



A response by the Association of Personal Injury Lawyers

June 2026

We welcome the opportunity to respond to the SRA's consultation on their draft business plan and funding requirement for 2026/27. We have commented below on issues within our remit.

Q3) Do you have any comments on our proposed work commitments for 2026/27 under our 'focus on the biggest issues' priority?

Strengthen protections for client money and explore ways of reducing future consumer harm

We would welcome improvements to how the SRA monitors firms undergoing significant changes to their structure, ownership or business model, and enhancing the effectiveness of external assurance and oversight, and improving how firms are monitored when undergoing significant change. We would suggest that there should be a pre-approval process, additional monitoring and closer supervision applied to those practices that are new or changing. Authorising new entities, merges and acquisitions would allow for more forensic examination of their financial background. Linked to this we would propose greater and swifter monitoring of those individuals and firms flagged as high risk, rather than relying on self-regulation as is currently the case.

Boost consumer protection in high-volume consumer claims

In relation to boosting consumer protection in high-volume consumer claims, we do not believe that the SRA should be looking to over-haul how high-volume claims are regulated, or imposing a higher regulatory threshold on those firms handling high-volume claims, as a result of the SRA's regulatory failures. The current system for handling high-volume consumer claims works well and allows consumers to access justice in circumstances where it would not otherwise be viable for a firm to take on an individual case.

We have previously set out that the SRA should adopt a balanced regulatory approach and seek to identify problematic players in the area, including active monitoring and early and proportionate intervention on individuals and firms flagged as high-risk to protect consumers. We would welcome, as the SRA proposes, that where firms fail to meet required standards, targeted and proportionate enforcement action will be taken.

We would also agree that the SRA should continue to enhance its collaboration with other regulators, ombudsmen and stakeholders to provide co-ordinated action and improved protection for consumers. Collaboration with others in the profession will assist with monitoring what is happening in the legal services market, which will assist with identifying and minimising large-scale risk.

Funding requirements 2026/27

Q7 Do you agree that for 2026/27, we should maintain the apportionment of compensation fund contributions to 50 per cent individuals and 50 per cent firms as the current position rather than moving to 70 per cent for individuals and 30 per cent for firms?

We believe that steps should be taken to make apportionment fairer for the profession, but as we said previously, we are concerned that a 70/30 split may make payments unrealistic for individual solicitors. This would be the case even more so given the proposed increases to the contributions for 26/27. We also believe that a flat rate for all firms holding client money, irrespective of size, potential risks etc, is inappropriate. We are concerned about the high percentage increases proposed for individuals and firms in relation to their compensation fund contributions. Under the SRA's proposals, individuals will see a 70 per cent increase in their compensation fund contributions, and firms will see an 85 per cent increase. The profession should not have to pay exceptionally high contributions as a consequence of poor management or a failure to identify a rise in smaller interventions over the years while accounting for the possibility of more major interventions. There should be greater transparency and further information about the fund's management.

We believe that the SRA should explore the possibility of setting different rates for different firms. While simplistic, one size fits all does not reward those firms that have good practices in place, hold accreditations, involve external auditors, and have PII in place, for example. There should be consideration of the individual steps that practices have taken, rather than taking a broadbrush approach, though the cost of exploring sector risk with professional indemnity insurance providers should be balanced against the benefit of those changes.