Business Plan and budget 2025-26:

Responses and feedback to our consultation

October 2025

Contents

Background

Our consultation 'Business Plan and budget 2025-26' launched on 8 May 2025 and ran until 19 June 2025.

The consultation invited views from our stakeholders on:

- our proposed Business Plan and work priorities between 1 November 2025 to 31 October 2026
- our proposed budget for 2025-26
- our proposed share of the practising certificate fee and compensation fund contribution for 2025-26
- our assessment of impacts from our proposals towards equality, diversity and inclusion (EDI).

Feedback received during the consultation is used to finalise our Business Plan and budget, and our fees, for 2025-26.

Who did we hear from?

We received seven formal responses to our consultation, from:

- the Law Society
- Legal Services Consumer Panel (LSCP)
- the Association of Consumer Support Organisations (ACSO)
- three solicitors
- one local law society.

We also engaged directly and heard the views of stakeholders and members of the public with other engagement activities. Through focus groups and roundtable discussions we engaged directly with nearly 90 stakeholders, including 28 members of the public. We also had active engagement with more than two thousand stakeholders and members of the public through our webinar, social media activities, and polling.

Finally, last year we carried out and published in-depth stakeholder perceptions research. This included insights on the main drivers of confidence and trust in legal services, and which of those drivers stakeholders think we should play a key role in.

In June 2025, Thinks Strategy and Insight carried out a 'one year on' pulse survey, getting feedback from more than 3,400 stakeholders from five different groups (Consumers, MPs and MSs, SMEs, Opinion Formers and Legal Professionals).

We are in the process of finalising the report on the results. Although the survey was not primarily about getting feedback for our Business Plan consultation, it does provide insights on our priorities. The results continue to support our strategic priorities, including a clear focus on high professional standards.

We thank everyone who took part in our consultation process. We have published all responses received from stakeholders that confirmed we could do so, whether by name or anonymously. Following the consultation, we reviewed all feedback received and it has informed the final version of our Business Plan and budget for 2025-26.

In the remainder of this report, we summarise some of the main areas of feedback we received through our consultation process, and where we have responded to feedback in our planning.

In summary: prioritising our work

The feedback from our consultation and engagement was generally supportive – both the public and the profession recognised the need for us to invest more in 2025-26.

We heard good levels of support for our proposed areas of focus for 2025-26 and where we are proposing to prioritise our work. There was recognition, including from the Law Society, of why we have done this. In its response. the Law Society highlight the 'shifting priorities and emerging areas of work' as being necessary, and a 'logical and welcome approach.' It added that we should 'focus on core activities, with any additional new work only where this has 'regard to the regulatory objectives' and 'specific gaps in responding to consumer needs.'

The LSCP's response acknowledges our work to address rising risks, but within this have called for deliverables to be explicitly linked to consumer outcomes. It suggests the need for greater emphasis on preventative consumer protection, transparency and access to justice. The ACSO said it welcomed any improvements to maintaining the delivery of high professional standards for 'continued confidence and trust in the profession as a whole'.

Focus groups with members of the public also showed them to be supportive of our priorities, with particularly high levels of support for improving how we use data to spot new risks to consumers, our programmes of work on high-volume consumer claims, client accounts and ethics. They also ranked our work on the Solicitors Qualifying Examination (SQE), transparency and continuing competence as being of higher importance.

At the same time, overall, members of the public viewed those areas of work we had said we planned to deprioritise in 2025-26 as being less important. These were:

1. developing an Environmental, Social and Governance (ESG) policy statement
2. developing a safe testing environment for innovation and technology; and
3. to a lesser extent, extending our customer service accreditation across the whole organisation.

On the latter, some felt this could be helpful for building trust with the public. Another area we have deprioritised, data sharing, was felt by members of the public to be important, but this tended to be in relation to supporting transparency.

Of those individual solicitors responding formally, one stated that they feel solicitors regulated by the SRA should have to be resident in England or Wales as allowing 'solicitors to practise overseas presents a very grave risk to the reputation.' Another of the individual solicitors who responded, in their response to six of the nine questions, simply stated that we had 'lost the confidence of the profession.'

Given the shifting risks in the sector, while the issues we need to address continue to escalate, we agree with feedback that it is important we prioritise our work. In our final business plan, we have emphasised where we are prioritising activity – for instance, in relation to progressing work to better protect consumers and safeguard client money.

