

SRA BOARD

27 January 2026

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This paper will be published

Chief Executive's Report

Purpose

- 1 This report provides an update to the Board on our priorities and any key developments that it needs to be aware of. It also provides information on important external developments and our engagement activity with key stakeholders.

Recommendations

- 2 The Board is asked to:
 - a) consider the Chief Executive's report.

If you have any questions about this paper please contact: Sarah Rapson, Chief Executive, sarah.rapson@sra.org.uk.

Chief Executive's Report

- 3 When I joined in November, I set out my core priorities for the organisation:
 - being open and engaged - as a regulator, it is essential to engage with stakeholders and to be collaborating and working in partnership.
 - operationally excellent - getting the basics right consistently and delivering at pace.
 - outcomes-driven – ensuring what we are doing is going to have meaningful positive impact on our regulatory objectives.
 - forward-looking – being a regulator that is forward looking and fit for the future, being conscious of how the profession and market is changing and what risks (and opportunities) it presents.
- 4 During my first three months, I have sought to understand the views of key external stakeholders on these priorities. I've spoken to stakeholders from within the profession and beyond, and to SRA colleagues. It has been an extensive listening exercise to identify the challenges and opportunities the sector is facing, and how the SRA can improve.
- 5 Externally, I have met with Chief Executives and/or Presidents and Chairs from key organisations and bodies. These have included the Law Society, Legal Services Board, Legal Services Consumer Panel, Legal Ombudsman, CILEX, Bar Standards Board, Financial Conduct Authority, LawWorks, Financial Ombudsman Service, Financial Services Compensation Fund, Office of the Public Guardian, UK Regulators Network, Law Society of Scotland and the National Pro Bono Centre.
- 6 Further to those meetings I have attended a number of noteworthy events and regular meetings. I attended the City of London Law Society's regular quarterly meeting and met with the Sole Practitioners Group at our regular quarterly meeting in January. I have started to meet with several city firms who we liaise with through our Regulatory Management team. I also attended and spoke at the Leadership and Law conference, and award events organised by both the Society of Asian Lawyers and the Black Solicitors Network.
- 7 I attended a Ministry of Justice roundtable launching research on the benefits of an open and competitive legal economy, where I met with the Legal Services Minister, Sarah Sackman KC MP. I subsequently had an introductory meeting with the Minister in December.
- 8 Members of the Executive have also attended a meeting organised by the Ministry of Justice and chaired by Sarah Sackman KC MP on Mazur (in late October) and spoke at both the Legal Futures claims conference and London

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Law Expo 25. We also attended and chaired an event at the International Conference of Legal Regulators in Hong Kong and in November, we led a symposium event on Generative AI.

Update against key developments**High profiles cases*****Abusive litigation***

- 9 Solicitors have a duty to the courts, the rule of law and proper administration of justice. They are critical in preventing – and not facilitating – abuse of the legal process – crucial to public trust in the system. The behaviours linked to bringing defamation cases improperly and preventing lawful scrutiny – often known as SLAPPs – is one such example of abuse. As part of our usual misconduct enforcement, we continue to take enforcement action against solicitors using litigation or threats of litigation for improper purposes. Two recent cases have received adverse outcomes, one of which is being appealed and the other is being reviewed. These are:

Gill

- 10 Allegation of threat of litigation for an improper Public Relation purpose in connection with investments in OneCoin which turned out to be a fraudulent scheme. Gill (CG) threatened legal action against a former employee of OneCoin who publicised her concerns about the scheme. CG applied for an Order dismissing the allegation on the ground that it did not raise any proper issue of professional misconduct and/or had no real prospect of success. The SDT summarily dismissed the case (and made a costs award against the SRA). The summary dismissal will be appealed on the ground that the tribunal erred by reaching conclusions on issues of fact to justify the dismissal and such facts should have been tested in cross-examination at trial.

