

## Guidance

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### Effective supervision - Guidance

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### Status

This guidance is to help you understand your obligations and how to comply with them. We will have regard to it when exercising our regulatory functions.

### Who is this guidance for?

This guidance is for solicitors and firms we regulate that supervise individuals delivering legal services. This includes services delivered by individuals who are not authorised by us.

For the purposes of this guidance, the term 'solicitor' includes Registered European Lawyers (RELs) and Registered Foreign Lawyers (RFLs).

### Purpose of this guidance

Effective supervision of those delivering legal services plays a vital role in delivering good outcomes for clients, staff and third parties, and in maintaining public confidence in legal services. The purpose of this guidance is:

- to set out the key themes of the approach that we expect firms we regulate and their managers to follow when arranging and providing supervision for all the legal services they provide, including where regulated persons supervise services delivered by individuals who are not authorised by us
- to give guidance on particular situations and areas of legal work, including good practice suggestions we have heard from firms.

This guidance should help regulated individuals and law firms' managers and senior staff understand what we expect them to do to meet the current statutory and regulatory requirements on supervision. The guidance does not set out any new standards or requirements beyond those in legislation and our current Standards and Regulations.

The approach set out in the guidance is intended to meet the regulatory objectives set out in the Legal Services Act 2007, which include protecting the public interest, promoting the interests of consumers, encouraging a diverse and effective legal profession, and promoting adherence to the professional principles.

The guidance should help legal services providers to meet the requirements in our Standards and Regulations, and to comply with other relevant legal and regulatory requirements on supervision. Firms seeking our authorisation should find the guidance helpful in setting out what we expect from them in terms of arranging adequate and effective supervision at the point of authorisation and beyond.

Effective supervision is both a regulatory requirement and good practice in the delivery of services to clients. While negligence in the delivery of legal services is not itself always proof of a failure in supervision, effective supervision has a role to play in managing negligence risks, as well as other regulatory risks.

### Key themes

#### 1. The need for supervision

Regulated individuals and firms are accountable for the actions of those they supervise. Legal services providers (other than freelancers and sole practitioners with no staff) should therefore arrange for one or more appropriately experienced individuals to supervise the legal services the firm provides in order to provide assurance to the organisation that all the legal services it delivers are of appropriate quality and are delivered in accordance with our Standards and Regulations.

These individuals should be appropriately qualified and experienced both in the relevant area of law and in supervising the delivery of legal services.

#### 2. Appropriate supervision arrangements

Legal services providers should use a risk-based approach when deciding on appropriate supervision arrangements, such as who will supervise work, how many people they will supervise, how much of each person's work a supervisor will see, how often they will communicate, and how far supervision will take place face-to-face rather than remotely.

Factors to take into account in making such decisions include:

- the risks involved for clients and others if legal services are defective – for example, whether there is a risk of loss of life or liberty through imprisonment or deportation, or of other serious detriment with limited scope for redress
- whether there is a specific legal or regulatory requirement for those carrying out the work to be supervised by an individual with particular qualifications (for instance because the work includes reserved activities under the Legal Services Act 2007 carried out by unauthorised persons, or is immigration or claims management work), and what any such requirement involves
- the nature of the inherent risks involved in the work being supervised – for example, work involving the use of a high degree of judgement will usually carry more risk of errors or failure than routine or primarily administrative work
- the circumstances of clients and whether there are particular vulnerabilities that should be taken into account
- the experience, competence and workload of those carrying out the work and the level and kind of support they need
- the capacity of the supervisor and the other demands on their time – for example, a supervisor with their own fee-earning caseload will have less time available to supervise the work of others
- whether those carrying out the work are in the same location as their supervisor, in another office, working remotely or in a hybrid or agile arrangement
- the nature of, and ease of access to, other support available to those carrying out the work, which might include help from other colleagues (whether legally qualified professionals or not), guidance, and tools or standardised processes.

### 3. Conducting supervision

A supervisor should communicate directly with each person they are supervising often enough to make sure that the supervisor:

- has clear oversight of work being done while it is live at all key stages
- is readily available to support the person doing the work
- can provide robust assurance that legal and regulatory requirements are being met.

The supervisor should have some knowledge of each matter being progressed by the person doing the work and/or should monitor a meaningful sample of their work, depending on the risk factors listed in key theme 2 (appropriate supervision arrangements). The supervisor should provide advice or guidance on specific matters (such as non-standard issues) as necessary.