The organisation welcomes Sarah Rapson as its new CEO at the beginning of this new business plan year. Given the rapid pace of change, it is likely that we will continue to have to reprioritise as the year progresses and as Sarah identifies her priorities for the future of the organisation.

In the remainder of this document, we summarise feedback received for each consultation question and our response to the feedback.

Comments and feedback for question one

Our first question was:

‘Do you have any comments on our proposed work commitments for 2025-26 under our first strategic priority?’

We set out work proposals for delivering the second year of activity under our first strategic priority area for 2023-26 – ‘We will deliver high professional standards’.

Given the good levels of support and agreement we received for most of our proposals we have finalised our work commitments, which align with our consultation proposals.

SQE and continuing competence

In its response, the Law Society say that it is pleased to see a focus here, including ongoing issues leading to differential outcomes and barriers to entry and improvements to the continuing competence system. One local law society called for further work to ‘assess the effectiveness of the various paths to qualification’.

Though we heard one local law society say it felt competence of most qualified solicitor practitioners is not a significant issue, the Law Society welcomed what it says is our ‘continuation of a proportional approach to engaging with the requirements set out by the Legal Service Board (LSB)’s policy statement on ongoing competence’ and look forward to engaging on our forthcoming consultation. ACSO said it would support annual assessments of competence to ‘maintain that a high standard of service is received by consumers.’

There was also strong support for our work in this area from the public. Many focus group participants highlighted continuing professional development as something common in other professions. And some suggested the idea of follow-up exams post-SQE which they said would make sure solicitors ‘keep up to date’.

Transparency Rules

In its response, the Law Society said it felt our plans to evaluate the Transparency Rules were a timely opportunity and that it looks ‘forward to engaging in the five-year evaluation.' ACSO were also supportive, saying the work was important to ‘uphold the rule of law and continuing trust and confidence for consumers.’

The LSCP also said it felt the evaluation was ‘very important and welcome’, but we needed to go further in this area, including ‘expanding price transparency into contentious areas of law.’

Conversely, one local law society told us it felt ‘imposing additional transparency rules is not a high priority and will serve only to burden the profession.’

Anti-money laundering

We consulted on our business plan before the announcement published by HM Treasury in October 2025 regarding the future of AML supervision. It has decided that responsibility for supervising the legal and accountancy sectors should transfer to the Financial Conduct Authority (FCA).

However, we will continue to act as the competent authority until the transition is fully implemented. We will continue to work closely with the profession, offering guidance and support to help firms understand and meet their obligations. We will work closely with the FCA, government and all other stakeholders to make sure there is a smooth transition to the new arrangements.

We received support for our ongoing work on economic crime. The Law Society said it welcomes our ‘continued focus’ here, stressing the need for ‘close working between the SRA and the profession to make sure that solicitors have the necessary support to fulfil their AML obligations effectively.’

ACSO highlighted the positive impact for consumers. Some stakeholders highlighted concern over AML regulations’ proportionality. The Law Society called for a ‘detailed assessment of the impact’ on small firms.

Addressing barriers to diversity and overrepresentation

We heard support for continued focus on this key area, with stakeholders highlighting the importance of taking a joined-up approach. Our collaborative approach has been welcomed, along with the use of research to underpin the action plans to address differential outcomes by ethnicity and overrepresentation in enforcement processes. In response, we will make sure we continue to share progress on these plans.

In our discussion with legal representative groups, we heard a call to make ethnicity pay gap reporting a requirement from firms, as well as asking large firms to expand the scope of data they report, to assist with progression.

Investigation, enforcement and authorisation

While there was recognition from some respondents of the challenges faced from a changing landscape, including rising complaints about solicitor misconduct being received, some have asked if we can provide further details on the reasons behind this increase. The Law Society asked for further detail on what training is being provided to staff to deal with cases more effectively and efficiently, saying that some members have ‘raised concerns about the quality of some investigations.’

We will regularly report back on progress on our work in this area of work.

In its response, the LSCP called for greater transparency, and more data to be published on case resolutions and redress for harmed clients. ACSO called for improved quality and timeliness, including through use of technology and Artificial Intelligence (AI), saying that earlier identification of risks will better safeguard consumers.

