

**FOR IMMEDIATE RELEASE:**

10:00am Wednesday 27 February 2013

## **SRA's regulatory assessment: much done, much to do**

The Legal Services Board publishes today its assessment of the **Solicitors Regulation Authority (SRA) performance in the legal services sector**. This performance review of the SRA's regulatory functions represents a baseline from which future regulatory performance can be judged and highlights the continuing importance the LSB attaches to improving regulatory performance.

The SRA is by some margin the largest regulator in the legal sector. It is responsible for regulating over 10,000 legal services firms and over 130,000 solicitors and other lawyers. It regulates some of the largest international law firms and some of the smallest ones. Consumers who use the services of such firms range from blue chip companies to society's most vulnerable. The challenge for the SRA to regulate effectively such a diverse group is considerable.

The LSB has concluded that the SRA is stepping up to this challenge and has achieved much to be commended on. It has:

- developed and introduced a new outcomes focused code
- managed a move to a new single site and introduced substantial operational change in the way it supervises firms
- developed a greater understanding of the risks in the markets it regulates and the needs of consumers of legal services.

However there are significant areas where it has not yet fully met the high standards it has set itself and more needs to be done to rectify this. In particular:

- the SRA Board needs to focus proportionately less on policy consideration and proportionately more on the SRA's operational performance and the outcomes it achieves for consumers
- more needs to be done to improve performance in the authorisation of alternative business structures (ABS), a process which has resulted in significant delays. IT delays, which have had a negative effect on risk identification and supervision, need to be overcome.

**Chairman of the Legal Services Board, David Edmonds,** said:

*“During my time as Chairman of the LSB I have witnessed the progress that the SRA has made to become an independent regulatory body. The regulatory landscape has changed fundamentally. The SRA should be proud of the progress it has made so far.*

*The Legal Services Board has a key objective to work with the front-line regulators to create a regime that is effective and efficient. That is why we have asked each regulator to assess its own performance. Our assessment of the SRA’s own performance review shows that, despite the distance travelled so far, there is still a great deal to be done in building an organisation that meets demanding quality standards in all parts of its operations. Our conclusion - which we will be discussing with the SRA - is that it needs to focus its efforts not only on the development of policy and procedures, but also, and rather more sharply, on performance and the opportunities and risks in the market place.*

*The SRA has done more than the other regulators to meet the challenges set by the introduction of the Legal Services Act. We believe that the SRA has gathered the building blocks to create a legal services regulatory framework that has the potential to meet the standards required, but there is a lot of construction to do.”*

**ENDS**

For further information, please contact our Communications Manager, [Vincent McGovern](#), on 020 7271 0068.

**Notes for editors:**

1. The SRA’s regulatory assessment can be found [here](#).
2. The BSB’s regulatory assessment will be published in April/May 2013.
3. The regulatory assessments of the other five regulators can be found [here](#).
4. The Legal Services Act (“The Act”) created the Legal Services Board as a new regulator with responsibility for overseeing the regulation of legal services in England and Wales. The new regulatory regime became active on 1 January 2010.
5. The LSB oversees eight approved regulators, which in turn regulate individual lawyers. The approved regulators, designated under Part 1 of Schedule 4 of the 2007 Act, are the Law Society, the Bar Council, the Master of the Faculties, the Institute of Legal Executives, the Council for Licensed Conveyancers, the Chartered Institute of Patent Attorneys, the Institute of Trade Mark Attorneys and the Association of Costs Lawyers.
6. In addition, the Institute of Chartered Accountants in Scotland and the Association of Chartered Certified Accountants are listed as approved regulators in relation only to reserved probate activities.
7. The legal profession currently consists of 15,309 barristers, 119,641 solicitors and 12,145 individuals operating in other aspects of the legal profession such as conveyancing. The sector is currently valued at £25.49 billion per annum (total turnover in 2010).