

<b>Date</b>	<b>10 February 2026</b>
<b>Item</b>	<b>06.00</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>	<p>The Board is asked to:</p> <ul style="list-style-type: none"> <li>a) <b>APPROVE</b> the draft Terms of Reference for the SRC to review CRL's Compensation Arrangement (06.00), and</li> <li>b) <b>NOTE</b> these reports.</li> </ul>
<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 continue 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>	06.01 Review of Compensation Arrangements SRC Draft Terms of Reference [NOT FOR PUBLICATION – emerging policy or strategy]

## Introduction to Director of Regulation Report

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 4 2025).

- The Information Analyst started in November 2025. Their principal focus to date has been in working with the Executive Team in recording and reporting on the Mazur applications.

## PRACTITIONER TEAM UPDATE

### Operations

- A Practitioner Officer and PAS Administrator joined to PAS Team in November 2025.
- Following the Mazur ruling the focus of the PAS Team in Q4 2025 has been on setting up a process to manage an exponential increase in the volume of practice rights applications from Chartered Legal Executives who understandably have been impatient to secure litigation practice rights. This included the recruitment of 24 external assessors, updating the handbooks to align with the new process and refreshing the application pages on the CRL website.
- The LSB approved CRL's standalone practice rights application on 3 November 2025. To the end of 2025, 564 expressions of interest had been received (97 submitted before 3 November 2025), 268 applications had been uploaded and 3 post Mazur litigation practice rights applications approved (the first on 22 December 2025).
- The volume of applications per week received in January 2026 has eased which has allowed the PAS team time to review the progress of individual applications. As at 23 January 2026 a further 79 expressions of interest had been received, a further 218 applications uploaded and a further 46 applications had been approved. 27 successful candidates from the December 2025 ULaw sitting were sent their practice rights certificate.
- The PAS Team has become progressively quicker at resolving procedural issues and increasing the pace at which applications are approved. Innovations introduced to manage the Mazur applications are being applied as appropriate to the QE and WBL processes.

### Qualifying Experience (QE)

Qualifying Experience														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	
<b>Applications 2025</b>	60	54	44	29	43	61	52	35	34	51	46	17	343	
<b>Applications 2024</b>	28	37	58	57	56	47	35	43	57	52	31	24	525	
<b>Applications 2023</b>	55	57	63	51	44	45	41	33	57	44	39	31	562	
<b>Applications 2022</b>	61	65	62	70	57	72	43	67	58	43	42	28	668	
<b>Av No weeks to overall decision 2025</b>	4	4	5	5	5	5	6	5	15	12	7	8		
<b>Av No weeks to overall decision 2024</b>	5	4	5	5	5	5	5	5	5	5	5	5		

## Work Based Learning (WBL)

Work Based Learning														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	
<b>Applications 2025</b>	39	21	49	60	35	50	46	47	53	42	40	29	511	
<b>No. authorisations - 2025</b>	31	32	30	39	51	48	49	41	54	26	42	25	468	
<b>Applications 2024</b>	44	39	58	69	67	42	44	51	65	41	35	38	593	
<b>No. authorisations - 2024</b>	64	31	37	44	46	58	51	48	50	48	60	39	576	
<b>Applications 2023</b>	54	58	59	62	57	43	43	80	62	61	59	21	659	
<b>No. authorisations - 2023</b>	72	53	38	53	65	63	57	47	78	73	70	39	708	
<b>Applications 2022</b>	42	37	71	70	62	52	48	77	65	65	60	38	687	

## Practice Rights

Practice Rights & Advocacy 2025														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	FY	
<b>No of practice rights holders</b>	439	448	463	472	471	479	486	492			540	543	543	
<b>Applications received</b>	9	7	7	10	6	2	2	1	1	109	299	187	640	
<b>Applications authorised</b>	11	10	22	9	10	8	8	6	10	5	11	10	120	
<b>Av. no. weeks to overall decision</b>	12	11	11	11	11	11	11	11			22	10		
<b>No of practice right holders (ACCA-Probate)</b>	63	63	64	65	67	67	67	67	73	73	73	73	73	
Practice Rights & Advocacy 2024														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	FY	
<b>No of practice rights holders</b>	286	302	328	341	357	364	376	391	406	416	421	429	429	
<b>Applications received</b>	13	6	6	7	6	3	11	9	3	2	6	2	74	
<b>Applications authorised</b>	24	17	26	13	16	7	12	15	15	8	7	6	166	
<b>Av. no. weeks to overall decision</b>	37	37	37	35	33	32	32	32	32	32	32	32		
<b>No of practice right holders (ACCA-Probate)</b>	58	60	61	61	62	62	62	62	62	62	62	62	62	
Practice Rights & Advocacy 2023														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	FY	
<b>No of practice rights holders</b>	149	155	164	165	165	165	195	204	216	236	264	280	280	
<b>Applications received</b>	5	9	4	8	9	4	5	5	7	10	6	2	74	

<b>Applications authorised</b>	2	3	11	2	0	2	9	22	11	22	16	26	126
<b>No of practice right holders (ACCA-Probate)</b>	54	55	49	49	49	49	48	45	45	46	46	46	46

