

## News release

# SRA annual reports record progress toward promoting public interest

20 December 2024

We have summarised the work we have done protecting and promoting the public interest during 2022/23 in our latest annual reports.

[The five reports \[https://media.sra.org.uk/sra/research-publications/corporate-reports-2022-23/\]](https://media.sra.org.uk/sra/research-publications/corporate-reports-2022-23/), providing data on our operational work, have now been published. They cover enforcement, education and training, equality, diversity and inclusion, the authorisation of firms and solicitors, and client protection work, including applications and grants for the compensation fund.

In 2022/23, there was a significant increase in interventions into law firms – this is where the SRA steps in and closes-down a firm to protect the public. We intervened into 65 firms, more than double the previous year's total (25). The compensation fund paid out £41m, nearly three times the annual average. We had not made a significant amount of [Axiom Ince pay-outs \[https://media.sra.org.uk/sra/news/press/2023-press-releases/axiom-ince-intervention-and-impacts/\]](https://media.sra.org.uk/sra/news/press/2023-press-releases/axiom-ince-intervention-and-impacts/) at this point. The majority came from the closure of the Metamorph Group, which accounted for £27m in the reporting year.

In response to shifting risks in the sector, which has seen more firms – and larger firms – fail, we launched our Consumer Protection Review at the start of the year, and are now consulting on potential changes to [how and when law firms handle client money, and how this money is protected \[https://media.sra.org.uk/sra/news/press/2024-press-releases/client-money-consultation-october-2024/\]](https://media.sra.org.uk/sra/news/press/2024-press-releases/client-money-consultation-october-2024/).

The enforcement report provides an update on our new approach to fines, which came into effect in the summer of 2023. This includes the introduction of fixed penalties to deal more swiftly with non-complex, lower-level breaches of our rules. These have most commonly been used for firms not complying with our transparency rules. Since May 2023 to August 2024 we have issued 36 fixed penalties for firms who have not published specific information to help people make informed choices around legal services. Proactive work in this area has also led to a four-fold increase in the number of letters of warning in 2022/23 compared to the previous year.

There has also been an increase in the number of cases it brought to the Solicitors Disciplinary Tribunal (SDT) – from 76 in 2021/22 to 99 in 2022/23. One of the reasons for this increase has been a particular focus

on reducing the number of longstanding investigations. In October 2022, there were 286 cases that were more than 24 months old, which by August 2024 had reduced to 59. In total, in 2022/23 we took regulatory action in 794 cases.

**Anna Bradley, Chair of the SRA Board** said: 'These annual reports give everyone an insight into the core work we do to protect consumers and drive confidence and trust in legal services.

'It also shows where things are changing in the legal sector, including how risks are shifting. Whether that is the significant increase in failing firms and calls on the compensation fund, rises in complaints about firms potentially abusing the litigation process through SLAPPs, or serious issues arising with some firms involved in high volume claims.

'We will need to continue to be fleet of foot to stay on top of emerging issues. We are already doing more proactive visits and checks on firms. Improving how we use our data to spot patterns will help us target our proactive work, focusing on areas and firms which present the greatest risk to the public.'