which may have contributed to differing interpretations of the law
 - there are differences in the information held by regulators about the extent to which authorised and exempt persons within their regulated communities are conducting litigation.

The full review will be informed by the outcome of the Court of Appeal proceedings in Mazur as well as further analysis of the material received.

- 10 The LSB has [published](#) its final policy statement on 'upholding professional ethics duties', which sets out expectations of regulators to do more to strengthen lawyers' ethical standards. The LSB has confirmed that where duties conflict, lawyers must prioritise their duties to the court and the rule of law over their duty to their client. This followed its consultation last year, to which we responded. The LSB has identified three areas where regulators must act:
 - more consistent education and training in ethics

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- clearer and more practical regulatory guidance
- stronger workplace support for lawyers in upholding standards.

As the Board is already aware, we have a programme of work looking at professional ethics and will work to ensure that we are aligned with the LSB's expectations. This is also covered in the CEO report to the Board.

Recommendation: the Board is asked to note the update on the LSB performance assessment.