### 4. Ensuring supervision is effective

Supervision needs to be effective, so merely putting supervision arrangements in place is necessary but not sufficient to fulfil firms' regulatory obligations. Firms should take proactive steps to make sure that supervision is working effectively and supervisors are accountable.

## Regulatory requirements - SRA standards and regulations and guidance covering all areas of legal services

Our [Code of Conduct for Solicitors, RELs and RFLs](https://rules.sra.org.uk/solicitors/standards-regulations/code-conduct-solicitors/) (<https://rules.sra.org.uk/solicitors/standards-regulations/code-conduct-solicitors/>) provides that where you supervise or manage others providing legal services, you remain accountable for the work carried out through them and you effectively supervise work being done for clients ( [ ] paragraph 3.5).

The code also requires that you make sure that those you manage are competent to carry out their role, and keep their professional knowledge and skills and their understanding of their legal, ethical and regulatory obligations up to date (paragraph 3.6).

Similar provisions are included in our [Code of Conduct for Firms](https://rules.sra.org.uk/solicitors/standards-regulations/code-conduct-firms/) (<https://rules.sra.org.uk/solicitors/standards-regulations/code-conduct-firms/>) (paragraph 4.3) which specifically requires firms to have an effective system for supervising client matters (paragraph 4.4). The code also requires firms to have effective governance structures, arrangements, systems and controls in place to make sure that the firm and its staff comply with regulatory and legislative requirements (paragraph 2.1). The code requires a firm's compliance officer for legal practice (COLP) to take all reasonable steps to make sure compliance with relevant regulatory arrangements, including those relating to supervision (paragraph 9.1).

Our [Authorisation of Firms rules](https://rules.sra.org.uk/solicitors/standards-regulations/authorisation-firms-rules/) (<https://rules.sra.org.uk/solicitors/standards-regulations/authorisation-firms-rules/>) require authorised bodies to have their regulated work supervised by at least one person who has practised as a lawyer for at least three years, and who might be either a manager or employee of the body or an external resource (Rule 9.4). This requirement for at least three years' experience does not apply to other people in a firm who have supervisory responsibilities, but firms should make sure that anyone with supervision responsibilities has appropriate experience.

Our [Statement of solicitor competence](https://rules.sra.org.uk/solicitors/resources-archived/continuing-competence/cpd/competence-statement/) (<https://rules.sra.org.uk/solicitors/resources-archived/continuing-competence/cpd/competence-statement/>), which defines the continuing competences that we require from all solicitors, says that solicitors should be able to disclose when work is beyond their personal capability,

recognise when they are experiencing difficulties, seek and use guidance and support, and know when to seek expert advice (section A3).

Our [guidance on the workplace environment](https://rules.sra.org.uk/solicitors/guidance/workplace-environment/) (<https://rules.sra.org.uk/solicitors/guidance/workplace-environment/>) includes a section on supervision and competence which sets out our expectation that firms have the necessary systems and culture to enable staff to raise concerns and be supported if they are experiencing problems. The guidance sets out the role that effective supervision plays in supporting the wellbeing of staff. The guidance links to our workplace culture thematic review, which includes examples of good practice that firms can adopt.

## **Further guidance and good practice - all areas of legal services**

### **Choosing supervisors**

Supervisors do not have to be at partner level – firms should use a risk-based approach, taking into account the factors in key theme 2 (appropriate supervision arrangements).

Appropriate supervision should be in place for everyone delivering legal services, including partners and consultants, as well as employees. Supervision of senior staff should include consideration of ethical and regulatory competencies, as well as standards of supervision and leadership.

A person's supervisor may be their line manager, but does not have to be. Supervision is a specific legal and regulatory requirement to make sure the appropriate delivery of legal services as discussed in this guidance, while line management has a wider role including professional development and wellbeing. However, supervisors who are not line managers can make an important contribution to the wellbeing and development of those they supervise and should share feedback with the managers of those they supervise where appropriate.

Firms should make sure that both supervisors and their supervisees are aware of their respective responsibilities for making supervision work effectively, and that supervisees know who is supervising them. See [recording supervision arrangements](#). [[#recording](#)]

Good practice suggestions we have heard from firms include:

#### **For firms and supervisors**

- Arrange peer reviews of work by senior staff, particularly where novel or particularly complex issues are involved.
- Designate a quality control reviewer for all engagements assessed as high risk or complex.
- Include supervision as a topic in performance reviews and make supervision skills a criterion for promotion.

