

SRA BOARD

27 January 2026



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Legal Services Board (LSB) Performance assessment update

- 1 The Board has agreed that the updates it receives on the LSB's performance assessment should be focused on:
 - The expectations of the SRA arising from the LSB's most recent performance assessment report, with a progress report on delivering the actions so the Board can assess progress. This includes the expectations specific to the SRA, as well as the themes highlighted for all regulators.
 - Exception reporting against other areas from the LSB's Performance Assessment Framework - Sourcebook of Standards and Characteristics.
 - A summary of any LSB position papers and consultations with an overview of how we are responding.

Latest LSB performance assessment

- 2 The LSB [published](#) its 2024 performance assessment report on 31 March 2025, which covers an overview of the performance of all legal services regulators, as well as reports on each regulator.
- 3 There were 12 expectations of us for the coming year that the LSB lists in the report. The outcome of the performance report covers a number of areas in the Axiom Ince Independent Review report, which means there is duplication with the implementation plan for the LSB Directions.
- 4 The LSB's 12 expectations of us are set out below, along with progress updates against each.

SRA BOARD

9 September 2025

CLASSIFICATION – PUBLIC



LSB expectation of the SRA	Updates this quarter
1. Providing clearer and more detailed descriptions in SRA Board minutes of discussions of how the SRA's activities promote the public interest and address the regulatory objectives.	<ul style="list-style-type: none">• We continue with the changes that we implemented in 2024 to the way we minute meetings.• SRA Board effectiveness review was in progress during this period. We will consider any relevant recommendations relating to improving Board minutes.
2. SRA continues to review its governance arrangements and new changes it may introduce as a result of its own reviews and the Axiom Ince review report.	<ul style="list-style-type: none">• This expectation is in part covered by the implementation plan for the LSB Directions following the Axiom Ince Independent Review report. A separate progress update is being provided to the Board at this meeting through the CEO report. We shared our second quarterly report with the Board by circulation in November 2025.• SRA Board effectiveness review was in progress during this reporting period.
3. SRA to apply the findings of its communications review and perceptions research to its substantive work and to its engagement with the public, consumers, the regulated community and others.	<ul style="list-style-type: none">• Results of 'pulse' survey to follow up on our 2024 external perceptions benchmarking work shared with Board in September 2025 and due to be published in the new year.

SRA BOARD

9 September 2025



CLASSIFICATION – PUBLIC

LSB expectation of the SRA	Updates this quarter
4. SRA to monitor the effectiveness of its engagement activities, and whether it will be better able to evaluate and assess their impact on its regulated community's compliance with rules and regulations.	<ul style="list-style-type: none">The majority of recommendations from the independent audit of our website were implemented in September 2025.The insight-led research project into AML regulatory communications was completed in Summer 2025 with the final report delivered in October 2025. A manual based on what we learnt has been developed, and individual insights are already supporting increased engagement in direct email campaigns.
5. SRA to address the quality issues identified in some of its applications for changes to its regulatory arrangements.	<ul style="list-style-type: none">We continue to proactively engage with the LSB in the pre-application phase and during the application process to understand its areas of interest and expectations for applications.We are capturing feedback from the LSB on our applications when it gives its decision on the application to address any learning for future applications.
6. SRA to rapidly implement its new model for risk identification, analysis and management, progressing the development of its long-term data strategy and implementing risk-based inspections in areas other than AML and demonstrating that it can identify risk and take action to prevent firm failures and detriment to clients.	<ul style="list-style-type: none">This is covered by the implementation plan for the LSB Directions following the Axiom Ince Independent Review report (LSB direction 2a).The implementation of risk-based inspections is in hand, informed by the Risk and Intelligence Framework. The recent

SRA BOARD

9 September 2025



CLASSIFICATION – PUBLIC

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	High-volume consumer claims declaration exercise is a good example.
7. SRA to address the recommendation arising from the Axiom Ince review report that it uses its powers to develop an alternative option to address concerns with firms and protect clients, short of intervening.	<ul style="list-style-type: none">This is covered by the implementation plan for the LSB Directions following the Axiom Ince Independent Review report, LSB direction 6a.
8. SRA to make further progress on the development of quality indicators for legal services and providing consumers with information about the quality of legal services providers.	<ul style="list-style-type: none">We are taking forward work on first-tier complaints, recognising that complaints are a key indicator of quality.In May, we launched a consultation on proposed changes to our rules that should help law firms further improve how they define and deal with complaints about their service. In October, we published our response to the consultation and next steps, alongside the publication of our thematic review of first-tier complaints handling.We have ensured that our Year 5 Transparency Rules evaluation has for the first time asked both solicitors and consumers about pricing and quality aspects separately. This means we can explore these areas and potential issues and solutions in more depth.