## ENTITY TEAM UPDATE

### Rule changes

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

9. This process remains on hold.

#### Compensation Arrangements Review

10. Insurers declined to renew the CRL's Compensation Protection Policy in 2021. The LSB agreed interim arrangements on the basis that a permanent solution would shortly be in place. In its [2025 Regulatory Performance Assessment](#) the LSB set its expectation that CRL should develop 'an approach to ensure the longevity of the compensation fund' (para 71, page 60). Review of the CRL compensation arrangements by the Strategic Risk Committee (SRC) is a deliverable in [CRL's 2026 Corporate Plan](#). The draft Terms of Reference (Appendix 06.01) task the SRC to carry out that review and present a report to the Board.

### Operations

11. The Entity Authorisation and Supervision Officer (EASO) has given notice and will be leaving CRL at the end of March 2026. The recruitment process has started for his replacement.

#### ACCA Performance Update

Current ACCA Firms													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
<b>No. of CILEX-ACCA Probate firms 2025</b>	39	40	40	40	36	35	35	35	35	35	35	35	35
<b>No. of CILEX-ACCA Probate firms 2024</b>	37	37	39	38	37	38	37	38	38	38	38	38	38
<b>No. of CILEX-ACCA Probate firms 2023</b>	42	42	39	39	39	40	39	39	37	38	38	38	37
<b>No. of CILEX-ACCA Probate firms 2022</b>	21	28	37	39	42	43	43	43	43	42	42	42	42

12. The 2025 CILEX ACCA Probate Entity authorisation renewals were completed in December 2025. 35 firms are currently authorised with a further two firms in the authorisation process. Renewals and applications have taken longer than expected to ensure that firms and applicants comply with the Transparency Requirements.
13. The online renewal process has been updated ready for the 2026 renewal round.

#### Entity Performance Update

Current Entity applications - 2025												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>No. of CILEX Authorised firms</b>	21	21	21	21	21	21	21	21	21	21	21	20
<b>No. applications granted full authorisation</b>	1	0	0	0	0	0	0	0	0	0	0	0
<b>No. renewals authorised</b>	1	1	1	2	2	3	3	3	4	2	1	0
<b>No. ABS</b>	1	2	3	5	7	10	10	10	1	1	1	1
2024												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>No. of CILEX Authorised firms</b>	20	18	19	19	20	20	21	20	20	20	20	20
<b>No. applications granted full authorisation</b>	0	0	0	0	1	0	1	0	0	0	0	0
<b>No. renewals authorised</b>	2	2	3	2	1	1	2	1	2	2	2	2
<b>No. ABS</b>	1	1	1	1	1	1	1	1	1	1	1	1
2023												
<b>No. of CILEX Authorised firms</b>	22	20	19	19	19	19	19	19	19	20	20	20
2022												
<b>No. of CILEX Authorised firms</b>	24	24	24	25	25	25	25	24	23	23	22	22

14. One civil litigation firm closed in December 2025 with its live files transferring to a SRA regulated firm. As a result, the total number of authorised firms (including one ABS) currently stands at 20.
15. A further firm is due to close in early February 2026. This firm has received a disproportionate number of complaints. CRL is now working with the firm so there is an orderly closure.
16. Currently, there are seven applications for firm authorisation with a further three expected before the end of February, a comparatively high number of applications.
17. Entity Annual Return renewals and fee collections for 2025 have all been completed. Three Annual Return reviews are scheduled to be completed in February 2026, and entity fee payments for 2026 are also being processed.

18. In January 2026 the Entity Team (the Entity Officer and the AML Officer) started a program of on site inspections (two in January and one in February). These inspection visits cover anti-money laundering compliance and wider entity compliance.

## **ECONOMIC CRIME UPDATE**

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

19. CRL's response to the HMT consultation on its proposed arrangements for AML supervision was submitted to HMT ahead of the 24 December 2025 deadline and [published](#).
20. A meeting has been scheduled with OPBAS on 3 February 2026 for an update on the transfer of AML Supervision to the FCA and to review progress against the OPBAS AML Action Plan which remains on schedule:
  - a) the draft AML Policy (REC.F4) is ready for review by the SRC before it is submitted to the CRL Board for approval
  - b) the draft Methodology document (RBA.F1) detailing the risk-scoring process for annual AML Statement reviews is ready for comment by the SRC.