#### **For people being supervised**

- Be aware of when your supervisor is available to help you.
- Flag issues to your supervisor in good time ahead of deadlines and make it clear if a matter is urgent or important.
- Be open about your capacity and when you need help.

You can find [links to other resources](#) [[#resources](#)] about people management, coaching and mentoring at the end of this guidance.

## **Choosing supervision arrangements**

### **Span of supervision**

In deciding how many people are needed to supervise an area of work firms should consider carefully how many people each supervisor will be able to supervise effectively, taking into account the risk factors set out in key theme 2 (appropriate supervision arrangements).

Example: a firm gives a solicitor responsibility for supervising 10 paralegals who are providing high volume legal services. The solicitor has their own fee-earning caseload so only has time to look at the work being done by the paralegals every few months.

Given the very limited proportion of work that the supervisor sees we would not consider this an effective supervision arrangement.

### **How much work supervisors should check**

A supervisor should see enough of the work of those they are supervising to be satisfied that the overall quality of work is satisfactory and the risks relating to the work are being managed appropriately on a day-to-day basis.

In deciding whether a supervisor should have some knowledge of every matter the supervisee is dealing with, or should review a sample of their work, firms should take into account the risk factors set out in key theme 2

(appropriate supervision arrangements). Risk factors that might be particularly important in this context include:

- The risk of client detriment if work is not of suitable quality.
- The inherent risks involved in the work such as the degree of judgement needed.
- The experience and competence of the supervisee – a trainee will need a higher proportion of their work checked than someone with a long track record of doing similar work to a good standard.

Where work is high risk the supervisor might need to have some awareness of every file. Where work is broadly low risk and standardised it might be reasonable for the supervisor to see only a small sample of work. Where a supervisor relies on seeing a sample of work they should make sure the sample includes work that the supervisee does not ask them to look at.

Example: a firm does a large volume of legal aid work carried out by junior staff under supervision. There is a high risk of client detriment if the work is defective. The firm considers that because of the high volume of work, it is not realistic for a supervisor to see every file, so they only check a small sample of the overall work.

Given the risks to clients we would not consider this an effective supervision arrangement. The sample size will not give supervisors enough assurance that work of every kind by every member of staff is of suitable quality, so the risk of client detriment will not be adequately managed. If a firm's business model is based on junior staff carrying out high risk work the firm should resource its supervision accordingly.

Good practice suggestions we have heard from firms include:

- Agreeing the structure of supervision required for each matter at the outset.
- Ensuring that all team members are aware of expectations around supervision.
- Encouraging questions from supervisees and clarifying what needs escalation or approval.
- Listing outgoing communications and documents which should always be discussed in draft with the supervisor including novel or complex advice, drafts of key documents, communications to clients on costs or rates and details of any conversation involving substantive queries or concerns.

### **When supervisors should check work**

As set out in key theme 3 (conducting supervision) the supervisor should have clear oversight of work being done while it is live, at all key stages. Where work is advisory or transactional, the delivery of the final 'product' might be the only key stage at which the supervisor should see the work. Where work is more complex, the supervisor should have sight of the whole course of a matter, and not just the final delivery of a product or service.

### **What checks should involve**

Where a supervisor checks work, this should include an assessment of:

- The quality of the substantive legal work – is it accurate, and does it meet the client's needs?
- Whether the firm's policies have been followed (eg on sign-off of work).
- Any relevant ethical and regulatory considerations.
- The management of the file.

### **When supervision should happen face to face**

Supervision can take place face to face or remotely, depending on the risks involved and the work patterns of supervisor and supervisee. (Remote, hybrid and agile working is covered in the next section.)

Where a supervisee and supervisor are working in the same office, this will not in itself ensure adequate supervision. There must be specific arrangements for the supervisor to review what the supervisee is doing and discuss it with them.

Supervision should always include an element of direct discussion between the supervisee and supervisor as well as reviews of documents and other work done and of case files. That discussion may take place remotely (for example by phone or video call) rather than face to face where appropriate.

However, supervision may sometimes be particularly effective when conducted face to face. This includes situations where:

- The supervisee is a trainee or in a new role, or is dealing with unfamiliar work or areas of law.
- Supervision has highlighted previous problems with the quality of the supervisee's work, and close support or coaching by the supervisor has been identified as a way to manage risk.

