

# The importance of being transparent

February 2022

**Under the [SRA's Transparency Rules 2019](#), authorised firms must publish costs and complaints information to clients and potential clients on their websites.**

The SRA has been robustly targeting compliance with these Rules in recent months. Firms have fallen foul of the requirements, and it is fair to say that there was resistance from some to the provisions when introduced. That was evidenced by comments below the line in the legal press. In August 2021, the SRA reported as a news item that a dozen practices had been fined for repeatedly failing to display the correct information.

In summer 2021, the SRA wrote to the 8,000 firms not already checked out, requesting a signed declaration of adherence. The SRA has helpfully provided templates to make the task of compliance easier.

The climate appears to have settled. A potential client with a clear idea of how much their matter will cost is more likely to translate into a loyal client for years to come. Transparency enables firms to use their websites as a 'word of mouth' marketing tool, particularly when coupled with positive reviews. There are opportunities to present information in attractive ways to bolster a firm's offering.

Rule 1 is directed at costs information on services for individuals and businesses, including residential conveyancing, probate, employment tribunals (employees and employers), and debt recovery to £100k (businesses only). Complaints information, including options to contact the Legal Ombudsman and the SRA, must be published prominently (Rule 2). The SRA's 'click through' digital badge must also be published, as well as the firm's SRA number (Rule 4).

The Rules also provide for information about those doing the work, key stages, and timescales to be included.

What happens if your firm chooses not to have a website? A brave decision nowadays! However, Rule 3.1 provides that the information required by Rules 1 and 2, costs and complaints, must be available on request. Be prepared for the SRA mystery shopper!

## **What could happen to your firm if it does not comply?**

The SRA started handing out fines and rebukes to firms who were non-compliant in the summer of 2020. The most recent SRA decision in this area has just been published.

## **Recent SRA Decision**

- On 12 August 2021 the SRA imposed a 'control of practice' authorisation condition on ANB Law in Peterborough.
- The SRA adjudicator's decision followed a period of non-compliance since June 2021 when it is assumed that the firm came to the SRA's attention.
- The decision was stated by the adjudicator to have been made in the public interest because: there was a risk of non-compliance; the conduct was likely to be repeated; the conditions imposed addressed repetition of the conduct, and, interestingly, 'there is no evidence to date that the firm's conduct has caused any lasting significant harm to consumers or third parties'.
- One wonders what that evidence might have been if it had existed. There's a potential 'level playing field' argument to be made in terms of harm to third parties. Non-compliant firms might gain a potential competitive pricing advantage over compliant firms if allowed to

remain non-compliant unrestrained by the SRA. Any advantage is limited if the SRA takes swift action and imposes conditions requiring compliance speedily.

- The firm was required within 30 days to provide evidence to the SRA's 'reasonable satisfaction' of compliance with Rule 1 (where the relevant services were supplied by the firm). Evidence regarding publication of complaints information and the digital badge had to be provided within the same timeframe.
- The story did not end there. On 16 November 2021 the SRA imposed a fine of £1,000 on the firm with a costs order of £300. The condition referenced above remained in place.
- The SRA's published decision provides context for the Rules. The Rules are directed 'to ensure people have accurate and relevant information about a solicitor or firm when they are considering purchasing legal services. They are intended to help members of the public and small businesses make informed choices, improving competition in the legal market'.
- Such decisions are generally published online. The reputational damage attached to getting this wrong is potentially significant.

## How can RIAA Barker Gillette help?

Susan Humble, the Head of RIAA Barker Gillette's Regulatory Department, was the CEO and Clerk of the Solicitors Disciplinary Tribunal for almost eight years. Susan and the RBG Regulatory team can help you with your regulatory problems, including compliance with the Transparency Rules. A chat with us will quickly help you to manage those regulatory worries once you have heard our clear and concise advice. We are just an email or phone call away!

**Contact Susan Humble today.**

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