Legal Services Board's Directions and SSB Group recommendations

We had little feedback about the LSB's Directions following its review of our actions before we closed law firm Axiom Ince Limited, which were published during the consultation period. In its response, the Law Society did acknowledge the need, for 'significant attention and dedication of resources' for the coming year to respond to these, stating that our immediate priority should be to focus on each of the requirements and redirect resource and business plan proposals accordingly.

We have updated our business plan to reflect the commitments we have made to implement the actions set out in the LSB's Directions.

After our consultation on the business plan, in October 2025, the Legal Services Board also published its independent review of our regulation of the SSB Group. We have committed to implementing the recommendations and updated our business plan to reflect this.

These deliverables are important and relevant across all our strategic priorities.

New workstreams: Client money in legal services, high volume consumer claims and ethics

We heard support from the public for focusing work on these new workstream areas.

On our client money work, the Law Society said it welcomed changes we have already made in relation to the compensation fund and hoped we will take on board some of its other insights and suggestions as we take this work forward.

We have also recognised feedback about the importance of prioritisation. We consulted on a broad range of issues related to safeguarding client money last year, but since publishing our draft business plan, we have decided to focus in this coming year on making some key changes to better protect consumers and safeguard client money under the current system. This is to ensure that we address the actions we need to progress in response to the Directions from the LSB. We will then return to the bigger, longer-term questions – about the model of holding client money and how we fund the compensation fund – after we have made those changes.

In relation to our work on high-volume consumer claims, a Citizens Advice representative highlighted its importance given the ‘huge volumes of people’ they see with issues. ACSO also supported our commitment to this work programme.

In relation to our work on ethics, the LSCP said that this focus aligns with the LSB’s work on upholding ethical duties and asked that we publish metrics on how ethics training reduces harm. ACSO also supported our commitment to ensure consumers ‘always receive high-quality legal services’

The Law Society also described work on ethics as being of ‘prime importance’ but called for a joined-up approach, cautioning against ‘committing to a significant programme of work until it is clear what direction of travel the LSB will be taking following its consultation.’ We have made clear in our business plan that we plan to progress work on professional ethics, in line with the expectations set out in the LSB’s forthcoming policy statement. The Law Society also raised some concern about the way ethics is taught and assessed through the SQE and said more can be done to ensure that solicitors maintain their knowledge and skills in this area of competence.

This was a point we also heard made by other representative groups during our roundtable discussions. The Law Society also said we should continue to work closely with the profession to develop resources and initiatives that build awareness of ethical risks and the skills and culture that support strong, ethical practice, including with the in-house sector.

Comments and feedback for question two

Our second question was:

'Do you have any comments on our proposed work commitments for 2025-26 under our second strategic priority?'

Under this question we described work proposals under our second strategic priority for 2023-26 – 'We will strengthen our risk based and proactive regulation'.

Risk and Data Programme

We have received support for our plans to take a more proactive regulatory approach and accelerate our Risk and Data programme. The Law Society say it is pleased to see this programme as a resource to underpin these actions and encourages us to coordinate our research efforts with them 'where possible to maximise our joint investment, learning and ability to conduct primary research with members to maximise participation'.

ACSO also welcome our plans, saying that using 'a risk-based approach rather than a universal one allows consumers, the profession and the public to be at the forefront of regulators' minds and for risks to be identified effectively. The LSCP also say the focus on 'data-driven risk identification' is commendable and that we should expand use of data analytics (such as monitoring the high-volume consumer claims markets) and collaborate with third-sector groups to identify vulnerabilities.

The feedback received during our consultation supports the plans for the development of our Risk and Data programme in 2025-26. And our proposed further acceleration of this work in light of the LSB's Directions and our agreed implementation plan.

We will continue to work closely with other stakeholders, including those who have responded with suggestions for this programme of work, as we progress it.

Comments and feedback for question three

Our third question was:

‘Do you have any comments on our proposed work commitments for 2025-26 under our third strategic priority?’

This section of our draft Business Plan described work plans under our third strategic priority for 2023-26 – ‘We will support innovation and technology’.

Consumer groups were positive about our focus on technology and innovation, saying that it has real potential to benefit consumers. ACSO and the Law Society have both welcomed our support for small firms in adopting its use, and our commitment to build on insights to define what further support may be required to build wider high-quality legal advice.