SRA BOARD

9 September 2025



CLASSIFICATION – PUBLIC

LSB expectation of the SRA	Updates this quarter
9. SRA's response to the results of its planned evaluations of its Standards and Regulations and of the SQE, and what changes to them may result.	<ul style="list-style-type: none">Solicitors Qualifying Examination: Phase Three Evaluation was published in December 2025 (after the performance reporting period for this report). We have published the key findings alongside what we are doing / planning to do in response to the findings.Five-year evaluation of Standards and Regulations is currently in progress.
10. SRA's monitoring of Kaplan's performance against its action plan to address the causes of the marking errors in April 2023 and January 2024 and how the SRA monitors Kaplan's overall performance.	<ul style="list-style-type: none">The January 2024 error arose because Kaplan did not round scores at the point in the results process that was set out in the published policy in force at the time. There were no marking errors. Kaplan investigated the cause of this error and committed to an action plan to address the findings. We are satisfied that all the actions to which Kaplan committed are complete.We continue to monitor Kaplan's performance through our established fora and processes.
11. SRA to begin publishing SQE training provider pass-rate data by Autumn 2025 at the latest.	<ul style="list-style-type: none">Data on candidates taking the SQE is growing. This is enabling more and better analyses of candidates' characteristics and of factors that are associated with their performance.

SRA BOARD

9 September 2025

CLASSIFICATION – PUBLIC



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	<ul style="list-style-type: none">For example, Kaplan has published the following documents:<ul style="list-style-type: none">an analysis of the performance of solicitor apprenticesa report on candidate characteristics and factors that influence SQE performance. The report described the diversity of SQE candidates, by both ethnicity and socio-economic backgrounda report that looks at four years of data and analysis from the SQEmore sample questions for SQE1 and SQE2.In response to candidate feedback, we are also developing a tool to help candidates search for and compare SQE courses.Our growing understanding of the factors that appear to affect candidate performance has highlighted concerns that courses might have higher pass rates because of the quality of, and opportunities available to, the candidates rather than the quality of the course. As such, we believe that publishing pass rate data on its own can be misleading to candidates. This is why we want to take a wider approach and focus on publishing

SRA BOARD

9 September 2025



CLASSIFICATION – PUBLIC

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	<p>information that is useful to candidates, supports a healthy training market, and takes account of a wide range of factors.</p> <ul style="list-style-type: none">• We are changing the point at which we ask candidates to tell us how they have prepared for the SQE. This will improve the quality of the data we collect and its usefulness for candidates deciding how to prepare for their assessments. We will be exploring with external experts whether it is possible to contextualise data linking candidate performance with how candidates prepared for the assessments in a way that would be useful for candidates. We published a statement at the end of 2025 that sets out our approach in more detail.
12. Implementation of the action plans that derive from its research into differential outcomes for ethnic minority solicitors on SQE and overrepresentation of ethnic minority solicitors in its disciplinary processes.	<ul style="list-style-type: none">• We have published the actions that we are taking forward following our research into differential outcomes for minority ethnic solicitors in legal professional assessments. Work to deliver these actions is progressing well. This includes multivariate analysis of SQE (published on 10/11/25) and guidance for training providers on writing multiple choice questions to facilitate SQE1 preparation.• Actions to implement our commitments following the research into the overrepresentation of ethnic minority solicitors in our investigations work have been agreed and are being prepared for publication. Our programme of work to encourage diversity at senior levels in law firms has continued, with the delivery of

SRA BOARD

9 September 2025

CLASSIFICATION – PUBLIC



LSB expectation of the SRA	Updates this quarter
	a webinar and resources on ethnicity pay gap reporting and the collection of almost 100% of diversity data on law firms.

SRA BOARD

9 September 2025



CLASSIFICATION – PUBLIC

5 Across its assessment of all regulators, the LSB identified the following themes that require focus and improvement. Our progress and comments against the themes are in the table below, as requested by the Board at the last performance meeting:

