

SRA Update

Issue 134 - December 2024

- [General updates](#) [#tab_16a61]
- [Compliance updates](#) [#tab_16a62]

Welcome to the latest issue of SRA Update. Protecting the interests of consumers is central to our work. We have launched three consultations that look at what might be done to better protect client money. There are some significant proposals in there, so we welcome your feedback. We have also warned firms, particularly those doing high-volume consumer claim work, around making sure they are marketing their services in the right way, including no-win, no-fee arrangements. We also had our annual conference last month with a record attendance. Videos of the sessions are now available on demand, so you can catch up with anything you might have missed. All that remains is to offer you all our season's greetings and to wish you a happy New Year.

[Warning around marketing your services](https://referral.sra.org.uk/solicitors/guidance/marketing-public/) **[\[https://referral.sra.org.uk/solicitors/guidance/marketing-public/\]](https://referral.sra.org.uk/solicitors/guidance/marketing-public/)**

We have issued a warning notice about marketing your services to the public. We are particularly concerned about the behaviours of some firms doing high-volume consumer claims work. Unsolicited approaches such as cold calling and door knocking are prohibited, while firms need to make sure that information on 'no win, no fee' arrangements is clear and accurate, including information on charges and the risks around costs.

[Read more about: Warning around marketing your services](https://referral.sra.org.uk/solicitors/guidance/marketing-public/)
[\[https://referral.sra.org.uk/solicitors/guidance/marketing-public/\]](https://referral.sra.org.uk/solicitors/guidance/marketing-public/)

[Consultation on potential changes to how client money is handled](https://referral.sra.org.uk/sra/news/press/2024-press-releases/client-money-consultation-october-2024/) **[\[https://referral.sra.org.uk/sra/news/press/2024-press-releases/client-money-consultation-october-2024/\]](https://referral.sra.org.uk/sra/news/press/2024-press-releases/client-money-consultation-october-2024/)**

As part of our ongoing review of consumer protection arrangements in the legal sector, we are consulting on potential changes to how and when law firms handle client money, and how this money is protected. We are also consulting on future arrangements for the SRA Compensation Fund, including how the scheme is funded.

[Read more about: Consultation on potential changes to how client money is handled](https://referral.sra.org.uk/sra/news/press/2024-press-releases/client-money-consultation-october-2024/) [\[https://referral.sra.org.uk/sra/news/press/2024-press-releases/client-money-consultation-october-2024/\]](https://referral.sra.org.uk/sra/news/press/2024-press-releases/client-money-consultation-october-2024/)



Catch up with our virtual compliance conference

[\[https://referral.sra.org.uk/sra/news/events/on-demand-events/\]](https://referral.sra.org.uk/sra/news/events/on-demand-events/)

Following on from 1,100 of you joining us at our Compliance Officers Conference in November, last week saw thousands more tune in to our virtual compliance conference. All the content from the virtual event, ranging from bite-size 15-minutes workshops to fuller webinars on topics like anti-money laundering, cybercrime, Accounts Rules, common compliance queries and more, is now available to watch on demand on our website.

[Read more about: Catch up with our virtual compliance conference](https://referral.sra.org.uk/sra/news/events/on-demand-events/)
[https://referral.sra.org.uk/sra/news/events/on-demand-events/]

How do small firms use technology and innovation? [\[https://referral.sra.org.uk/sra/news/survey-future-technology-innovation/\]](https://referral.sra.org.uk/sra/news/survey-future-technology-innovation/)

We want to find out more about how smaller firms, including sole practices, use technology and innovation to improve the services you offer, and what opportunities there may be to do so in the future. If you manage a small firm, please let us know your thoughts by taking our short survey.