The Law Society welcome us leading on collaborative work in this area, with the aim of reducing any unnecessary duplication. It added that we should also aim to directly emphasise the important role the legal profession has in furthering AI innovation and adoption for the UK economy.

We received support from the Law Society for our reprioritisation and pause on the development of a safe testing environment to better understand potential demand and benefits instead. The development of a safe testing environment was not considered to be a priority by members of the public in our focus groups.

We will continue with our approach as previously set out. Following feedback, we recognise the importance of collaborative working and support for others in this space.

Comments and feedback for question four

Our fourth question was:

‘Do you have any comments on our proposed work commitments for 2025-26 under our fourth strategic priority?’

We asked for feedback on our proposed workplans under our fourth strategic priority for 2023-26 – ‘We will be an authoritative and inclusive organisation, meeting the needs of the public, consumers, those we regulate and our staff’.

The feedback we received was largely supportive of our proposals in relation to this strategic priority.

We recognise the importance of collaborative work and making effective use of resources and avoiding any overlap of effort. We have again received offers and suggestions for collaboration and partnership working. In its response, the Law Society’s said we should use our ‘convening powers to bring together stakeholders as appropriate … to ensure the most effective use of resources and avoid any overlap of work.’ It added support for other work we are doing in this area, including our continued ‘commitment to embedding a culture of continuous improvement.’

The public did not consider producing a policy statement on ESG to be a priority. The Law Society also supported our position to focus on other priorities and not deliver an ESG policy statement this year, but said it felt this remained a ‘critical area of policy work’. It wants to ‘re-engage the SRA to support solicitors and law firms on climate change as resource allows’ and for further work in the next corporate strategy period. It also called on us to clarify what we mean by ESG (and what is specifically being paused), given that it considers it ‘already covers several areas in which the SRA has already adopted a regulatory position’.

We note the importance, as part of our work on access to justice, of thinking about what more can be done to support vulnerable consumers. ACSO welcomed our work on making improvements to customer journeys, including client protection, but called for further work focusing on ‘the needs of vulnerable consumers and how legal services can be more accessible for all’.

Comments and feedback for question five

Our fifth question was:

‘Do you have any comments about our budget for 2025-26?’

In this section of the draft Business Plan, we asked stakeholders for their views about our budget proposals for 2025-26.

We received limited concerns or opposition about our proposed increase in budget for 2025-26. The Law Society note that the LSB’s directions, issued in May 2025, require us ‘to make measurable changes to [our] governance and approaches to risk and supervision within the next 12 months’ which ‘will likely require significant attention and dedication of resources, which must be considered when approaching the business plan for the coming year.’ It notes an appreciation of ‘efforts to reprioritise work, and the cost savings involved, at a time when firms are already facing rising costs.’ The Sole Practitioners Group (SPG) have told us that our need for more investigation resources is understood. Consumer groups were broadly supportive and raised no concern.

While the Law Society acknowledge that the increase is necessary, in its response it has urged us to be ‘transparent on expenditure and to evaluate the work undertaken to ensure that money is being well spent’ adding that to ‘maintain the additional resource needed to deal with a changing market and increase in complaints and the scale and complexity of investigation work, but keep fees at an incremental level of increase, it will be necessary to expend resources only where they are proven to be effective.’ It adds that it understands ‘the prioritisation/ de-prioritisation exercise that has been undertaken to identify areas where work can be paused, and where it must be expanded, so that resources are spent effectively.’

ACSO raised a similar point in its response. It notes the inflationary environment of recent years has increased some costs alongside increased ‘workloads in the ever-evolving legal sector.’ It adds however that where we ask for more resources ‘which will always ultimately be borne by the consumer’ that we can show we are ‘doing more, not just costing more’ and that ‘any increases (and any future increases) continue to be monitored and remain proportionate to need’.

The same point of the need for accountability if asking for an increased budget was raised by a representative from a local law society at a roundtable event. Another attendee said we needed to be clear that additional funds are being used for what is new work, not things that we should already be doing.

We also found in our focus groups that members of the public did not object to paying a little bit more for legal work if that meant necessary protections through regulation were in place. This was particularly true with those who had recently used a solicitor, who made comparisons between the proposed overall increase in contributions (assuming that were to be passed on directly in full) and buying a coffee. They saw the rise as minimal and worth paying for.

