

<b>Date</b>	<b>15 July 2025</b>
<b>Item</b>	<b>07.00</b>
<b>Title</b>	<b>Director of Regulation Report</b>
<b>Author</b>	<b>Simon Blandy, Director of Regulation</b>
<b>Purpose</b>	This paper provides the Board with an update on the work of the Regulation Directorate
<b>Recommendation</b>	The Board is asked to <b>NOTE</b> this report.
<b>Timing</b>	N/A
<b>Impact Assessment</b>	N/A
<b>Impact on Regulatory Objectives</b>	<p>The work covered in this report impacts on the following:</p> <ul style="list-style-type: none"> <li>- encouraging an independent, strong, diverse, and effective legal profession.</li> <li>- protecting and promoting the consumer and public interest; and</li> <li>- promoting and maintaining adherence to the professional principles.</li> <li>- promoting the prevention and detection of economic crime</li> </ul>
<b>Implications for resources</b>	This report covers a period in which there continues to be changes in staffing impacting on the operational areas.
<b>Impact on consumer empowerment</b>	N/A
<b>Impact on ongoing competence</b>	N/A
<b>Publication status</b>	For publication.
<b>Appendices</b>	None

## Introduction

1. This paper provides the Board with an update on the work of the Regulation Directorate including:
  - The work of the Practitioner Team,
  - The work of the Entity Team, and
  - The work of the Enforcement Team.
2. The data in this Report is supplemented by the performance data which is published on a quarterly basis (in this case Quarter 1 2025).

## Operations

- ## Courses

- ## Applications for recognition of lawyers qualified outside of the UK

- ### Qualifying Experience (QE)

## Work Based Learning (WBL)

Work Based Learning																
	Jan			Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	FY
	Applications 2025	39	21	49	60	35								204		
	No. authorisations - 2025	31	32	29	39	50								182		



2023														
No of practice rights holders	149	155	164	165	165	165	195	204	216	236	264	280	165	280
Applications received	5	9	4	8	9	4	5	5	7	10	6	2	35	74
Applications authorised	2	3	11	2	0	2	9	22	11	22	16	26	18	126
Av. no. weeks to overall decision	40.6	40.5	47.6	47.2	45.8	44.8	42.8	41.3	40.1	39.4	38.2	37.5		
No of practice right holders (ACCA-Probate)	54	55	49	49	49	49	48	45	45	46	46	46	49	46

## ENTITY TEAM UPDATE

### Rule changes

#### Designated Professional Body (DPB) application.

- An application was previously made to the Financial Conduct Authority for status as a Designated Professional Body (DPB). This status would allow CRL to regulate CRL firms providing insurance intermediary activities. The laying by HM Treasury of the Statutory Instrument required to enact this change remains on hold.

### Operations

#### ACCA Performance Update

Current ACCA Firms													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
No. of CILEX-ACCA Probate firms 2025	39	40	40	40	36								
No. of CILEX-ACCA Probate firms 2024	37	37	39	38	37	38	37	38	38	38	38	38	
No. of CILEX-ACCA Probate firms 2023	42	42	39	39	39	40	39	39	37	38	38	37	
No. of CILEX-ACCA Probate firms 2022	21	28	37	39	42	43	43	43	43	42	42	42	

- The 2025 licence renewal has provided the opportunity for CRL to ensure that ACCA probate firms are compliant with the transparency requirements which came into force in September 2024, though it has already resulted in some ACCA probates deciding not to renew their licence.

11. Other factors delaying the renewal process include:
- Selecting professional indemnity insurance policies which do not comply with the authorisation rules
  - Failing to keep business continuity arrangements and client care documents up to date.

There are also continuing issues with the online renewal process.

12. 13 CILEX ACCA Probate Entities still have to complete the renewal process, so it is possible that further firms may lapse out of authorisation. Some CILEX ACCA Probate Entities have still not undertaken a single probate matter whilst under CRL authorisation. This raises a concern whether sufficient current expertise is being maintained within the practice.