Again, firms should take a risk-based approach using the risk factors set out in key theme 2 (appropriate supervision arrangements) and considering the needs of individual supervisees.

### **Supervision and contractual commitments**

In deciding on supervision arrangements firms should take into account any relevant contractual commitments or arrangements with clients, for instance where a lawyer is on secondment.

A good practice suggestion we have heard from a firm is to have a secondment agreement that sets out the supervisory arrangements in relation to the seconded lawyer, where it may be impractical for the firm to supervise the day-to-day work, but the secondee remains an employee and ultimate responsibility of the firm.

Where a firm has outsourced work entirely – for example by contracting with counsel in another jurisdiction to provide advice on a matter where the firm has no expertise – then the firm will not be responsible for supervising the work in the sense covered by this guidance.

The firm will however have a contractual responsibility to the end client, which might in practice require them to take reasonable steps to make sure that work done elsewhere is adequately supervised. Supervising work outside an employment relationship is covered further down.

### **Recording supervision arrangements**

Firms should be able to evidence the supervision arrangements they choose for each area of work, and the risk-based reasons for the approach they have taken. This should include the firm's arrangements for ensuring that supervision is effective in line with key theme 4.

Recording these arrangements can help to support supervisors and supervisees in understanding and meeting the firm's expectations in respect of supervision (see 'choosing and appointing supervisors' above). It will also help to provide continuity in the event of staff changes.

Firms should consider how they expect supervisors and supervisees to record the delivery of supervision (for instance in records of one-to-ones, casework discussions, and file reviews), and make these expectations clear to those involved. This should include consideration of how to record and share learning points from issues identified in supervision.

Good practice suggestions we have heard from firms include:

- Using protocols to identify the level of supervision needed in each practice area – for example, all communications with clients to be checked by partner/senior solicitor, no court documents to be filed without partner/senior solicitor sign-off.
- Supervision should be evidenced, for example by emails, file notes and time records – but it is not necessary to capture every instance of supervision, such as ongoing informal discussion about a draft document where the supervisor is working directly with the supervisee.
- Where tracked changes on a document are used to provide feedback, these should include an explanation of why changes have been made.

### **Remote, hybrid and agile working**

Our rules and guidance on general supervision in law firms apply to remote and hybrid (part-remote) working as they do to office working. They also apply where people are working in an agile way, for instance with variable working hours, or are working in different time zones.

Whether working patterns are remote, hybrid or agile is in itself a factor that firms should take into account when setting their supervision arrangements, as set out in key theme 2 in this guidance.

Where agile working means that the supervisee and supervisor are not working the same hours, supervision might involve an element of asynchronous or non-live discussion, for instance by messaging or email. However, appropriate 'live' back-up support should also be available to the supervisee if needed.

Good practice suggestions we have heard from firms include:

- A quick daily discussion with supervisees who are working remotely about what they are doing, when it is due to be done and who is reviewing it.
- Asking supervisees to share an up-to-date 'to do' list at the end of each day.
- Being clear about delegation so that there is absolute clarity on who is responsible for each task.
- Respecting everyone's time and working patterns and encouraging people to be open when they are finding it difficult to juggle priorities.
- Operating a virtual 'open door' policy for those working remotely.
- Involving junior staff in client calls and virtual meetings, and maintaining regular pastoral conversations.
- Using screen sharing tools to review documents with supervisees in real time.
- Setting up a buddy system for remote workers and arranging informal group discussions so that junior staff can ask peers for advice.

Firms may also find it helpful to refer to other sources of guidance on good practice such as:

- Law Society's [guidance](https://www.lawsociety.org.uk/Topics/HR-and-people-management/Guides/Supervision-good-practice-for-remote-supervision-of-junior-staff-and-trainee-solicitors) [https://www.lawsociety.org.uk/Topics/HR-and-people-management/Guides/Supervision-good-practice-for-remote-supervision-of-junior-staff-and-trainee-solicitors], on remote supervision of junior staff and trainees
- Law Society of Scotland's [hints and tips](https://www.lawscot.org.uk/qualifying-and-education/qualifying-as-a-scottish-solicitor/the-traineeship-information-for-trainees-and-practice-unit/support-for-traineeship-providers/remote-supervision-of-trainees/) [https://www.lawscot.org.uk/qualifying-and-education/qualifying-as-a-scottish-solicitor/the-traineeship-information-for-trainees-and-practice-unit/support-for-traineeship-providers/remote-supervision-of-trainees/], on remote supervision of trainees.

