

News release

SRA consults on updates to financial penalty regime

28 June 2024

We are consulting on proposals to update our [approach to issuing financial penalties](https://rules.sra.org.uk/sra/consultations/consultation-listing/financial-penalties-further-developing-framework/) to law firms and solicitors

The proposed changes take account of both the Economic Crime and Corporate Transparency Act granting the regulator unlimited fining powers in cases of economic crime, and learnings since our [current approach](https://rules.sra.org.uk/solicitors/guidance/financial-penalties/) to levying fines was introduced in 2023.

To make sure we remain transparent when issuing fines, we are proposing amendments to our band-based approach to determining specific penalties. These involve the introduction of new fining bands for more serious misconduct and some changes to process by which we calculate which fining band a given case may fall under.

We are also proposing changes to our published fining guidance to make clear that once fine levels have been determined, they will be further increased by the amount of any financial gain that resulted from the misconduct.

Paul Philip, Chief Executive of the SRA, said: 'The majority of solicitors do a good job. However, when this is not the case, it is important that we have a robust approach in place which enables us to take action in a way that is fair, transparent and consistent to all.'

'The changes we are proposing will help to ensure we can continue to do that, including for the most serious cases, which by their very nature can and will attract the most significant penalties.'

Since 2023, we have operated an approach where all fines are linked to the income of an individual or firm. In determining individual sanctions, we consider the percentage-based penalty linked to a specific fining band, as well as any mitigating and aggravating factors.

Further changes outlined in the consultation include:

- The introduction of 'minimum fines' across all fine bandings, applicable where a penalty based purely on percentage of income would not serve as an effective deterrent due to a firm or individual having no or a very low income.

- Greater clarity on how we will judge and take into account the impact and harm caused by any misconduct when determining the level of a fine, including the potential impact that could have occurred.
- Clarifying our approach to convictions for drink driving, where a warning or rebuke will be the most likely disciplinary outcome, unless there are aggravating factors or repeated incidences.

Consultation on the proposed updates to the approach will run for 12 weeks until Friday 20 September, 2024. During this period, we will consult directly with stakeholders, including the public and profession.

Read more on the [financial penalties consultation](https://rules.sra.org.uk/sra/consultations/consultation-listing/financial-penalties-further-developing-framework/) [<https://rules.sra.org.uk/sra/consultations/consultation-listing/financial-penalties-further-developing-framework/>].