Protecting client money: Notifying the SRA of changes to help identify and act on risks

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Purpose of the webinar

- Explain what we are consulting on
- Explain the proposals
- How stakeholders can respond
- Next steps in the Consumer Protection Review

Areas of focus

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Business plan

Consulted at the end of 2026

Accountants' reports regime

Strengthening compliance and oversight

Checks and balances within law firms

Reducing risks from concentration of roles

Consulting now

Notifying the SRA of changes to help identify and act on risks

Improving scrutiny of firm profile changes

Protecting client money

Solicitors Regulation Authority

For consumers

- Consumers appropriately protected when using regulated firms
- Public confidence and trust in legal services is maintained
- Competitive, dynamic legal market that supports access to justice through enabling consumer choice while keeping costs of legal services down

For firms

- Better identification and management of firms' risk indicators
- Engage with firms earlier to avoid escalation
- Protecting the whole profession's reputation and claims on the compensation fund

Why are we consulting on firm profile changes?

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- The legal services market is changing – business models are becoming more complex, and technology change is accelerating
- Firms can significantly change their profile without informing us when the change occurs

What we want to achieve

- Earlier insight into firm profile changes that may increase consumer risk
- Improved ability to identify characteristics that indicate a greater likelihood of harm
- A proportionate approach that avoids unnecessary barriers to legitimate business growth

Notification requirements we are consulting on

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We are consulting on a rule that would allow us to prescribe certain events which firms would then need to notify us of.

In the first instance, we propose prescribing the following events:

- when firms start to hold and receive client money when they didn't previously
- when firms acquire or merge with other firms.

Notification requirements we are consulting on

Solicitors Regulation Authority

The information we receive will help us track M&A activity in the market, which over time, will make us better able to identify market developments that may require pro-active regulatory action.

It will also provide us with an up-to-date view of firms holding client money.

We want to hear from you

- Online questionnaire: sra.org.uk/identify-risks
- Deadline: 9.00, Monday 17 August 2027
- Contact: consumerprotectionreview@sra.org.uk for queries or adjustments
- Responses published unless requested otherwise

Next steps

1. Ongoing engagement with key stakeholders
2. Consultation closes → analysis of responses and refine proposals based on feedback you've told us
3. Final proposals to be developed subject to LSB approval
4. Implementation plan and transition
5. Return to longer term questions when actions completed

Questions