[Read more about: How do small firms use technology and innovation?](https://referral.sra.org.uk/sra/news/survey-future-technology-innovation/)
[https://referral.sra.org.uk/sra/news/survey-future-technology-innovation/]

How law firms manage risk? [\[https://referral.sra.org.uk/sra/research-publications/risk-legal-profession/\]](https://referral.sra.org.uk/sra/research-publications/risk-legal-profession/)

We have published new research to better understand law firms and solicitors' concerns around potential risks. It also considers how they identify and tackle risks, as well as how they use SRA resources.

[Read more about: How law firms manage risk?](https://referral.sra.org.uk/sra/research-publications/risk-legal-profession/)
[https://referral.sra.org.uk/sra/research-publications/risk-legal-profession/]

Continuing competence approaches and best practice

[\[https://referral.sra.org.uk/sra/news/press/2024-press-releases/thematic-reviews-professional-obligations-probate/\]](https://referral.sra.org.uk/sra/news/press/2024-press-releases/thematic-reviews-professional-obligations-probate/)



We have published two reports as part of our ongoing review of current approaches to maintaining high standards of competence and regulatory compliance. The thematic reviews of professional obligations, and probate, include examples of good practice and areas for improvement.

[Read more about: Continuing competence approaches and best practice](https://referral.sra.org.uk/sra/news/press/2024-press-releases/thematic-reviews-professional-obligations-probate/)
[<https://referral.sra.org.uk/sra/news/press/2024-press-releases/thematic-reviews-professional-obligations-probate/>]

Gender and ethnicity pay gap reports published [<https://referral.sra.org.uk/sra/research-publications/topic/all-topics/>]

We have published our latest gender pay gap and ethnicity pay gap reports, and we continue to encourage others in the legal sector to do the same. While publication of the gender pay gap report is a legal requirement for organisations with more than 250 employees, there is no current obligation to publish ethnicity pay gap data.

[Read more about: Gender and ethnicity pay gap reports published](https://referral.sra.org.uk/sra/research-publications/topic/all-topics/)
[<https://referral.sra.org.uk/sra/research-publications/topic/all-topics/>]

Professional Ethics and Contact Centre coverage over Christmas [<https://referral.sra.org.uk/home/contact-us/#hours>]

Our telephone lines for Professional Ethics and Contact Centre will be closed from Wednesday 25 December, to Wednesday 1 January, inclusive, however both teams will be responding to emails on working days during that period. Our Professional Ethics team will also be offering a call-back service.

[Read more about: Professional Ethics and Contact Centre coverage over Christmas](https://referral.sra.org.uk/home/contact-us/#hours) [<https://referral.sra.org.uk/home/contact-us/#hours>]

Your health, your career [<https://referral.sra.org.uk/solicitors/resources/all-other-topics/your-health-your-career/>]

Are you worried about your health affecting your work? Life as a solicitor can be challenging and the demands and pressures can easily build up. We can signpost you to sources of help and make adjustments for you if you are in difficulty.

[Read more about: Your health, your career](https://referral.sra.org.uk/solicitors/resources/all-other-topics/your-health-your-career/)
[<https://referral.sra.org.uk/solicitors/resources/all-other-topics/your-health-your-career/>]



Welcome to the latest issue of Compliance News. Protecting the interests of consumers is central to our work and we have launched three linked consultations that look at what might be done to better protect client money. There are some significant proposals in there, so we welcome your feedback. One of the areas we'll be looking at is accountants' reports, and we will be carrying out an exercise in January to look at practice in this area. Find out more in this month's issue. All that remains is to offer you all our season's greetings and wish you a happy New Year.

How should client money be held in the future?

[\[https://referral.sra.org.uk/sra/consultations/consultation-listing/holding-client-money/\]](https://referral.sra.org.uk/sra/consultations/consultation-listing/holding-client-money/)

Do law firms need to continue directly handling client money in a digital age? Do rules around how firms handle residual balances, or what they do with interest earned from client accounts need changing to make them fairer to clients? These are just some of the issues covered in part one of our ongoing consultation on client money, make sure you have your say.

