

Financial penalties: Updated proposals consultation

Our current approach

- Introduced in May 2023 following extensive consultation.
- Reflected increase in the SRA's fining powers to £25,000
- Key features:
 - Introduced new schedule of fining bands
 - Fines linked to income for both firms and individuals
 - Fixed penalties for lower-level breaches
 - Clarified approach re harassment & sexual misconduct

Existing framework

- Most severe cases: decision makers can go to statutory maximum
- Illustrative framework:
 - four penalty bands: A to D
 - fines calculated as a percentage of a firm's annual domestic turnover or an individual's annual income from their legal work
 - penalty scales:
 - firms: 0.2% to 5%, individuals: 2% to >97%

Consultation proposals

- Five key proposed changes:
 - new fining bands (E & F) for most serious misconduct
 - minimum fines across all bands
 - updated approach to considering the impact of misconduct, and aggravating and mitigating factors
 - clarifying how we determine income
 - approach to fine levels where misconduct led to financial gain