Hurst

- 11 On 20 December 2024, the SDT found one of two allegations proved – Hurst sent an e-mail to Dan Neidle that improperly attempted to restrict his right to publish that e-mail and/or discuss its contents; the second allegation was not proved – Hurst sent a letter to Dan Neidle that improperly attempted to restrict his right to publish that letter and/or discuss its contents. Hurst was fined and ordered to pay the SRA's costs. The High Court upheld Hurst's appeal, holding that his conduct was not improper. The Judge set out the context for abusive litigation cases noting some of the public commentary and controversy in this area and criticising both the SRA's formulation of the case and the SDT's reasoning. The Judgment is being reviewed.

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- 12 As with all cases, we review outcomes to develop our approach. We are committed to continuing to investigate and prosecute cases of abusive litigation, like other forms of serious misconduct, where we find evidence of wrongdoing.

Axiom Ince – Commercial Court litigation

- 13 The SRA has been sued by Travelers, Axiom Ince's insurers, in two sets of proceedings alleging negligence during the period leading up to the intervention into Axiom Ince in October 2023. One claim is a subrogated claim brought by Travelers on behalf of Axiom Ince, the other joins the SRA as a defendant to a claim against Travelers brought by a former client of Axiom Ince. The claims allege the SRA breached a duty of care to Axiom Ince and/or its clients, causing losses up to £3m in the subrogated claim, which is the limit of indemnity paid by Travelers, and a damages claim in the other case of c.£6m plus interest. The proceedings were issued in December 2025 and our defences are due on 11 February 2026 and 2 March 2026. Separately, we have brought proceedings against Travelers in a subrogated claim on behalf of clients of Axiom Ince who made claims on the SRA Compensation Fund. The proceedings were issued on 31 December 2025 as a protective measure in light of limitation and we have four months in which to serve the proceedings with Particulars of Claim.

Post Office

- 14 The cohort is divided into Horizon scandal cases and post scandal cases.
- 15 Post scandal cases relate to conduct post-dating prosecutions of sub postmasters, the emergence of the scandal and the announcement of the Inquiry. These do not touch on the issues the Post Office Inquiry is addressing, and our assessment is that these cases are also not likely to be affected by criminal investigation. Our investigations in this area are progressing, and we anticipate being able to take enforcement action more swiftly in these cases.
- 16 Horizon scandal cases are under investigation, and we await the Inquiry's publication of its findings in the second report. The Inquiry report will make evidence available, which will inform our treatment of evidence relied on by the Inquiry and avoid our risking prejudicing the Inquiry's findings or any criminal prosecutions triggered by its findings.

s.44B / Carter-Ruck / Amersi

- 17 This relates to a claim by Carter-Ruck / Mr Amersi in the context of an allegation of abusive litigation, seeking declaratory relief that the SRA's powers of investigation do not extend to a right to compel the production of evidence which is subject to Legal Professional Privilege. Access to privileged information is essential for the SRA to discharge its statutory duty of proper investigation to protect consumers of legal services. The SRA has filed its evidence in response to the claim, and we await the applicants' evidence in reply. We are seeking to

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have the proceedings expedited to avoid undue delay in resolving a point of law of public importance. We will also make an application for the evidence to be made public.

High Volume Consumer Claims (HVCC)

- 18 We engaged with around 700 people on [our high-volume consumer claims discussion paper](#), with the engagement period finishing on 14 November 2025. This included more than 100 stakeholders offering their insights through face-to-face meetings, including the profession, consumer representatives, consumers, insurers, academics and litigation funders.
- 19 Our engagement has confirmed we are generally focusing on the right areas. One of the key areas where there are concerns is around transparency of information for consumers, which is often insufficient to help them easily understand their choices and what using 'no win, no fee' agreements mean.
- 20 We have done research, involving 15,000 consumers who have used these services, to help us better understand the problem and ways to address them. We are working on developing resources which could help improve transparency in this area and will be testing options with the public.
- 21 The insights from our engagement will be used to consult on reforms to further improve how the market works for consumers in the summer.
- 22 We are investigating more than 70 firms working in the high-volume claims market. We will act against firms where we find evidence of serious misconduct. In December, we confirmed we had taken action to prohibit two individuals, who were not solicitors, but directors and owners at SSB, from working in any firm we regulate. This is the most serious sanction we can issue. Interim conditions are in place against four solicitors who worked at the firm, pending the outcome of our investigation.