## **ENFORCEMENT TEAM UPDATE AND REVIEW**

21. Two temporary investigation officers have recently started, focusing on misconduct cases and assisting with the preparation of prior conduct reports for the PCP. The Regulatory Support Lead - Enforcement, who joined at the beginning of December 2025, is leading on the Enforcement Review. A full-time Administration Assistant joined the team in January 2026 to assist primarily with prior conduct queries and setting up cases.
22. A new Clerk joined CILEx Regulation's pool of disciplinary panel Clerks at the end of 2025, taking the total number of Clerks engaged by CRL to four.
23. Eight Professional Conduct Panel (PCP) meetings have been scheduled for 2026, the first on 5 February 2026, as well as five Disciplinary Tribunal hearings. Recruitment for new lay and panel members across all three panels has started and is expected to be completed by March 2026, with an induction to follow shortly afterwards. The all-panel training day will be arranged once new panel members are in post.
24. There was a 40% increase in the number of prior conduct declarations received when compared to 2024, Q3 2025 accounting for 37% of declarations received in 2025. No immediate explanation can be suggested for this trend. A number of those cases were cancelled without a formal investigation where on enquiry it was established there was no determination to be made. The number and age of the misconduct cases have continued to increase. The new investigation officers have been allocated to older cases to address the issue. The oldest live misconduct case is no longer on hold and can be progressed following the SRA's decision in January 2026 to close its criminal investigation. Final decisions have been made in at least 14 misconduct cases, but are not reflected in the data. The misconduct case tracker is being updated to ensure these outcomes are recorded and reported accurately.

## Prior conduct

Prior Conduct Declarations													
2025													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>Declarations received</b>	36	24	31	22	16	25	11	22	42	60	25	52	366
<b>No of cases resolved</b>	33	14	49	20	21	7	35	21	32	34	22	18	127
<b>No of cases open</b>	80	90	72	74	69	87	63	63			97	138	138
<b>No of cases 'On hold'</b>	3	1	0	0	0	0	0	0			0	0	0
<b>No of cases - live</b>	77	89	72	74	69	87	63	63	0	0	97	138	138
2024													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>Declarations received</b>	28	24	26	20	14	16	15	25	24	18	19	33	262
<b>No of cases resolved</b>	41	23	26	25	8	15	17	23	17	30	19	21	265
<b>No of cases open</b>	67	68	68	63	69	70	68	70	77	65	65	77	77
<b>No of cases 'On hold'</b>	16	16	20	17	15	15	15	17	17	10	7	6	6
<b>No of cases - live</b>	51	52	48	46	54	55	53	53	60	55	58	71	71
2023													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>Declarations received</b>	27	22	24	21	22	14	16	26	30	12	19	27	260
<b>No of cases resolved</b>	37	32	25	19	24	18	32	29	21	20	14	18	289
<b>No of cases open</b>	99	89	88	90	88	84	68	65	74	66	71	80	80
<b>No of cases 'On hold'</b>	23	24	26	26	24	24	23	24	21	19	23	23	23
<b>No of cases - live</b>	76	65	62	64	62	60	45	41	53	47	48	57	57
2022													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>Declarations received</b>	18	20	16	22	22	17	18	17	18	19	43	28	258
<b>No of cases resolved</b>	13	17	21	30	27	33	22	16	34	44	25	21	303
<b>No of cases open</b>	172	203	185	168	162	139	143	115	115	87	94	109	109

## Misconduct

### Misconduct Complaints

2025														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	
<b>No of New Complaints</b>	7	10	12	9	8	15	8	6	14	5	6	2	<b>102</b>	
<b>No of Complaints resolved</b>	7	1	6	0	0	15	1	2	5	1	0	0	<b>38</b>	
<b>No of cases open</b>	105	114	120	131	139	139	147	151	159	163	169	185	<b>185</b>	
<b>No of cases 'On hold'</b>	36	35	37	36	37	35	34	34				30	<b>30</b>	
<b>No of cases - live</b>	69	79	83	95	102	104	113					155	<b>155</b>	
2024														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	
<b>No of New Complaints</b>	8	5	7	9	1	2	7	3	5	3	6	4	<b>60</b>	
<b>No of Complaints resolved</b>	12	12	19	9	7	5	4	3	5	9	2	7	<b>94</b>	
<b>No of cases open</b>	131	124	112	112	106	103	106	106	106	100	104	105	<b>105</b>	
<b>No of cases 'On hold'</b>	48	50	47	45	41	40	41	40	41	41	40	39	<b>39</b>	
<b>No of cases - live</b>	83	74	65	67	65	63	65	66	65	59	64	62	<b>62</b>	
2023														
<b>No of New Complaints</b>	4	7	6	4	11	5	5	7	7	12	4	4	<b>76</b>	
<b>No of Complaints resolved</b>	1	2	8	3	8	7	4	2	4	14	8	2	<b>63</b>	
<b>No of cases open</b>	125	130	128	129	132	130	131	136	139	137	133	135	<b>135</b>	
<b>No of cases 'On hold'</b>	37	38	39	39	44	45	46	45	45	46	50	49	<b>49</b>	
<b>No of cases - live</b>	88	92	89	90	88	85	85	91	94	91	83	86	<b>86</b>	
2022														
<b>No of New Complaints</b>	3	4	4	11	5	9	2	10	7	10	3	3	<b>71</b>	
<b>No of Complaints resolved</b>	1	4	4	13	4	4	2	1	2	13	9	2	<b>59</b>	
<b>No of cases open</b>	112	112	112	110	111	116	116	125	130	127	121	122	<b>122</b>	

## Recommendation

25. The Board is asked:

- a) **APPROVE** the draft Terms of Reference for the SRC to review CRL's Compensation Arrangement, and
- b) to **NOTE** these reports.