

From the Chief Executive

The Rt Hon Baroness Stowell of Beeston MBE
Chair, Communications and Digital Committee
House of Lords
London
SW1A 0PW

The Cube
199 Wharfside Street
Birmingham
B1 1RN

UK: 0370 606 2555
Int: + 44 (0)121 820 2250
DX: 720293 BIRMINGHAM 47

Sent by email only to: SCHLAPPAD@parliament.uk

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sra.org.uk

Dear Baroness Stowell

Follow-up to the evidence given on behalf of the SRA by Juliet Oliver and Paul Philip to the Communications and Digital Committee during the session of 7 May 2024

Thank you for giving us the opportunity to input into the work of the Committee by inviting us to give evidence on Strategic Litigation Against Public Participation (“SLAPPs”) on 7 May 2024. The purpose of this letter is to provide further information with respect to one of your questions relating to our forty-eight open investigations. We agreed that additional detail would be helpful to you and your colleagues, and I address this below.

To expand on some of our answers, I have also set out some information relating to our work on the UK Sanctions Regime (with one correction) and Public Investigation and Private Investigation firms. I do hope that this will be of assistance.

Open investigations (numbering forty-eight cases)

You will recall that at the outset of my evidence you asked me questions on the specifics of the cases we had opened, the stage these had reached and the number of cases we had completed. I replied that we had received seventy-one case reports (up by forty from when I last gave evidence on 24 January 2023), had closed twenty-three cases with no further action, had forty-eight cases still live and made two referrals to the Solicitors’ Disciplinary Tribunal (“SDT”). You then followed up by asking questions in respect of the open forty-eight open investigations; timelines for completion and when we might use powers falling short of referral to the SDT. I promised to write to you with further and better details on that and I turn to this now.

We anticipate that of the forty-eight open investigations the timeframe to case disposal is as follows. Six should be concluded later this or next month, around fifteen more before the summer and a further twenty by the end of the year. The remainder are likely to conclude by around this time next year. You will appreciate that case timeframes and anticipated outcomes can change during an investigation, but it is our expectation that we will be sending further cases in the SLAPPs cohort to the SDT. More than half (around 60%) of our investigations involve large city firms.

We are the regulator of solicitors and law firms in England and Wales.

You have asked us when we would use our internal powers in respect of our open cases rather than refer the case to the SDT. As you know, it is only the most serious conduct that is referred to the SDT, for example, where issues of honesty or integrity are engaged or other comparably serious conduct that is capable of significantly damaging public confidence in the delivery of legal services. We may also refer a case where there is a factual dispute or novel issue that requires airing. The majority of cases we deal with do not reach this threshold and SLAPPs cases are no different in that respect. Where conduct does not reach the threshold of seriousness required for a referral to the SDT but still requires a regulatory marker in the public interest we have a range of internal options available to us. This includes sending a letter of advice or warning or issuing a fine.

In making decisions on case disposal in SLAPPs cases we will have regard to our (shortly to be updated) Warning Notice on sanctions [SRA | Strategic Lawsuits against Public Participation \(SLAPPs\) | Solicitors Regulation Authority](#) and Enforcement Strategy [SRA | SRA enforcement strategy | Solicitors Regulation Authority](#).

Regarding further information that you may consider helpful:

UK Sanctions Regime Guidance

Lord McNally asked us about the sufficiency of our guidance in relation to the UK Sanctions Regime and our role in leading on this. We would like to take this opportunity to expand on our answer and make one correction.

Since February 2022, we have bolstered the way we supervise the UK Sanctions regime. This has focused on the Russia/Belarus regime due to the risk of exposure in respect of our regulated population. In November 2022 we produced guidance on the UK Sanctions Regime to help firms understand the regime and our expectations as to how they should comply with it: [SRA | Reform of the Anti-Money Laundering and Counter-Terrorism Financing Supervisory Regime | Solicitors Regulation Authority](#). More recently we have provided specific guidance on sanctions with respect to firm-wide risk assessments. Specifically, we have emphasised to the profession that the sanctions regime has expanded rapidly since the invasion of Ukraine in February 2022, both in scope and scale. We have been clear that the obligation to abide by the sanctions regime - as set out in the [Sanctions and Money Laundering Act 2018](#) - applies to all firms in all sectors.

In late 2023 we carried out a programme of targeted sanctions inspections. This included file reviews to ensure firms were using appropriate controls in practice and meeting any terms of Office for Financial Sanctions Implementation (“OFSI”) licences, as well as identifying risk, exposure to sanctioned individuals or sanctioned countries. We aim to repeat this exercise in 2024 to update target future work. We are also currently in the process of updating our guidance, reflecting both what we have learnt through this programme of work and the evolution of the regime. We continue to keep the profession updated on key changes in this area, such as [the new Legal Services General Licence in May 2024](#).

I should also provide a correction to the oral evidence I gave. We have recently developed a [Memorandum of Understanding](#) (“MOU”) with the Office for Financial Sanctions Implementation (“OFSI”) which we signed on 12 January 2024 and which

sets out our intentions in relation to information sharing between the two bodies. In evidence I stated that this work was ongoing whereas in fact the MOU is already in place. We continue to be in discussions with OFSI about receiving the information set out in the MOU.

The role of Public Relations (“PR”) firms and Private Investigators (“PIs”)

The role of PR and PI firms was highlighted as an area for concern by the committee when it met last year (24 January 2023). Consequently, we have considered the role of PR firms and PIs in our thematic review into SLAPPs. It is important to note that our regulatory reach is limited by our statutory powers which relate to law firms and Alternative Business Structures (“ABSs”). This does not mean that we cannot apply regulatory levers to third party arrangements with PR and PI firms and we have been active in this respect.

In particular as part of our thematic review we looked at firms’ arrangements with third party Public Relations and Private Investigators and reviewed a sample of files. We did not see evidence of unlawful or improper conduct by a PR company or PI in the files we looked at. However, one firm suspected that the opposing firm on a matter had hired a PI to obtain evidence illegally; we are investigating this matter.

We found that there was some “tightening up” reviews that firms could do around their arrangements, and we published a checklist setting out what this should cover in respect of written policies, terms of engagement, and due diligence. These checks are important because firms remain accountable for meeting our standards even where work is carried out by a third party on their behalf. This plays a key role in driving appropriate standards of ethical behaviour.

Certain types of ABSs, known as multi-disciplinary practices (“MDP”) offer non-legal professional services as part of their business model. This may include in-house PR advice services. Whilst this non-legal work is not directly subject to our regulation in the same way as legal work - as alluded to above, there is still action we can take. For example, information from across the MDP will be disclosable to us and any misconduct of the firm, its members or employees in non-SRA regulated areas may be taken into account when considering fitness to hold a licence, or compliance with conditions.

I hope this additional information is helpful.

Thank you again for giving us the opportunity to contribute to the important work of the Committee in this area.

Yours sincerely



Paul Philip
Chief Executive
Solicitors Regulation Authority