## Supervising work outside an employment relationship

In some circumstances a solicitor or SRA-authorised firm might arrange to:

- Supervise work done by someone with whom they have no employment relationship.
- Have supervision provided to them by someone with whom they have no employment relationship.

In such cases, both parties should have a clear shared understanding of:

- The fact that the arrangement includes providing supervision within the meaning of this guidance.
- Any relevant legal or regulatory restrictions on providing supervision outside an employment relationship (see for instance the restrictions on supervising litigation and claims management work summarised below).
- What action to take if there is a concern that one of the parties is failing to meet their obligations in respect of supervision.

It is good practice for this understanding to be set out explicitly in writing. It might also be helpful for this agreement to set out any implications of the supervision arrangement for client care arrangements and professional indemnity insurance; this will depend on the activity involved and the professional obligations of those carrying out the work.

## Supervising solicitors who practise advocacy

We have published [resources](https://rules.sra.org.uk/solicitors/resources-archived/advocacy/) to help advocacy firms support the learning and development of their advocates. This includes guidance on [how firms can supervise their staff](https://rules.sra.org.uk/solicitors/resources-archived/advocacy/maintaining-competence-advocate/) in this area.

## Supervising trainee and aspiring solicitors and other legal professionals

Our guidance on the supervision of trainee and aspiring solicitors for educational and training purposes has changed significantly with the introduction of the SQE:

- Trainees on the LPC route are signed off as 'competent' on the basis of their work and we have [guidance about supervision requirements](https://rules.sra.org.uk/become-solicitor/legal-practice-course-route/period-recognised-training/managing-trainees/supervising-trainees/) for periods of recognised training which includes supervisors' responsibilities, reviews, appraisals and training records.
- Aspiring solicitors on the SQE route are signed off as having completed qualifying work experience (QWE), but not as competent since this is tested through the SQE assessments that individuals must take before admission as a solicitor. We have [guidance for firms on QWE](https://rules.sra.org.uk/solicitors/guidance/meeting-standards-good-qualifying-work-experience/) and [guidance on meeting our standards for good QWE](https://rules.sra.org.uk/solicitors/guidance/meeting-standards-good-qualifying-work-experience/), which includes high-level expectations on effective supervision, but following this guidance is not a regulatory requirement.

Firms that supervise trainee and aspiring solicitors should:

- Integrate their training with the wider supervision arrangements covered by this guidance.
- Be aware of where differing supervision requirements apply for the purposes of QWE for the SQE and the general supervision of legal services, and tailor their arrangements accordingly.

Solicitors and SRA-authorised firms might also supervise staff who are trainees in other regulated legal professions. For instance, we understand that many people undergoing qualifying employment and work-based learning for the purpose of CILEX membership work in SRA-authorised firms and are supervised by a solicitor. Solicitors and SRA-authorised firms in this position might want to consider this when deciding on their supervision arrangements.

Good practice suggestions we have heard from firms include:

- Regular reviews of trainees' supervisors to check that they have the time and skillset to supervise to the required standard.
- Anonymised surveys to assess whether trainees feel supported during QWE and have sufficient feedback.
- A template to record QWE activities with a checklist to provide reassurance that key experiences have been covered.

## Anti-money laundering requirements

We have published [guidance](https://rules.sra.org.uk/solicitors/guidance/money-laundering-terrorist-financing-transfer-funds-information-payer-regulations-2017/) to help those we regulate understand their obligations under the Money Laundering Regulations (MLRs) and how to comply with them, including appropriate internal controls. Where relevant, solicitors and SRA authorised firms should take this guidance into account when deciding on their supervision arrangements.

## Regulatory and statutory requirements - specific areas of legal services

### Reserved legal activities - rights of audience, conveyancing and probate



The Legal Services Act (LSA) 2007 allows an unauthorised person to carry out the following reserved activities under supervision:

- To exercise rights of audience if their work includes assisting in the conduct of litigation under the instructions and supervision of an authorised person (Sch 3 para 1(7)).
- To carry on reserved instrument activities at the direction and under the supervision of an authorised person working in the same organisation (Sch 3 Para 3(3)).
- To carry on probate activities at the direction and under the supervision of an authorised person working in the same organisation (Sch 3 Para 4(2)).

