SRA BOARD
21 April 2026

CLASSIFICATION – PUBLIC

This paper will be published

Chief Executive's Report

Purpose

1 This report provides an update to the Board on our priorities and any key developments that it needs to be aware of. It also provides information on important external developments and our engagement activity with key stakeholders.

Recommendations

2 The Board is asked to:

a) consider the Chief Executive's report.

If you have any questions about this paper please contact: Sarah Rapson, Chief Executive, sarah.rapson@sra.org.uk.

SRA BOARD

21 April 2026

CLASSIFICATION – PUBLIC

Chief Executive's Report

3 After joining the SRA in late 2025, as the Board is aware, I launched a wide-ranging listening programme to assess how effectively we regulate in the public interest. This drew on discussions with solicitors and users of legal services across the sector and wider stakeholders, as well as my own observations of the SRA's internal workings.

4 The purpose behind this programme was to inform the SRA's priorities and focus areas for 2026. In light of the feedback from this listening exercise, the Board agreed that a programme aimed at fixing the foundations of our work in 2026/27 was necessary while engaging the profession and other stakeholders in developing a three-year strategy to run from 2027-2030.

5 The extensive feedback from the listening exercise highlighted areas where we are currently falling short of what the public and the sector expect. In particular, it highlighted that we have not always focused enough on the big issues, our delivery has been uneven, and we have been too reactive when faced with risks to the public, preventing us from intervening before harm has crystallised. We have also not collaborated as effectively as we could with the profession to identify and tackle risks.

6 The net result of these issues is that we are not fulfilling our core mission to protect the public consistently enough, undermining trust in the organisation. To rebuild that trust and fix the foundations of our work, in 2026, we will focus on four priorities:

- **Operational excellence** – having the structures in place to prioritise the right cases and deliver on time. The intention is to improve capacity, reduce investigation times and ultimately get this process moving better and quicker. We are undertaking a comprehensive review of our casework, touching on each stage of our decision-making process to make sure the right cases come through the pipeline at pace.

- **Proactive risk identification** – Shifting to a proactive approach to tackle issues early, before they can cause harm to the public. A common theme in Axiom Ince and SSB was the failure to spot issues in advance and take action ahead of the curve. With the surge in casework this problem will only get worse unless we use data and intelligence to be more proactive.

- **Tackling the big issues** – There remains a number of issues of importance to the public and the sector that we are committed to addressing and targeting our resources. These include the Solicitors Qualifying Examination, High Volume Consumer Claims and ethics.

- **Improving collaboration** – Strengthening our approach to stakeholder engagement to ensure we listen and engage effectively and are identifying opportunities for collaboration that could benefit the public. Our relationship with the sector needs to be built around trust and partnership. One of the common themes in the feedback was that the SRA does not sufficiently appreciate the challenges of life as a solicitor. Therefore, there needs to be a shift in the way that we engage with the sector.

7 The overarching priority for 2026/27 is to focus on fixing the foundations of our work in line with our ambition to become a modern, proportionate regulator that is trusted and effective. Once these foundations are fixed, the SRA will be in a much better position to protect the public and support the sector moving forward.

8 I am continuing to meet with key stakeholders and organisations. Since my last report, these have included the new Chief Ombudsman of the Legal Ombudsman, the Immigration Advice Authority and the Solicitors Disciplinary Tribunal. I also attended the UK Regulators Network Chief Executive's breakfast meeting and met with the Chair of the Public Bodies Review of the Legal Services Board (LSB), Richard Lloyd, to feed into that review

9 There have been a number of key external events I have attended, including:

- an SRA organised roundtable with smaller firms.
- The Law Society Risk and Compliance conference, at which I spoke.
- The Law Society Council meeting in March at which I set out our priorities for change in 2026.

