

How other regulators and jurisdictions manage consumer compensation funds

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Background

Legal sector consultancy Hook Tangaza undertook research for the SRA in May-June 2024 into consumer compensation arrangements in jurisdictions outside England and Wales, as well as those offered by other professions. The purpose of this was to ascertain if there were any useful experiences or ideas on which the SRA could draw on when considering the future of its own Compensation Fund.

Methodology

The research was undertaken by a combination of desk research and interviews/online exchanges with the relevant regulatory bodies or compensation fund organisations in other jurisdictions. Research focused on twelve jurisdictions selected for the comparable nature of the work undertaken by lawyers in those jurisdictions and the existence of compensation arrangements. These were: Victoria and New South Wales in Australia, New Zealand, Malaysia, South Africa, Singapore, Ireland, California and New York in the US, and Ontario, Alberta and British Columbia in Canada. Information was also received about Zimbabwe, Malawi and from the American Bar Association in relation to practice across all US states.

Exploratory discussions with authorities in Hong Kong, UAE and the Netherlands revealed that compensation arrangements for lawyer fraud of theft either had never existed, or (in the case of the Netherlands) had been discontinued when other changes in the handling of money were put in place.

Compensation arrangements covering Independent Financial Advisers, notaries, real estate agents, the construction industry and surveyors were also investigated. This was undertaken by desk research. Desk research methods involved consultation of online databases (Google Scholar, Lexology), keyword and AI prompt search.

[Read the full report \(PDF 7 pages, 218KB\)](https://rules.sra.org.uk/globalassets/documents/sra/research/hook-tangaza---compensation-fund-comparisons.pdf)
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