

## SRA response

### *Department for Business, Innovation and Skills' National Innovation Plan: call for ideas*

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1.

The Solicitors Regulation Authority (SRA) is the regulator of solicitors and law firms in England and Wales, protecting consumers and supporting the rule of law and the administration of justice. The SRA does this by overseeing all education and training requirements necessary to practise as a solicitor, licensing individuals and firms to practise, setting the standards of the profession and regulating and enforcing compliance against these standards.

2.

In response to the National Innovation Plan: call for ideas, the SRA wishes to provide information in a number of areas where we are currently working and would contribute to the UK improving its innovation framework. We see structural reform to improve competition as the core of reducing regulation and securing liberalisation. We also consider that structural independence of the SRA as regulator from the Law Society as the representative body for solicitors would be beneficial. This could help drive a culture where any provider meeting appropriate regulatory standards would be accepted as a viable option for the public. This includes innovative providers organised differently from and looking different to traditional law firms.

3.

As requested, we have provided our responses within the 250 word limit for each section.

### *Responses to consultation questions*

#### *1. How best can our regulators drive innovation and make the UK the regulatory test bed capital of Europe?*

4.

We consider that this can be achieved by removing unnecessary detail, prescription and restrictions from rule books. While focusing on a core set of standards.

5.

We have delivered significant reform over the past two years that has seen our rulebook reduce from around 600 to around 400 pages. We have also made changes that make it easier for lawyers and non-lawyers to deliver services together and for lawyers to own separate, unregulated businesses.

6.

We are proposing further reform that will help create a competitive, effective legal sector driven by innovation and growth.

7.

We are looking to simplify our Code of Conduct. We propose moving from one long, prescriptive code to two short simple codes – one for solicitors and one for firms. Solicitors will be clear about their personal obligations and responsibility to maintain the highest professional standards. Firms will be clear about the systems and controls they need to provide good legal services for consumers and the public.

8.

We are looking to provide greater flexibility about how solicitors and firms can organise themselves. We are proposing removing a historic restriction to allow solicitors the first ever opportunity to freely deliver services outside of regulated firms. This will provide greater access to competent and ethical solicitors to help address the widespread unmet need among the public and small businesses. It makes no sense that our rules currently go beyond legislative restrictions and ban solicitors from offering non-restricted legal services in different types of provider that have grown up to meet that need.

## *2. How can we deliver real culture change within public procurement?*

9.

The SRA does not have a public position on this.

## *3. How can we ensure that we put the UK at the forefront of open data opportunities?*

11.

The SRA runs Legal Choices [<http://www.legalchoices.org.uk>] on behalf of all the legal regulators. This helps individuals and small businesses make



decisions about legal issues and lawyers. The SRA is also looking to provide clear, accessible and comprehensive information to help consumers make well-informed decisions about the purchase of legal services. This information will also be available to re-publishers such as comparison websites. We plan to develop this in a phased way, so that the information will build and become more comprehensive over time.

12.

Our work on consumer information is intended to:

Improve the accessibility of SRA regulatory data for consumers and other stakeholders. We are looking at how best to open up access to more regulatory information and how this can feed into a new SRA open data model. This responds to the Legal Services Consumer Panel's recent call to legal regulators, but also embraces the Government's Public Data Principles by making information on the firms we regulate freely available to comparison websites and other republishers.

Continue requiring solicitors to inform their clients about regulatory protections that apply to their work, and their rights to access the Legal Ombudsman's services. Solicitors are specifically required to ensure clients understand whether and how the services they provide are regulated and what protections are available to them.

Improve the level of information available to help consumers navigate the legal services market. This includes developing consumer guides/decision tools to provide jargon-free information about consumer rights.

*4. Where can we maximise the opportunities for innovation, as we deliver high-quality infrastructure that unlocks broad economic opportunities?*

13.

We have developed SRA Innovate to help current providers of legal services develop their businesses in new ways, supporting new types of organisations who are thinking of delivering legal services for the first time. Working with solicitor firms we want to reduce the time it takes for innovative ideas to progress.

14.

Innovate encompasses our activities that support legal services firms that want to grow their business in creative ways and to provide a dedicated regulatory space for innovation. Its objectives are to:

encourage new services and service delivery methods to benefit the public



formalise and expand existing initiatives in order to support innovation

consider what else we could be doing to support to support innovation in legal services.

15.

We have an 'innovation space' that sits within the wider SRA Innovate offering. It is intended to allow early trialling of consumer-facing offerings that would be permitted by our proposed Handbook reforms. Within this 'safe space' businesses can test innovative products, services, business models and delivery mechanisms without immediately incurring all the normal regulatory consequences associated with start-ups. It has the potential to benefit competition in the interest of consumers by:

reducing the time and - potentially - the cost of getting innovative ideas to market

enabling greater access to finance for innovators

enabling more products to be tested and introduced to the market

allowing regulators to work collaboratively with innovators to ensure appropriate consumer protection safeguards are built in to their new products and services.

*5. Where can the UK work alongside the private sector to create the deepest pool of innovation finance in Europe?*

16.

The SRA does not have a public position on this.

*6. What do we need to do to get maximum benefit to the UK economy from challenger businesses?*

17.

The SRA does not have a public position on this.