LSB themes across all regulators	LSB Performance assessment report comments	SRA progress / comments – June 2025
How regulators evaluate the impact of regulatory activities	<ul style="list-style-type: none">Identified as a significant area of concern in two assessments (SRA and BSB).	This is covered by the Directions issued by the LSB following the review of the regulatory events leading up to our intervention into Axiom Ince, with an update provided separately to the Board at this meeting via the CEO report (LSB direction 1(a)(ii)).
Risk management	<ul style="list-style-type: none">LSB state that regulators had developed their frameworks for managing risk. However, it was not possible to tell how effective these were at the time of the assessment.	As above, this is covered in the Directions issued by the LSB following the review of the regulatory events leading up to our intervention into Axiom Ince (LSB direction 2a).
Effectiveness with which Boards oversee the Executive and hold it to account	<ul style="list-style-type: none">This has been identified this year for ICAEW, FO and SRA, particularly in respect of the impact on consumers.	We understand these comments to relate to the findings from the LSB's review into the regulatory events leading up to our intervention into Axiom Ince, and it is covered in the Directions issued (LSB direction 1a).
Transparency	<ul style="list-style-type: none">LSB wrote to regulators in May 2024 setting out the steps that they should take in order to	The SRA was called out in the report as generally performing 'quite well' in respect of transparency. Being open and engaged is one of our new CEO's priorities.

SRA BOARD

9 September 2025



CLASSIFICATION – PUBLIC

LSB themes across all regulators	LSB Performance assessment report comments	SRA progress / comments – June 2025
	provide meaningful transparency about the decisions they make.	
EDI	<ul style="list-style-type: none">While some regulators have provided evidence of good practice in respect of EDI, three assessments identified that improvements were needed in this area.	There were no areas of concern relating to EDI specifically raised about the SRA in the LSB's performance assessment report. As already noted in our update against the business plan, we are working closely with the LSB to ensure our EDI evaluation framework aligns with the proposed LSB statement on EDI.
Quality of statutory decision applications to the LSB	<ul style="list-style-type: none">Three assessments (CRL, SRA and ICAEW) identified issues in respect of statutory decisions applications.	Covered in the table above on the expectations set out for the SRA.

SRA BOARD

9 September 2025

CLASSIFICATION – PUBLIC

Next LSB performance assessment

6 As noted in the last update in September, the LSB is currently reviewing its approach to oversight and its performance assessment. We are waiting for updates from the LSB on the outcomes of this review and timelines for the next performance assessment.

LSB position papers and consultations

7 In the period since our last update to the Board, the LSB has launched a consultation on its draft business plan and budget for 2026/27. The [draft business plan](#) proposes a revised approach to oversight regulation that will likely involve the LSB focussing its resources on regulators that underperform and reducing burdens on those performing well. The LSB is also proposing to continue its work to strengthen ethics and improve diversity across the profession. It will also explore what further measures might be taken to protect consumers from new risks emerging from a rapidly changing legal services market. The consultation closes on 11 February, and we are planning to respond.

8 Alongside this, the LSB has [published](#) a report on the sector's progress against its Reshaping Legal Services strategy. The report reviews progress at the halfway point of the ten-year strategy, which aims to reshape legal services to better meet society's needs through 'fairer outcomes, stronger confidence, and better services'. The report finds mixed progress: it notes that consumer satisfaction has risen, more people are shopping around for legal services, and technology use has increased. However, it highlights that challenges remain including a slight increase in unmet legal need, slow and uneven progress on diversity, and the high-profile matters that have exposed gaps in consumer protection and professional standards.

9 The LSB is [consulting](#) on a draft statement of policy on 'Encouraging a diverse legal profession.' The draft statement contains a series of outcomes and expectations for legal services regulators to pursue in support of equality and diversity across the profession. The LSB's proposals would require regulators to:

- take strategic and collaborative action, using evidence and data to identify barriers and opportunities
- make sure that regulation is fair and inclusive, with processes and decision-making that actively support equality and diversity
- make sure that routes into and through the profession are accessible for talented people from all backgrounds, while still upholding high professional standards
- drive cultural change through professional conduct and competence frameworks that embed respect, inclusion and wellbeing.

We are planning on responding to the consultation, which closes on 2 March 2026.

SRA BOARD

9 September 2025

CLASSIFICATION – PUBLIC

- 10 As the Board is aware, the LSB has [published](#) the independent review it commissioned of our regulation of the SSB group and its intentions to initiate action in accordance with its enforcement policy with two sanctions: a public censure and performance targets and monitoring. We continue to work closely with the LSB on next steps.
- 11 The LSB has also [published](#) statements in relation to the High Court decision in Mazur. It notes that the Mazur judgment does not change the law under the Legal Services Act 2007. However, it has prompted discussion about how the reserved legal activity of conducting litigation has been interpreted and applied. The LSB convened a roundtable of relevant regulators and professional bodies and is undertaking a review to establish what has happened in the past in relation to information on conducting litigation and to consider what lessons can be learned. We have fed into this review and submitted information on our approach following a request for information.

Recommendation: the Board is asked to note the update on the LSB performance assessment.