### Entity Performance Update

Current Entity applications - 2025												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
No. of CILEX Authorised firms	21	21	21	21	21							
No. applications granted full authorisation	1	0	0	0	0							
No. renewals authorised	1	1	1	2	2							
No. ABS	1	1	1									
Entity applications - 2024												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
No. of CILEX Authorised firms	20	18	19	19	20	20	21	20	20	20	20	20
No. applications granted full authorisation	0	0	0	0	1	0	1	0	0	0	0	0
No. renewals authorised	2	2	3	2	1	1	2	1	2	2	2	2
No. ABS	1	1	1	1	1	1	1	1	1	1	1	1
2023												
No. of CILEX Authorised firms	22	20	19	19	19	19	19	19	19	20	20	20
2022												
No. of CILEX Authorised firms	24	24	24	25	25	25	25	24	23	23	22	22

13. There are currently 21 authorised firms (including one ABS). Whilst there are regular calls seeking advice on making an entity application, these are often from individuals who are not currently in a position to proceed with an application. There is currently one individual who has submitted some draft policies in support of an application but has not yet submitted a formal application.
14. The Annual Return reviews are currently up to date with seven completed up to the end of May 2025. There are three Annual Return reviews to complete in June.

15. The collection of fees for the period to the end of April 2025 is up to date. However, two firms for which payments fell due in May 2025 are late in making their payments.
16. One firm has been referred to the Enforcement Team for continuing failures to comply with regulatory information requirements.

## **ECONOMIC CRIME UPDATE**

### **Anti-Money Laundering (AML) Supervision**

17. In May 2025 CRL received confirmation of the content of the AML/CTF Supervisors Annual Return it has to submit to HM Treasury. Part of the information will come from the AML Statement that CRL requires firms to complete.
18. The newly appointed AML Officer started in May 2025 and has already made significant progress:
  - Converting the annual AML Statement that needs to be completed by all regulated and supervised firms into an online form which will speed up analysis
  - Revising the AML Statement to make it mandatory for firms to provide supporting documentation (eg policy documents, practice-wide risk assessments, client /matter risk assessments)
  - Sending out the AML Statement and processing the completed returns
  - Updating the risk scoring for the AML Statements.
19. OPBAS has finalised its Supervisory Assessment Findings following its inspection in mid March 2025. OPBAS has asked for a detailed response setting out how findings and recommendations will be addressed. A report on progress will be submitted to the Board at its meeting in September 2025.

## **ENFORCEMENT TEAM UPDATE**

### **Operational**

#### **Context**

20. The two temporary Investigation Officer roles have now been made permanent.
21. The Professional Conduct Panel (PCP) is meeting on a regular schedule. The number of aged prior conduct matters continues to be reduced.
22. The Appeals Panel has remitted a prior conduct case to the PCP for reconsideration. There are a further three appeals for hearing, subject to panel availability.
23. The Disciplinary Tribunal has given directions for the submission of medical evidence with a view to enabling a matter originally listed for hearing in October 2023 to be finally determined.
24. There was an in person all-panel training on 18 June 2025 which was well received. It was agreed (following a session on this topic) that CRL should include an explanation about insight and remorse in the reports to the PCP for the benefit of regulated persons

and decision makers. A further event for panel members will be arranged online towards the end of the year. A separate meeting is being arranged with the PCP and the Clerk to discuss processes and procedural matters.

25. The number and age of misconduct cases has increased since the beginning of the year. This is attributable to the time taken to recruit and induct the new members of the Team and in progressing the more aged cases. The expectation is that in the second half of the year this will be positively reflected in the KPIs.