[Read more about: How should client money be held in the future?](https://referral.sra.org.uk/sra/consultations/consultation-listing/holding-client-money/)

[\[https://referral.sra.org.uk/sra/consultations/consultation-listing/holding-client-money/\]](https://referral.sra.org.uk/sra/consultations/consultation-listing/holding-client-money/)

Are changes needed to help better protect client money?

[\[https://referral.sra.org.uk/sra/consultations/consultation-listing/client-money-legal-services/\]](https://referral.sra.org.uk/sra/consultations/consultation-listing/client-money-legal-services/)

Where law firms hold client money in the future, what type and level of controls, checks and balances are most appropriate to help make sure it is safe? Do requirements around accountants reports, for example need reviewing? Have your say on such issues raised in part two of our client money consultation.

[Read more about: Are changes needed to help better protect client money?](https://referral.sra.org.uk/sra/consultations/consultation-listing/client-money-legal-services/)

[\[https://referral.sra.org.uk/sra/consultations/consultation-listing/client-money-legal-services/\]](https://referral.sra.org.uk/sra/consultations/consultation-listing/client-money-legal-services/)

Delivering and paying for a sustainable compensation fund

[\[https://referral.sra.org.uk/sra/consultations/consultation-listing/delivering-sustainable-compensation-fund/\]](https://referral.sra.org.uk/sra/consultations/consultation-listing/delivering-sustainable-compensation-fund/)



Give us your thoughts on the final part of our client money consultation, considering whether changes should be made in terms of who contributes, and how much, to the SRA Compensation Fund.

[Read more about: Delivering and paying for a sustainable compensation fund](https://referral.sra.org.uk/sra/consultations/consultation-listing/delivering-sustainable-compensation-fund/) [<https://referral.sra.org.uk/sra/consultations/consultation-listing/delivering-sustainable-compensation-fund/>]

Have you been unable to renew your professional indemnity insurance?

[\[https://referral.sra.org.uk/sra/news/sra-update-134-extended-policy-period/\]](https://referral.sra.org.uk/sra/news/sra-update-134-extended-policy-period/)

Insurance provides vital protection for clients should unexpected events cause them financial loss. However, sometimes it can be difficult to renew policies. You need to tell us if you have not yet secured cover so we can help you protect the interests of your clients. If you have not already notified us, you should do so immediately.

[Read more about: Have you been unable to renew your professional indemnity insurance?](https://referral.sra.org.uk/sra/news/sra-update-134-extended-policy-period/) [<https://referral.sra.org.uk/sra/news/sra-update-134-extended-policy-period/>]

OPBAS confirms that conveyancing work is high-risk [<https://referral.sra.org.uk/sra/news/sra-update-134-opbas-conveyancing/>]

We produce a sectoral risk assessment each year to help identify the biggest threats arising from attempted money laundering. Conveyancing is a perennial issue in that assessment. The Office for Professional Body AML Supervision (OPBAS), our oversight regulator for anti-money laundering (AML), has reinforced that view

[Read more about: OPBAS confirms that conveyancing work is high-risk](https://referral.sra.org.uk/sra/news/sra-update-134-opbas-conveyancing/) [<https://referral.sra.org.uk/sra/news/sra-update-134-opbas-conveyancing/>]

Accountants' reports spot-checks

[\[https://referral.sra.org.uk/sra/news/sra-update-133-accountant-reports-checks/\]](https://referral.sra.org.uk/sra/news/sra-update-133-accountant-reports-checks/)

We will be conducting spot-checks with a sample of several hundred firms in January to check that you have obtained a recent accountant's report. Those required to take part will have received an email on 10 December with more information.

[Read more about: Accountants' reports spot-checks](https://referral.sra.org.uk/sra/news/sra-update-133-accountant-reports-checks/) [<https://referral.sra.org.uk/sra/news/sra-update-133-accountant-reports-checks/>]

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