8 I have also met parliamentarians, including Andy Slaughter MP, Chair of the Justice Committee, and Phil Brickell MP, who was recently appointed to the role of Parliamentary Private Secretary in the Ministry of Justice (MoJ). I also attended an MoJ event on English Law: the global legal platform for business, with the Lord Chancellor David Lammy MP and Minister Sackman. Last week, Anna Bradley, Aileen Armstrong and I also attended an evidence session of the House of Commons Justice Committee as part of its Access to Justice inquiry.

9 I have met with the Horizon Compensation Advisory Board (Post Office), the Financial Conduct Authority, Financial Ombudsman, Society of Media Lawyers, the Institute of Legal and Financial Management (ILFM), LawCare, Fair Civil Justice and the Eagle Club. I also attended the CityUK Legal Services Group meeting, and spoke at the ILFM awards and the City of London Law Society's Senior Leader Roundtable with Anna Bradley.

Update against key developments

High profiles cases

Intervention into PM Law Group

10 As the Board is aware, we were alerted to the unexpected closure of PM Law Ltd on Monday 2 February. We immediately launched an investigation and took the decision to intervene into the firm on Wednesday 4 February.

SRA BOARD
21 April 2026

CLASSIFICATION – PUBLIC

Solicitors Regulation Authority

11 The intervention into PM Law is one of the largest undertaken by the SRA to date. The PM Law group was made up of 11 companies and more than 30 trading names. They had 25 offices split across Yorkshire, Cumbria, Berkshire, Derbyshire and London.

12 Our investigation is focusing on potential fraud, including the misappropriation of client money.

13 Significant progress has been made on supporting former clients of the firm. As of the end of March:

a. Over 25,500 clients have been notified about what steps they need to take to resolve outstanding legal matters (including how they can gain access to their files).
b. Circa 8,000 files have been released to clients or their new representatives.
c. We have responded to over 13,000 emails to provide advice and support to former clients.
d. We have provided a range of information, guidance and support for clients impacted on our website.

14 Clients who had money being held by PM Law are understandably concerned and frustrated about the firm's closure. £13 million has been returned to clients so far, predominantly related to claims involving house moves. This includes £6.5 million made from the Statutory Trust (which involves client money that was held by PM Law at the time we intervened) and £7 million from the SRA Compensation Fund.

15 We have received over 500 applications to the Compensation Fund and have already paid out on more than 65 of the most urgent applications. The current initial claim value for all applications we have received to the Compensation Fund (including those that had already been paid) at the end of March is £17 million (prior to eligibility assessment). We expect to receive further applications in the coming weeks and months. Inevitably, this will have an impact on the annual fee that solicitors and law firms make as their contribution to the Fund.

16 Dealing with Compensation Fund applications is a complex process and we are working through applications as quickly as possible. We need to make sure that we deal with all applications fairly and the right people get the right amount of money returned. It will take some time to resolve these matters, so we continue to request understanding and patience whilst we do this.

17 The volume of applications has led us to introduce prioritisation criteria that will enable those with the greatest need to be dealt with first. This applies to both applications relating to PM Law and those that are connected to other firms.

[redacted]

SRA BOARD
21 April 2026

CLASSIFICATION – PUBLIC

Solicitors Regulation Authority

[redacted]

Post Office investigation

19 We updated our public statement about our Post Office investigations in March 2026.

20 As the Board is aware, we currently have more than 20 live investigations into solicitors and law firms linked to the scandal, including those acting for the Post Office and Royal Mail Group. Our work spans a wide range of issues, including case management and supervision, prosecution and litigation strategy, duties to expert witnesses, disclosure practices and the use of privilege, as well as conduct connected to the Post Office Complaint Review and Mediation Scheme and engagement with the Public Inquiry.

21 Our work has involved scrutinising tens of thousands of documents and gathering evidence through statutory information requests, court orders and witness evidence. We are liaising closely with the police, the Inquiry and other relevant bodies to ensure that our approach is properly coordinated.

22 We are continuing to progress this work as swiftly as possible, but it is essential that we follow due process throughout. The timing of enforcement action will be influenced by the forthcoming final report of the Public Inquiry and potential criminal investigations. Our investigations continue to fall into two categories: cases directly connected to the Horizon scandal and a smaller number of post-scandal cases, where we anticipate being able to act more quickly.

