

## Compliance updates for the busy practitioner

Rule changes	✓	Tribunal trends	✓	Lengthy articles	✗
New guidance	✓	Big deadlines	✓	Regulatory politics	✗

### Key rule changes

The 10th edition of the SRA Handbook went live on 1 July 2014. The changes are unlikely to have a dramatic impact upon day-to-day practice for many law firms. However, for firms which take on trainees there are some important changes to consider. A summary of the changes can be found on the [SRA website](#).

Looking ahead to edition 11, it's worth getting up to speed with one proposed change in particular. Though not yet fully approved, the SRA Board has confirmed that it wishes to reduce the minimum level of professional indemnity insurance which firms need to purchase to £500,000 by 1 October this year. This would however be subject to the need for firms to assess and purchase a level of cover which is 'appropriate' for the firm. It is possible therefore that the changes will come into effect in time for the forthcoming indemnity year. More information can be found on the [SRA website](#).

### Latest guidance, guides and warnings

- the SRA has published a [warning](#) to in-house lawyers not to use letterhead or other publicity which misleads people into thinking that they are an independent law firm;
- the SRA has published [guidance for firms considering applying for a legal aid contract](#) next year;
- the SRA has published [guidance on drafting and preparing wills](#). It follows some recent research indicating some quality problems in this area and highlights potential problem areas around gifts from clients and appointment of the will drafting firm as executor;
- the SRA has published some [case studies](#) which include what to do on a criminal VHC matter if your usual barrister will not take on the work and 'either way offences' funded by legal aid;

- the SRA has published some [case studies](#) to illustrate recent examples of cases where a compliance officer has reported a compliance problem to the SRA i.e. which the compliance officer felt to be 'material';
- the Law Society has published updated guidance on consumer contract law. The regulations include significant requirements for all law firms working with 'consumers' to consider, particularly for retainers initiated or concluded without the consumer's presence at your offices. The practice notes are on both the [current requirements](#) and what to consider if [prior to 13 June 2014](#) you entered into relevant consumer retainers. All firms should consider the requirements carefully as getting this wrong can result in criminal offences and an inability to recover your costs from your client;
- the Law Society has urged law firms to take action to address [cyber security risks](#). The ICO have also published a list of the [8 most common IT security failings](#) encountered in its data protection enforcement work;
- the Law Society has published a practice note on the regulatory issues to consider when [closing down a client file](#);

## Tribunal Trends

- a solicitor has been fined at the Solicitors Disciplinary Tribunal following a finding, among other things, that she had failed to deal with the Legal Ombudsman in an open, timely and co-operative matter - see [Elumogo \(11214-2014\)](#);
- the SRA has publicised a number of very serious Tribunal cases over the last few months. These include a [former Coroner](#) who was struck off the roll of solicitors after taking money from clients of nearly £2 million and a [Burnley solicitor](#) who was struck off for using more than £400,000 of client money to 'prop up her ailing firm';
- a solicitor has been struck off after the Tribunal found (among other things) that she created back-dated correspondence and sent it to an opposing party and the Court in an effort to convince them that she had complied with a Court direction – see [Coughlan \(11207-2013\)](#);

## Important dates

The [keeping of the roll exercise](#) closed on 2 July.

The Financial Conduct Authority has agreed to [extend the transitional arrangements for consumer credit work](#) to 1 April 2015. The SRA has published [guidance](#) on this topic which was updated recently.

It's not long now before the autumn flurry of deadlines so make sure that you are ready for your insurance and practising certificate renewals. Remember to leave yourself plenty of time for these potentially time consuming tasks.

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