Motor finance claims

- 23 In October we [published](#) a joint statement and advice, working closely with the Financial Conduct Authority (FCA), in relation to law firms and claims management companies using potentially misleading advertising in relation to motor finance claims, and fees charged for work in this area. This received strong coverage in the trade and national press.
- 24 In addition to continued work with the FCA and planned communications around motor finance claims, we are also investigating several firms operating in the motor finance claims market, including consideration of evidence obtained by the FCA through a request under the Consumer Rights Act 2015.

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- 25 The housing disrepair claims sector is a key priority in our work on HVCC. We are currently investigating ten firms in relation to concerns around conduct in relation to housing disrepair claims. We continue to be in regular contact with the Ministry of Housing, Communities and Local Government (MHCLG) and inputted extensively to support their [call for evidence](#) around housing disrepair claims published in December 2025.

Client Money Consultation Launch

- 26 As part of our ongoing review of consumer protection arrangements in the legal sector, we have [published](#) our consultation on further proposals to strengthen protections for the money consumers deposit with law firms. The proposals focus on key potential changes to the existing regulatory regime, informed by feedback received from the profession, public and wider stakeholders, as well as our own work. In particular, the consultation outlines potential changes to approaches to firms' obligations around accountants reports and the division of regulatory roles within firms.
- 27 We ran a live question and answer webinar in December outlining our proposals for the consultation. This event was attended by more than 400 people. Attendees put a wide range of questions to panellists, with a particular focus on how potential changes to rules around role holders would impact small firms.
- 28 We continue to promote the consultation on social media and have seen articles on the proposals running across the legal trade press. Throughout January and February, we will be staging a series of engagement events targeting both the public and profession. The consultation closes on 20 February.

Solicitors Qualifying Examination (SQE)

- 29 Data on candidates taking the SQE is naturally growing. This is enabling more and better analysis of candidates' characteristics and of factors that are associated with their performance.
- 30 We are shortly publishing a report that looks at four years of data and analysis from the SQE. It draws together: candidate data recorded between November 2021 and July 2025, the results of reports published by Kaplan at the end of last year on the [performance of solicitor apprentices](#) and on [candidate characteristics and factors that influence SQE performance](#), and a new report from Kaplan on the performance of neurodivergent candidates.
- 31 Some highlights from the new data analysis, including some positive results, are:

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- Overall, neurodivergent candidates achieved higher SQE scores and higher pass rates than other candidates. This indicates that neurodivergent candidates are not disadvantaged in the assessments.
 - 35% of candidates came from a Black, Asian or minority ethnic and 38% came from less privileged backgrounds. The ethnic make-up of SQE candidates was more diverse than the working age population and of lawyers in firms (when compared with UK census data and our own diversity data). Candidates were also drawn from across all socio-economic groups.
 - Solicitor apprentices performed better than the wider cohort. Data also shows that the solicitor apprenticeship route is promoting social mobility.
 - The two factors, on which we have data, that have the most impact on performance relate to university education and past academic performance.
- 32 Most of the variance in candidates' SQE scores cannot be explained by a candidate's demographic profile, either alone or in combination (for example, age, ethnicity, gender, disability, social background or education). It is likely explained by other factors where data is not captured, such as motivation, aptitude, ability and study.
- 33 As usual, Kaplan released more sample questions shortly before the end of the year. It published an additional 50 SQE1 questions, all of which were past exam questions. For the first time, Kaplan also published data to reassure candidates that these past questions are representative of the length and difficulty of the questions used in the live exams.
- 34 Kaplan also published two new SQE2 sample questions, including a discussion of the answers. We know candidates and training providers value these materials. Kaplan also published additional information to help candidates understand how SQE2 questions are marked.
- 35 Following on from the workshops Kaplan ran for training providers and publishers in summer 2025 on how to write SQE1 style questions, this month Kaplan is running a session for training providers on how skills are marked on the SQE2. As with the SQE1 question sessions, materials from the session will be published.
- 36 In response to candidate feedback, we are developing a tool to help candidates search for and compare SQE courses. We have sought feedback during candidate focus groups on a possible questionnaire for candidates on their experience of working with different training providers. Candidates told us they would welcome information that could come from such a questionnaire.
- 37 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

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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 plan to take a wider approach and focus on publishing information that is useful to candidates, supports a healthy training market, and takes account of a wide range of factors.