Mazur v CILEX judgment

23 The Court of Appeal handed down its judgment on the Mazur appeal on 31 March. We are reviewing the detail of the judgment in full. We recognise the concern and confusion among practitioners and firms after the original Mazur v Speechlys judgment, and we have been focused on providing support to them.

24 We welcome the clear direction from the Court of Appeal, which in summary concludes that an unauthorised person can lawfully conduct litigation if they do so under the appropriate supervision of an authorised individual.

25 The clarity the judgment provides will enable us to review our guidance and update it where necessary. We will do this as soon as possible. We will be working closely with other regulators and organisations to make sure there is consistency and clarity for everyone.

26 In the immediate term, if firms or lawyers have queries on this, in addition to them reviewing the judgment, we are encouraging calls to our Professional Ethics Helpline, which will offer advice and support.

Abusive litigation

SRA BOARD
21 April 2026

CLASSIFICATION – PUBLIC

27 We are committed to protecting the integrity of the legal system and making sure solicitors meet their duties to the courts, the rule of law, and the proper administration of justice.

28 Abusive litigation practices, the use of litigation for improper purposes, and abuse of the court process have always constituted serious professional misconduct by a solicitor. As the Board is aware, we take these matters seriously, investigate them, and bring enforcement proceedings against solicitors who seek to stifle legitimate public comment through the improper use of, or threats of, legal proceedings.

29 We also recognise the critical role that lawyers play in protecting and defending the legal rights of their clients. This includes defending a client's right to privacy and protecting their reputation, including, where appropriate, through litigation. It is not in the public interest for false or misleading information to be unlawfully published.

30 In response to recent adverse decisions, and as part of our broader review of casework, we will soon be taking the opportunity to clarify our approach to abusive litigation publicly. This is part of our broader process to ensure that we are focusing our resources on cases which pose a genuine risk to the public or to trust in the profession. Cases that do not meet this threshold will be reconsidered.

High Volume Consumer Claims (HVCC)

31 Our HVCC work this quarter has continued to focus on actions we can take and are taking to protect consumers from harm. In late January, we published a ‘no win, no fee’ warning notice. This reminds firms of their regulatory responsibilities and obligations around transparency with clients about fees and costs, not compromising client interests, making sure third party referrers meet our standards, and managing ‘no win, no fee’ financial safeguards appropriately. It also highlights concerns about the use of the term ‘no win, no fee’ in marketing materials.

32 In early February, we updated our claims management activity guidance. This now includes what we expect from firms to make sure clients only have one representative per claim.

33 We have continued our work with the Financial Conduct Authority (FCA) to address concerns relating to motor finance commission claims. This has included:

- publication in February of a joint press notice and accompanying statement. These detail expectations for law firms (regulated by the SRA) and Claims Management Companies (CMCs, regulated by the FCA) to make sure clients do not have multiple representatives for the same claim and are not charged excessive termination fees. We aligned publication with our updated claims management activity guidance, described above.

- On 30 March 2026 we announced a joint motor finance taskforce with the FCA, Information Commissioners Office and the Advertising Standards Agency. The taskforce will tackle the poor handling of motor finance claims by some law firms and CMCs.

- We have continued to update our information for law firms and our guide for consumers with respect of motor finance commission claims.

34 Other stakeholder engagement activities included engagement with the Collective Lawyers Redress Association AGM and Committee in March and speaking at the Legal Futures Housing Conditions Conference on 16 April around our concerns relating to housing disrepair claims.

35 Finally, we are developing proposals for a HVCC consultation, details of which are being discussed separately by the Board today.

SSB

36 On 5 March, the LSB published its formal censure and directions regarding our handling of SSB. We also published updated information about improvements we are making, including the detailed performance targets we have set. The performance targets set out work we need to do and targets against which we will measure progress. They focus on proactively identifying and responding to risks to consumers within the legal sector; targeting resources more effectively to better address and prevent harm to consumers; and taking action more quickly to deal with potential causes of consumer harm.

