

25 November 2013

LSB investigation into undue influence of Bar Council in Bar Standards Board rule making

The LSB announced today that it has concluded its investigation into the Bar Council's failure to comply with the Internal Governance Rules in its dealings with the Bar Standards Board (BSB).

The investigation, opened in early June 2013, focused on the Bar Council's behaviour in relation to the BSB's development and submission of an application for approval of a rule change.

The Bar Council accepted all of the findings of the investigation and the outcomes required to remedy them and the matter has been resolved informally.

ENDS

Notes for editors:

1. The investigation was announced in June 2013. That announcement can be found [here](#).
2. The investigation found that:
 - the Bar Council failed to comply with the requirement to at all times act in a way which is compatible with the principle of regulatory independence and which it considers most appropriate for the purpose of meeting that principle
 - the Bar Council failed to comply with the Internal Governance Rules (IGR) requirement to ensure the exercise of regulatory functions is independent of any representative functions
 - the Bar Council's actions had an adverse impact on protecting and promoting the public interest by undermining the principle of independent regulation
 - that rules made by the Bar Council about the operation of the List of Defaulting Solicitors cannot legitimately be considered to have been made for the purposes of representing or promoting the interests of barristers
 - the Bar Council's acts (and omissions identified during the investigation), or a series of acts (or omissions identified during the investigation) were unreasonable.
3. The investigation also found that:
 - the Bar Council's actions did **not**, and were **not** likely to have had, an adverse impact on supporting the constitutional principle of the rule of law to the extent that the Bar Council has breached a requirement within the IGR.
4. The Bar Council responded on 30 October (with the BSB's agreement) and accepted the findings of the LSB's investigation, to the delivery of the required outcomes / undertakings (set out in Annex B of today's report) and indicated its intention to seek informal resolution.
5. The LSB accepted this response and entered into the informal resolution processes the results of which have been announced today.
6. LSB Board papers and minutes relating to the investigation and which had been redacted will be published on the LSB website by 10 December at the latest.
7. The final report detailing the findings of the investigation into the Bar Council can be found [here](#).
8. 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. The LSB oversees eight approved regulators, which in turn regulate individual lawyers.
9. 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 Chartered 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.
10. In addition, the Institute of Chartered Accountants of Scotland and the Association of Chartered Certified Accountants are listed as approved regulators in relation only to reserved probate activities.
11. As at 1 April 2013, the legal profession comprised 126,624 solicitors, 15,335 barristers, 7,947 chartered legal executives and 4,184 other individuals operating in other areas of the legal profession such as conveyancing. The sector is currently valued at £25.49 billion per annum (total turnover in 2010).