In deciding on supervision arrangements for unauthorised people carrying out these activities in line with key themes 2 and 3 in this guidance, solicitors and firms should take into account this statutory requirement for an authorised person both to supervise the work and to provide instructions (for rights of audience) or direction (for reserved instrument and probate activities).

Where there is a requirement to provide direction, solicitors and firms may meet this (i) by providing clear prior instructions on a matter-by-matter basis, or (ii) by using a clear and appropriate work process to set out a compliant standard approach to the work, and requiring any non-standard issues to be escalated to the supervisor. In essence, solicitors and firms will need to be able to demonstrate that they have directed the progress of any given matter.

### **Reserved legal activities - litigation**

LSA 2007 makes no provision for unauthorised people to carry out litigation under supervision. Therefore people who are not themselves authorised to conduct litigation can only support authorised individuals to conduct litigation, rather than conducting litigation themselves under the supervision of an authorised individual.

In our view, the consequence of the LSA 2007 restrictions on litigation is that an unauthorised person who is supporting litigation must be employed in the same firm as the authorised person who is conducting the litigation, rather than somewhere else.

### **Claims management activities**

The FSMA 2000 ([Regulated Activities\) Order 2001](https://www.legislation.gov.uk/uksi/2001/544/article/89N) (<https://www.legislation.gov.uk/uksi/2001/544/article/89N>) excludes claims management activity from the requirement for FCA authorisation if it is carried on at the direction of and under the supervision of a regulated legal practitioner working in the same organisation (Regulation 89N). The definition of claims management includes advising and representing claimants as well as investigating claims. If a firm does not hold FCA authorisation, then a failure to meet this requirement for direction and supervision will contravene FSMA's general prohibition, which is a criminal offence.

In deciding on supervision arrangements for claims management work in line with key themes 2 and 3 in this guidance, solicitors and firms should take into account this statutory requirement for a regulated legal practitioner both to supervise the work and to provide direction.

For instance, the supervisor should see enough of the work of the person under supervision to provide assurance that claims meet relevant guidance and requirements in terms of being properly made out and having sufficient merit. A good practice suggestion from a firm is that there should be a standard check that claims are based on adequate investigation of damages claimable and awards achieved.

Solicitors and firms may meet the requirement to provide direction (i) by providing clear prior instructions on a matter-by-matter basis, or (ii) by using a clear and appropriate work process to set out a compliant standard approach to the work, and requiring any non-standard issues to be escalated to the supervisor. In essence, solicitors and firms will need to be able to demonstrate that they have directed the progress of any given matter.

Given the requirement that the person providing direction and supervision works in the same organisation as the person doing the work, our view is that a solicitor cannot supervise claims management work outside an employment relationship, unless the person being supervised is also a solicitor.

### **Immigration work**

We have published separate guidance which sets out the legal and regulatory requirements on the [supervision of immigration work](https://rules.sra.org.uk/solicitors/guidance/immigration-work-guidance/) (<https://rules.sra.org.uk/solicitors/guidance/immigration-work-guidance/>).

### **Legal aid work**

Legal aid contracts include detailed and prescriptive supervision requirements – see for instance the section on supervisor standards (paras 2.10-2.28) in the [Standard Civil Contract](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/953557/2018_Standard_Civil_Contract_G) ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/953557/2018\\_Standard\\_Civil\\_Contract\\_G](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/953557/2018_Standard_Civil_Contract_G)).

Solicitors and firms might find some of these requirements helpful examples of good practice when considering supervision arrangements for private work. For instance, the Standard Civil Contract requires:

- supervisors to have relevant supervision experience (para 2.19)
- face-to-face supervision at least once a month (para 2.23)
- temporary supervision arrangements if the supervisor is absent (para 2.24-5)

## Our approach to enforcing supervision requirements

Where we become aware of a potential breach of our Standards and Regulations relating to supervision, we will respond in line with our [enforcement strategy](https://rules.sra.org.uk/sra/corporate-strategy/sra-enforcement-strategy/) <https://rules.sra.org.uk/sra/corporate-strategy/sra-enforcement-strategy/>, which sets out our approach to enforcement. The enforcement strategy explains that we focus our action on serious breaches – which include both serious misconduct, and serious breaches of our standards or requirements such as failures of firms' systems and controls.