We have finalised our budget for 2025-26 in-line with our consultation position. Overall, we considered that the feedback we received did not mean we needed to reconsider our overall proposed budget.

Comments and feedback for question six

Our sixth question was:

‘**Do you agree that the SRA’s required portion of the practising certificate fee is reasonable and appropriate?**’

Under this question we explained our proposals for the share of the practising certificate (PC) fee required to fund SRA regulation in 2025-26.

In general, we did not hear major concerns about our proposed portion of the PC fee. In its response, the Law Society noted what it said was a ‘significant increase’ but that our ‘share of the practising certificate fee is to be expected and has been well explained in the draft business plan.’ It added ‘the reduction in the contributions to the compensation fund as a key factor in reducing what would otherwise be a significant increase.’

ACSO say that, as with our budget overall, ‘provided that the increase remains proportionate and necessary to SRA operations, [it takes] no issue with the increased costs’ but must be ‘matched with an increase in action’ with the impact on consumers at the forefront of our thinking.

Several in-house solicitors made a call for in-house solicitors to pay a separate, lower PC fee given they felt the increase is being used to address problems within private practice. Some who had switched from private practice added that while they previously had their fees paid for by their firm, any increase would now have a direct impact as they must pay it themselves. This is because many organisations with in-house solicitors do not cover practising fees.

We also took account of feedback from the public, as set out above for question five.

We have finalised our PC fee requirement in-line with our consultation position.

Comments and feedback for question seven

Our seventh question was:

‘**Do you agree with the compensation fund contributions for 2025-26?**’

Under this question we described our proposal to increase the required compensation fund contributions from individuals and law firms that hold client money for 2025-26, and the factors driving the proposal.

We did not receive any feedback in the consultation which opposed the proposed changes to the level of the compensation fund contribution. The Law Society and the ACSO noted that the proposed decrease will help offset the proposed rise in the regulatory element of the PC fee.

We did hear concerns, including from some practitioners and local law society representatives, that the burden of contributions fell disproportionately on small firms. There were suggestions that the basis for splitting the contributions between firms and individuals should be reconsidered.

We also noted the LSB’s expectation that we consider the structure of the contribution between individuals and firms and the efficacy of a turnover-based approach. (As set out in its Decision notice7 in relation to the application for approval of the fund contribution last year at paragraph 61).

We considered the structure of the contribution between individuals and firms as part of the ongoing work we are doing on safeguarding client money in legal services. Our consultation on whether to change the apportionment between individual and firms (from 50/50 to 70/30) was published in November 2024 and our Board considered this on 29 April 2025.

The Board decided not to change our approach at this time. However, we noted the concerns raised in this consultation and made a commitment to undertake further work. We will consider this in the wider context of our ongoing work which will also consider the efficacy of a turnover-based approach. There is more detail about the feedback we received and the reasons for this decision in our published response to that consultation.

Comments and feedback for question eight

Our eighth question was:

‘**Do you have any comments on proposed equality impact assessments of our proposed fees for 2025-26, or EDI-related work commitments in our proposed draft Business Plan for 2025-26? Do you have information that will help us to further build our understanding in relation to impacts on different groups of solicitors?**’

In the final section of our consultation, we requested views on EDI impacts and considerations relating to our workstream proposals, or for the proposed PC fee and Compensation Fund contributions for 2025-26. We had published two draft equality impact assessments as part of the consultation process.

The feedback we received on EDI impacts from our Business Plan and Budget 2025-26 proposals and Equality Impact Assessments (EIAs) mainly focused on specific suggestions to better tailor this work, as well as about possible impacts for small firms that increases in fees have, as well as in relation to how the compensation fund is split.

The LSCP called for us to make sure we include consumer feedback loops which integrate lived experiences into policy design work, such as through surveys or focus groups. ACSO welcomed any improvements that would help individuals speak out in the workplace, around the use of diversity data, and any adjustments which would make access to qualification for different groups of people possible.

We also heard a concern that none of the five themes which we highlight in our EIA of the business plan look at the impact of increased costs of compliance on small firms, many owned and managed by Black, Asian and ethnic minority solicitors.

Following the consultation process we reviewed the draft EIAs as part of our work to finalise our workstreams and fees for 2025-26. We have published final versions of both of our EIAs alongside this document, and alongside the final version of our Business Plan and budget 2025-26.