- 38 We are also 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.
- 39 In line with our ten-year SQE evaluation framework, we have identified a preferred supplier to undertake the technical evaluation of the assessments. Once the contract is in place we will share more information about the supplier and the evaluation timeline.
- 40 We had a positive response to our invitation to the profession to express interest in joining focus groups this spring to review the Statement of Solicitor Competence, again in line with our evaluation framework.

Legal Services Board (LSB) Axiom Directions

- 41 On 28 November 2025, we sent our second quarter report on our progress against the directions to the LSB, which we have [published](#) alongside the LSB.
- 42 In the report, we confirmed that we had successfully delivered 16 of the 17 steps which were due for delivery within the second quarter. We also shared with the LSB a package of evidence which demonstrated how we had completed the 16 steps in the second quarter.
- 43 One of the steps had not been delivered as originally envisaged in the implementation plan. This step required us to receive Board approval to consult on a potential rule change related to sale, merger and acquisition activity. At the Board in October, we discussed that rather than pressing ahead and consulting on a rule change without the detail of how it would be used, we proposed consulting later on a rule change, alongside firm policy proposals on how the rule would be used. We believe this approach is in the public interest, informed by the stakeholder feedback we have received. The Board agreed with this approach. We had positive dialogue with the LSB on this change in approach, ahead of submitting the second quarter report.
- 44 Alongside the second quarter report, we shared an updated implementation plan. This plan contained the revised schedule for the sale, merger and acquisition direction. It also included some amendments to timings in the authorisation and client money directions plans. These changes reflect our decision to extend the

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window of our client money in legal services consultation to make allowance for the Christmas period.

- 45 In October, the Board requested that we commission independent third-party assurance of delivery for the third quarter report and the forecast for completion within the year. This review will be conducted by our externally appointed internal auditors, RSM. The audit began earlier this month and is due to report next month. The final report will be shared with Board members upon completion.

SSB

- 46 In October, the LSB published its review into our handling of the events leading up to the collapse of SSB.
- 47 We apologised and fully accepted the recommendations of the SSB review, building on the significant changes we have already made since 2024 in response to the issues raised by SSB and our handling of the case. The issue attracted coverage in national and legal trade media.
- 48 We are targeting our actions to meet three key challenges arising from the SSB review:
- Proactive identification of market developments that could operate against the interests of consumers or the public and swift pinpointing of key issues that require attention
 - Targeting our resources to maximise the prevention of harm to consumers.
 - Taking action quickly to deal effectively with those who cause harm and ensuring we support vulnerable consumers throughout the process.

We have already rolled out some major changes through 2024 and 2025, and this work will continue into 2026 and beyond. To date we have:

- Delivered a wide-ranging programme to improve decision-making in our triage team, including new guidance, training and quality assurance measures so that the right cases are taken forward for investigation
- Instigated new processes to identify and provide additional oversight of firms with multiple complaints against them
- Created a first iteration of a new 'law firm profiler' giving our teams a single page view of key data for each of the 9,000 firms we regulate
- Trained SRA staff on best practice in supporting vulnerable consumers to ensure a kind, considerate and consistent approach
- Introduced a new approach to make sure that we understand and identify key risks, including market risks
- Improved our approach to governance around risks, ensuring effective decision-making and timely escalation as appropriate to our Board and Audit and Risk Committee.