Supervision requirements are an example of systems and controls, and a serious failure to meet the supervision requirements in our Codes of Conduct and rules might therefore lead to enforcement action, even if that failure has not resulted in direct harm to clients. The following case studies are fictional but help to illustrate our enforcement approach to dealing with supervision concerns.

### Case study 1: Conveyancing

We received complaints that a conveyancing firm had incorrectly advised clients about the terms of their new leases, and in particular the related fees and the means by which these were calculated. We decided to investigate.

We discovered that the firm had developed and introduced a system to streamline work which involved using a detailed template for advice to the client in respect of leases from a particular housing developer. The work was done by a team of six paralegals, who were line managed by a partner.

However when the developer's standard lease terms changed, the firm continued to use the template without updating it. The change to the standard terms was not noticed as the paralegals did not understand that they needed to read the leases as well.

The supervising partner had not instructed the paralegals in the proper use of the template. She did not do any meaningful check on any of the outgoing advice. She did not undertake any sampling of the current work of the team, other than when a paralegal asked for specific support on a tricky question. The partner also did not undertake any further investigations when initial complaints from clients were received. The problem was therefore not noticed for over five years. It has now been fixed and affected clients have been compensated.

The firm was referred to the SDT and fined £15,000.

### Case study 2: Claims management

We received complaints that a consumer claims firm was sending a large number of identical letters to potential defendants, and that the letters did not take account of information that the firm had already been given. We decided to investigate.

We discovered that the claims work was being done by a team of 12 paralegals. The team had been given a process map to follow in respect of any new claims they received. Some claims handlers would take account of information received from defendants or ask their supervisor for advice, but others simply went through the process without any regard to the information received. Most claims handlers also did not revert to the client when relevant new information was received.

The team was said to be supervised by a lawyer who worked three days a week. The supervisor had four years of previous qualified experience in criminal litigation. The supervisor could see the list of case files but did not speak to any of the team about casework unless they asked him a question. The supervisor also had various other duties in addition to supervision. The firm had not undertaken any assessment of whether its arrangements for supervision and direction of claims were sufficient to allow it to conduct claims handling work without authorisation from the FCA.

In response to our investigation, the firm immediately changed its arrangements for supervision. It hired three more qualified and experienced full-time lawyers to direct and supervise the work of the claims team. The paralegals were retrained, including training on when they needed to escalate issues or revert to the client for further instructions. The firm introduced requirements for regular catch ups between the supervisors and the claims handlers, and set out clear requirements for supervisors to randomly select a number of live files each month from each case handler to check for any problems which might need addressing.

The firm was referred to the SDT and fined £30,000.

## Other resources

Although supervision is not the same as staff management, firms and supervisors might find the following resources from the Chartered Institute of Personnel and Development (CIPD) and employment advice organisation Acas helpful when considering their supervision arrangements:

### Acas



[Guidance for people taking on management responsibility for the first time](https://www.acas.org.uk/sites/default/files/2021-03/managing-people-guide.pdf)

[\[https://www.acas.org.uk/sites/default/files/2021-03/managing-people-guide.pdf\]](https://www.acas.org.uk/sites/default/files/2021-03/managing-people-guide.pdf), covers the role of the manager, leading and communicating, performance management and developing team members.

#### **CIPD**

[Coaching and mentoring](https://www.cipd.org/uk/knowledge/factsheets/coaching-mentoring-factsheet/1) [\[https://www.cipd.org/uk/knowledge/factsheets/coaching-mentoring-factsheet/1\]](https://www.cipd.org/uk/knowledge/factsheets/coaching-mentoring-factsheet/1) [PDF 7 pages, 105Kb] factsheet covers techniques and how to create a coaching culture in the workplace.

CIPD and mental health charity Mind have also published a [people managers' guide to mental health at work](https://www.mind.org.uk/media-a/4660/mental-health-at-work-1_tcm18-10567.pdf) [\[https://www.mind.org.uk/media-a/4660/mental-health-at-work-1\\_tcm18-10567.pdf\]](https://www.mind.org.uk/media-a/4660/mental-health-at-work-1_tcm18-10567.pdf) [PDF 44 pages, 1,165Kb] which covers helping people to stay well and managing stress.

#### **Further help**

For further assistance contact the [Ethics Guidance helpline](https://rules.sra.org.uk/contactus). [\[https://rules.sra.org.uk/contactus\]](https://rules.sra.org.uk/contactus)