37 These measures build on the significant work already underway to deliver improvements, including those identified following the review of our handling of Axiom Ince. We expect to bring updates to the Board for review every four months, in advance of submitting these updates to the LSB and in line with the reporting cadence we have agreed with the LSB.

Solicitors Qualifying Examination (SQE) pass rate data publication

38 [redacted].

39 I am keen that we develop and provide a suite of information and quality indicators that will help candidates to identify the study options that would be best for them. We are concerned that pass rate data by provider would not provide a clear indicator of course quality, given the many different factors associated with the candidates, rather than the course, that can have an impact on pass rates.

40 We should build on the information we have already provided for candidates on how to identify the study options that would be best for them.

41 We are, therefore, with external advice, exploring whether we can use data in a way that would usefully indicate the added value of the different training options. And exploring new qualitative measures that could inform candidate choice.

42 We will provide an update to the Board in the summer, with a view to making a final decision on data-informed and wider options before the end of the year.

Professional ethics

43 We will be running a 'Listening Exercise' over summer 2026 to hear the views and opinions of practitioners of all levels of seniority/areas of practice, legal charities, academics and consumer groups on what they see as the greatest areas of risk for ethical behaviour across the profession, and what the drivers of these risks are. We will seek views as to what they consider the SRA could best do to assist solicitors and firms to adhere to the highest ethical standards.

44 We will use the website and other communication channels to set the contextual framework for these discussions, and to disseminate a range of materials on ethical matters and other information over the coming months to support discussion across the profession.

45 The LSB's final Policy Statement on Professional Ethics was issued on 26 March. We have reviewed this and are pleased note that it reflects much of the feedback we provided to the LSB on last year's draft statement. We will now be working with the LSB to develop an implementation plan to set out how we will deliver our responsibilities under this statement by 30 September 2026.

Continuing competence consultation

46 We will also soon be launching our consultation to strengthen our continuing competence requirements. The proposals, presented to Board in November 2025, include:

- requiring solicitors to record their learning and development needs and how they identified and addressed these

- requiring solicitors to participate annually in mandatory ethics discussions

- making a rule so that we can require some or all solicitors to complete specific learning and development where we identify a competence concern or concern in how competence is maintained.

47 We will be engaging with stakeholders over the next three months and will present our post consultation position to the Board in Autumn.

Anti-Money Laundering (AML) update

48 We have a series of engagement meetings with the FCA scheduled over the coming months as we continue to prepare for the future supervisory framework. At this stage, there is no known timetable for the legislative changes required for the transition. In the meantime, we continue to progress our programme of work on AML and sanctions, reflecting our ongoing role as the supervisory authority for the legal sector until FCA oversight formally commences.

49 Our engagement with the profession remains a priority; with webinars and outreach continuing to play an important role this year. We will continue to deliver our thematic work, including our review of policies, controls and procedures, which will highlight good practice and give valuable advice. We have also begun work to support HM Treasury in its preparations for the 2027 Financial Action Task Force mutual evaluation, and we expect the scale and pace of this activity to increase as the assessment approaches.

First Tier Complaints

50 We have been in discussions with the LSB since it indicated in January that it was not ready to accept our draft rule changes in relation to first tier complaints. We are continuing to work closely with stakeholders such as the Legal Ombudsman to share insight and intelligence and using first and second tier complaints data as part of our Risk and Data Programme. We will continue to work collaboratively with the LSB to bring forward appropriate rule changes that will be acceptable to the LSB.

Legal Choices evaluation

51 The SRA runs the Legal Choices website alongside all other frontline legal services regulators across England and Wales. The purpose of Legal Choices is to provide independent, accessible information to help consumers make better choices about legal issues and services.