## Prior conduct

Prior Conduct Declarations														
2025														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	FY
Declarations received	36	24	31	22	16								129	
No of cases resolved	33	14	49	20	11								127	
No of cases open	80	90	72	74	69								69	
No of cases 'On hold'	3	1	0	0	0								0	
No of cases - live	77	89	72	74	69								69	
2024														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	FY
Declarations received	28	24	26	20	14	16	15	25	24	18	19	33	112	262
No of cases resolved	41	23	26	25	8	15	17	23	17	30	19	21	123	265
No of cases open	67	68	68	63	69	70	68	70	77	65	65	77	69	77
No of cases 'On hold'	16	16	20	17	15	15	15	17	17	10	7	6	15	6
No of cases - live	51	52	48	46	54	55	53	53	60	55	58	71	54	71
2023														
Declarations received	27	22	24	21	22	14	16	26	30	12	19	27	116	260
No of cases resolved	37	32	25	19	24	18	32	29	21	20	14	18	137	289
No of cases open	99	89	88	90	88	84	68	65	74	66	71	80	88	80
No of cases 'On hold'	23	24	26	26	24	24	23	24	21	19	23	23	24	23
No of cases - live	76	65	62	64	62	60	45	41	53	47	48	57	64	57
2022														
Declarations received	18	20	16	22	22	17	18	17	18	19	43	28	98	258
No of cases resolved	13	17	21	30	27	33	22	16	34	44	25	21	108	303
No of cases open	172	203	185	168	162	139	143	115	115	87	94	109	162	109

26. Progress made this year in reducing the number of aged prior conduct cases will continue in 2025. Prior conduct complaints by age (the case which was opened 24+ months ago has now been closed, so currently the oldest prior conduct case was opened in January 2024):

March 2025	0-6 months	6-12 months	12-18 months	18-24 months	24+ months	Total
No of open cases	61	7	3	0	1	72
Those 'On Hold'	0	0	0	0	0	0
No of cases - live	61	7	3	0	1	72
December 2024	0-6 months	6-12 months	12-18 months	18-24 months	24+ months	Total
No of open cases	40	20	9	4	4	77
Those 'On Hold'	2	1	1	0	2	6
No of cases - live	38	19	8	4	2	71

## Misconduct

Misconduct Complaints														
2025														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	FY
No of New Complaints	7	10	12	9	10								48	
No of Complaints resolved	7	1	6	0	0								14	
No of cases open	104	114	120	129	139								139	
No of cases 'On hold'	36	35	37	36	37								37	
No of cases - live	68	79	83	93	102								102	
Misconduct Complaints														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	FY
2024														
No of New Complaints	8	5	7	9	1	2	7	3	5	3	6	4	30	60
No of Complaints resolved	12	12	19	9	7	5	4	3	5	9	2	7	59	94
No of cases open	131	124	112	112	106	103	106	106	106	100	104	101	106	
No of cases 'On hold'	48	50	47	45	41	40	41	40	41	41	40	39	41	
No of cases - live	83	74	65	67	65	63	65	66	65	59	64	62	65	
2023														
No of New Complaints	4	6	7	4	11	4	5	7	5	12	3	3	32	76
No of Complaints resolved	1	1	7	4	8	3	5	3	4	2	6	0	21	63

No of cases open	128	133	132	132	135	136	136	140	141	149	145	138	135	138
No of cases 'On hold'	37	38	39	39	44	45	46	45	45	46	50	49	44	49
No of cases - live	91	95	93	93	91	91	90	95	96	103	95	89	91	89
<b>2022</b>														
No of New Complaints	3	4	5	11	5	8	3	10	8	10	3	3	28	71
No of Complaints resolved	1	4	3	13	4	4	2	1	2	13	9	2	24	59
No of cases open	112	112	114	112	113	117	118	127	133	130	124	125	113	125

27. The open misconduct cases have increased from 101 on 31 December 2024 to 120 on 31 March 2025 (139 as at 31 May 2025). The 139 open misconduct cases as at 31 May 2025 can be categorised as follows:

28.

Authorised Entities	1	1%	
Fellows	73 (one Fellow is subject to 3 separate complaints)	53%	
Non-Authorised grades	65 (5 members are subject to multiple complaints)	47%	

29. The oldest open case, which is on hold pending a determination by another legal regulator, is **313 weeks** as at 31 March 2025 (increased to 321 as at 31 May 2025). The second oldest case is the subject of a Determination by Consent (DBC) which was considered by the PCP on 26 June 2025.

30. Open conduct complaints by age as at 31 March 2025:

	0-6 months	6-12 months	12-18 months	18-24 months	24+ months	Total
No of live cases	43	19	14	8	36	120
No of 'On Hold' cases	2	2	4	3	26	37

## Recommendation

31. The Board is asked to **NOTE** the report.