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- 49 On 20 January, we received formal notice that the LSB's intends to issue a formal censure and direct the SRA to set and publish performance targets to address the findings of the SSB review. We must submit our response to the notice by close 16 February (that is 28 days from the date the notice was received). We must publish the performance targets within seven days of the publication of the LSB direction. As set out above, we expect that many of these will cover areas on which we have already acted, as well as actions that we intend to take. We expect to be reporting to the LSB on our progress against these targets, aligned to our performance reporting schedule to the Board.

First Tier Complaints

- 50 Following discussions with the LSB we took the decision to withdraw our application to the LSB for a rule change in the area of first tier complaints. The LSB were not ready to accept the proposals in their current form. We are now taking some time to further consider the feedback, before deciding how and when to move forward with updated proposals.

Anti-Money Laundering (AML) update

- 51 We have responded to HM Treasury's consultation on proposals to extend the FCAs' powers for AML supervision. This marks an important step in shaping the future supervisory framework for the legal sector. I have discussed directly with the FCA leadership how we will work closely with the FCA to ensure a smooth, proportionate and effective transition when the new arrangements are implemented. At present, we await confirmation of the transition timetable, which will depend on parliamentary scheduling.
- 52 Details of our AML programme are set out in [our latest annual report](#) and [HM Treasury's Annual Supervision Report](#). Economic crime and AML will remain high on the regulatory and legislative agenda, driven by government priorities and the upcoming Financial Action Task Force inspection in 2027. We will continue to act as the competent authority under the Money Laundering Regulations until the transition to FCA supervision is complete.

Sanctions oversight

- 53 We have introduced targeted desk-based reviews of firms with heightened jurisdictional risk and weaker control frameworks, identified through our AML data collection exercise. This proactive approach aims to mitigate exposure to financial sanctions, even where firms fall outside the AML supervisory perimeter.

Keeping of the Roll

- 54 In 2023 we reinstated an annual exercise to update and maintain the roll of solicitors, known as the 'keeping of the roll' exercise. This was to ensure that all information held on the roll of solicitors is up to date and accurate. It included

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charging an administration fee of £20 per person to remain on the roll. This was set at a level which took into account the changes required to our IT infrastructure and internal processes to facilitate the process.

- 55 The LSB approved our application to reintroduce the exercise. As part of that approval, we committed to keeping the fee under review and indicated to the LSB that we expected the fee to reduce over time.
- 56 Alongside the 2025 keeping of the roll exercise, we conducted an analysis of the resource requirement required to deliver the exercise annually. This also included an assessment of the overhead costs associated with this application. More than 32,000 people remained on the roll in 2025 with almost all of these completing the process online with limited manual effort required from us to process applications.
- 57 Following this analysis, we intend to reduce the cost to applicants from 2026 to £10 per person. This reflects the improvements we have made to the process over time, the repayment of the initial costs of IT changes to support the application, and the lower level of overhead costs than in the earlier years. Formal approval will be sought from the LSB in the coming weeks.

Annual review of the schedule of delegations (“Who can make decisions at the Solicitors Regulation Authority”)

- 58 In 2019 the Board delegated the function of making future changes to the Schedule of Delegations (Schedule) to the Chief Executive. The Board also requested that the Chief Executive should provide assurance on an annual basis that the Schedule was up to date and ensure that decisions were made at a sufficient level and were of the standard expected.
- 59 The 2025 review of the Schedule has been completed. Directors and leads in operational teams were asked to carefully review the existing schedule and propose any amendments, which were then discussed by the Director Team. Following subsequent review by the Executive Committee, I can provide the Board with assurance that the schedule is up to date, and we are content that decisions are made at the appropriate level. The Schedule will now be updated on our website.

Annual compliance conference

- 60 Our annual in-person Compliance Conference in Birmingham attracted around 1,300 people, with more than 50 speakers and 30 marketplace stands.
- 61 97% of attendees who fed back said they would come to a similar event again and more than 80% rated the event useful or very useful.

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- 62 Our virtual version of the event, which featured more a mix of live webinars, recorded presentations and 15-minute bite sized sessions, saw more than 3,000 live attendees and to-date has been viewed post-event a further 8,000 times – with 100% of viewers saying they would attend similar sessions again.
- 63 The next conference is due to take place in spring 2027.