52 In 2025, we jointly commissioned Mustard Research to evaluate how the website supports people who currently have, or have recently resolved, a legal issue. The evaluation focused on six legal areas and included participants who had experienced issues with redundancy, workplace problems, housing difficulties and debt.

53 The evaluation was finalised in late 2025 and published on the Legal Choices website in early 2026. It showed that Legal Choices helps people improve their knowledge and understanding of legal issues. Many participants also said they felt more confident in dealing with their legal issue after using the site. Participants also found Legal Choices clear and easy to use.

54 Participants also suggested ways we could improve the website to increase its impact. We have already started to progress changes and are committed to using these recommendations to inform ongoing improvements to the site.

Responding to Government's AI Growth Lab Call for Evidence

55 In January, we responded to the Department for Science, Industry and Technology's (DSIT's) call for evidence on an AI Growth Lab. We welcomed the government's proposal to boost growth and innovation through supporting safe testing spaces and signalled our readiness to work closely with DSIT to support responsible innovation across the legal sector. The government is considering the merits of government-led or regulator-led models. Our response outlined how we could work collaboratively with government to shape an effective and proportionate initiative that delivers real benefits for consumers, law firms and the wider economy.

Ministry of Justice consultation on Interest on Lawyers Client Accounts scheme

56 In March we responded to the Ministry of Justice's (MoJ) consultation on the potential implementation of an Interest on Lawyers Client Accounts ("ILCA") scheme, which would see a proportion of the interest accrued on client accounts remitted to the MoJ to fund improvements in the broader justice system.

57 Our response explained our current regulatory approach to interest on client accounts, links to our 2024 consultation on client money, and the potential regulatory impacts should a scheme go ahead. We acknowledged that the MoJ has raised the possibility of the SRA having a role in the implementation and enforcement of a scheme, which would have practical and financial implications for the SRA if this were to go ahead.

Diversity in the profession

58 In March, we published diversity data collected from law firms, covering more than 225,000 people working in 8,876 firms. As well as a detailed breakdown of the data collected in 2025, we have shared the trends seen across all characteristics since 2015 and published the diversity profile of those working in Welsh law firms.

59 Key findings are summarised in our executive summary report. Overall, the data shows that diversity in the profession has increased over the past decade, in particular the representation of women, Black, Asian and minority ethnic groups and disabled solicitors. However, there is more work to do to address the barriers to senior level representation for women and minority ethnic solicitors in larger firms, the continued underrepresentation of disabled solicitors compared to national data sets, and the challenges to progression for those from less privileged backgrounds.

60 We published our response to the LSB consultation on its proposed policy statement to encourage a diverse legal profession in March. We share its ambition for an equal, diverse and inclusive legal profession and there are many areas where our plans align closely with the LSB's expectations. We have highlighted a few areas where we would welcome less prescription and a more outcomes-focused approach to allow us to take account of the issues and context within which we work. We look forward to ongoing discussions with the LSB as it develops its proposals and with the profession and others as we work to develop our strategic approach to EDI.

Keeping of the Roll

61 This year's Keeping of the Roll is the fourth annual exercise since its reintroduction of Keeping of the Roll in 2023. The Keeping of the Roll window opened on 1 April and is scheduled to run until 8 May. For 2026, we reduced the fee for from £20 to £10.

62 In 2025 we improved security on mySRA by updating multi-factor authentication (MFA). During the Practising Certificate Renewal Exercise last year, some applicants required additional support when setting up their security. Learning from that experience, we have improved our approach, as most Keeping of the Roll applicants are unlikely to have accessed mySRA since the launch of MFA. We have improved our existing guidance, updated our instructional videos and prepared our Contact Centre to offer support to those who need it. We have also reached out with additional emails to encourage applicants to set up their security before the window and to give access to the available guidance and instructional videos. We recognise that this might still prove difficult for some applicants and our Contact Centre stands ready to support them.

63 Once the window closes, we will review outstanding applicants over a four-week period before beginning the process of removing those who no longer wish to remain on the roll.

[redacted]

[redacted]

[redacted]