



Regulatory and Compliance Update (Legal)

June 2020



Brian Rogers, Regulatory Director, Digital Learning & Compliance



Administration

- ◊ Questions – lodge these via the question facility and they will be answered at the end
- ◊ Competency (solicitors) – A2
- ◊ Webinar recording – this will be uploaded to your LMS account or made available
- ◊ Polls – moving out of lockdown

freedom to do more

Regulation



Review of Legal Services Act

A review of the Legal Services Act 2007 is not on the agenda, the government has confirmed.

Justice minister Alex Chalk also indicated that the Ministry of Justice was happy with the work done by the Legal Services Board.



Ministry of
JUSTICE

SRA rethinking the closure of SIF

The Solicitors Regulation Authority is to look again at whether to close the Solicitors Indemnity Fund (SIF) – which covers claims made after firms' run-off cover expires – in September this year.

 SOLICITORS INDEMNITY FUND

Information Commissioner's Office under scrutiny

The Government is to run a major audit of the Information Commissioner's Office, following claims that the regulator does not have the clout to take on the tech giants and is not fit for purpose.



Information Commissioner's Office – Q4 data security incidents

Incidents reported by the legal sector during Q4 (2019/20) – 239

Top incidents:

- 57 - emails sent to wrong person
- 41 – documents sent to wrong person
- 30 – loss of documents
- 21 – phishing
- 11 – loss of mobile technology



Pooled Client Accounts

The Joint Money Laundering Steering Group has put forward proposals that may lead to tighter banking procedures related to Pooled Client Accounts.



SRA defends its prosecution of junior lawyer

The Chief Executive of the Solicitors Regulation Authority has told junior lawyers that he is satisfied that its handling of the Claire Matthews case was “appropriate”.



Notable disciplinary cases

- ◊ Partner struck off for allowing her firm's client account to be used as a banking facility in a £8m cheque clearing scheme.
- ◊ Partner who lied about indemnity insurance struck off.
- ◊ Solicitor struck off for lying about counsel attending mediation.
- ◊ Solicitor suspended for chaotic closure of his firm.

**The Solicitors
Disciplinary Tribunal**

freedom to do more

Operational



Housing market re-opens

Conveyancers, estate agents and others involved in the home-moving process returned to work on 13 May 2020, in line with social distancing advice.

The government has urged conveyancers to conduct as much of their business remotely where possible.



Law Society Covid-19 guidance for conveyancers

Sector-specific guidance provides conveyancers with information to enable sales and purchases to be carried out while maintaining safety as social distancing measures are eased or increased in line with government guidance.



Conveyancers lobby for furloughing flexibility

Conveyancers and other property stakeholders have called on the Chancellor to allow them to move staff in and out of furlough on a weekly basis as the home-moving market recovers.



Property takeover fraud

A solicitor and his practice manager have both been jailed after deceiving a potential house buyer to part with £240,000 in a fake property sale.



Law firms under constant cyber-attack

Law firms are “performing admirably” in response to daily cybersecurity threats but are still being successfully compromised.

Threats against law firms are high volume, multi-faceted, and organized. Threat actors use multiple sophisticated tools and techniques.



Staff screening – money laundering

Criminals have been using the Covid-19 crisis as a way of recruiting money mules via social media; people who have seen a reduction in their normal income are at particular risk.



Scam email warning

A scam email purporting to be from the FCA has been doing the rounds; it asks recipients to click a link and complete a due diligence questionnaire – don't do anything with it!



Wills reform

Businesswoman Gina Miller has turned to the “outdated” wills legislation in her latest campaign, calling for emergency measures to help people make wills during the Covid-19 crisis.



Firms avoiding radical staff measures during Covid-19 crisis

Most law firms have continued to resist radical measures to cope with the Covid-19 crisis, taking “moderate steps in the short term to ensure resilience in the long term”.

Research also indicated that many practices were set to change their approach to home working significantly because of the experience of recent weeks.



Accreditation compliance

With firms now moving out of lockdown those with accreditations (Lexcel, CQS, etc.) need to ensure they return to full compliance if some aspects have slipped, for example, file reviews.



Significant anxiety among aspiring solicitors

Anxiety among aspiring solicitors has “skyrocketed” as a result of the Covid-19 crisis, a survey has found, with 75% of trainees and paralegals expecting it to lead to “significant job losses at my level of seniority”.



Firms can prolong extended PII cover with agreement

Law firms unable to secure professional indemnity insurance (PII) because of Covid-19 can prolong the extended indemnity period by agreement and with SRA approval.



Data subject access requests

UK businesses are spending £1.59 million and 24 person-years annually on processing data subject access requests in compliance with Article 15 of GDPR, according to a new study commissioned by privacy specialist Guardum.



- ◊ Post-lockdown, will you?
 - ◊ Increase working from home
 - ◊ Decrease working from home
 - ◊ Maintain current arrangements
 - ◊ Unsure

Poll 1

◊ If planning to increase working from home will you be looking to reduce your current office space as a consequence?

◊ Yes

◊ No

◊ Unsure

Poll 2

◊ Do you think your staff prefer working from home or from an office?

◊ Home

◊ Office

◊ Mix of both

◊ Unsure

Poll 3

Any questions?



Products & Services

- Risk & Compliance System
- ERM System
- LMS System
- HR System
- Webinars
- Blogs
- White Papers
- Compliance Policy Library
- Compliance Helpline
- Risk & Compliance Consultancy

◊ Telephone:
0845 345 3300

◊ Email:
ComplianceSolutions@theaccessgroup.com

◊ [Request a demonstration](#)



Contact us

Request a system demonstration

Online resources

- ◉ [Digital Learning & Compliance website](#)
- ◉ [LinkedIn page](#)
- ◉ [Legal brochure](#)
- ◉ [Covid-19 Support Hub](#)

○ Legal Futures

○ Law Society Gazette

Acknowledgements