

Strategic Risk 2 – We do not understand consumer needs and so are unable to be as an effective regulator as we can be.

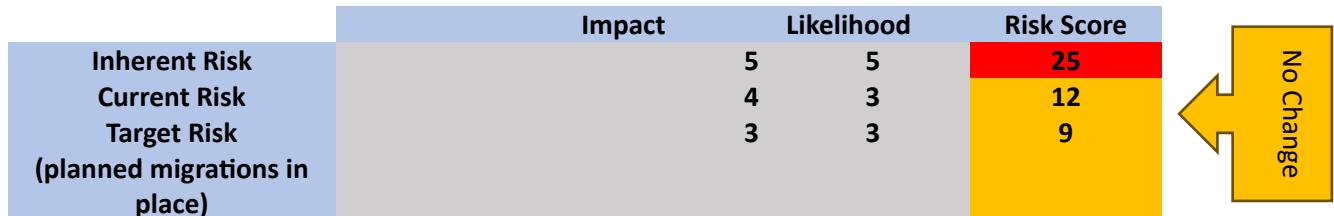
| Risk Summary | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| This includes the ability to respond and influence external drivers for change for example, technological developments, the unregulated/unauthorised legal services sector, consumer empowerment and the development of entities. | |

| Current Risk Influencers | |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| -/+ | LSB Business Plan and publication of statutory guidance on technology and innovation |
| + | LSB approval of changes to CRL transparency rules |
| + | Legal Choices and the development of the RIS |
| + | Technology/market changes lead to greater unregulated legal services market – opportunity to provide regulation to a wider area |
| - | Consumer detriment owing to lack of consumer knowledge of legal services market |
| - | Uncertainty created by CILEX proposals results in hard insurance market impacting entity numbers and barrier to growth |
| - | Digital exclusion prevents individuals accessing essential legal services |
| -/+ | First tier complaints handling including expectations around standardised wording in client care letters |

| Mitigations in place | |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
|  | AI and innovation paper for Board discussion. Member of LSB Innovation and Technology Forum |
|  | Review of LSCP and LSB consumer research eg Legal Needs survey. Member of Law Tech UK |
|  | Increased emphasis on PLE – development of CRL website content |
|  | DPD application. Liaison with Insurers to resolve barriers to potential CRL regulated entities. |
|  | AI and Law tech paper and discussion at Board level to assess impact and regulatory response |
|  | Cross regulatory working led by MTCOG and Legal Choices Governance Board |
|  | Legal Choices and development of the Regulators Information System. |

Review Date
February 2025

Risk Owner
DoG



| Risk Appetite | |
|--------------------------------------------------|--|
| Communication and Profile – Seeks Reform - Seeks | |

| Planned Migrations 2025 | | Progress | |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------|
|  | Corporate plan – unregulated market literature review and roundtable Recruitment of additional Policy and Research resource to support collaboration with LSCP | | Literature review published in November. Roundtable scheduled for 26 February |
|  | Continued engagement with MTCOG and Legal Choices Engagement with LSCP including Chair attendance at CRL Board meeting. | | |
|  | Response to SRA consultation and associated comms highlights consumer impact of CILEX proposals | | SRA consultation response publish. Public affairs strategy. Concerns raised with MoJ and Privy Council. |
|  | Ongoing development of web content and comms collateral with a consumer focus. | | |
|  | Engagement with Lexis Nexus Gen AI product. Attend AI and Tech webinars to understand impact and opportunities relating to Law Tech | | Ongoing. CRL attendance at SRA and LSB conferences. Engagement with Lexis Nexus and entities webinar. IoR and Westminster Forum seminars |
|  | Digital exclusion collaborative research with BSB, CLC & ICAEW Gap analysis against LSB SoP on First tier complaints | | Research launched with M-E-L research |
|  | Legal Choices and development of RIS. Engagement with | | RIS discovery phase complete. Project moving to |