

Date	14 July 2026
Item	07.00
Title	Director of Regulation Report
Author	Simon Blandy, Director of Regulation
Purpose	This paper provides the Board with an update on the work of the Regulation Directorate
Recommendation	The Board is asked to: a) COMMENT on the draft Enforcement Review Consultation (07.02) and draft Regulatory Impact Assessment (07.03), b) GIVE AUTHORITY to the Chair, if it considers this appropriate, to agree the final version of these documents for publication, and c) NOTE these reports.
Timing	N/A
Impact Assessment	N/A
Impact on Regulatory Objectives	The work covered in this report impacts on the following: - encouraging an independent, strong, diverse, and effective legal profession. - protecting and promoting the consumer and public interest; and - promoting and maintaining adherence to the professional principles. - promoting the prevention and detection of economic crime
Implications for resources	This report covers a period in which there continue to be changes in staffing impacting on the operational areas.
Impact on consumer empowerment	N/A
Impact on ongoing competence	N/A
Publication status	For publication.
Appendices	07.01 – Information Analyst Update 07.02 – Enforcement Rules draft consultation document 07.03 – Enforcement Rules draft Regulatory Impact Assessment

Introduction

1. This paper provides the Board with an update on the work of the Regulations 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.

UPDATE FROM INFORMATION ANALYST

3. The Update from the Information Analyst is at Appendix 07.01.

PRACTITIONER TEAM UPDATE

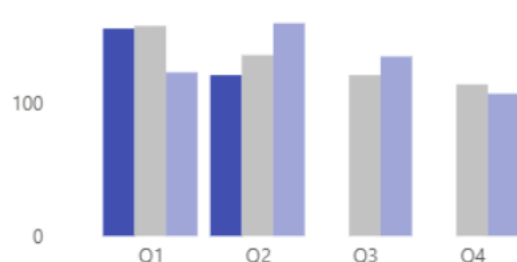
Operations

4. A PAS Administrator left the PAS Team in June 2026. The recruitment process for a new PAS Administrator has begun. In the interim, the CPD Administrator is receiving training to assist with practice rights applications.
5. Continuing with the optimisation plans, the PAS team has spent Q2 2026 applying the newly implemented recording methods introduced in Q1 for QE applications and WBL applications.
6. Further progress has been made processing the add-on advocacy applications for those who have been authorised with litigation practice rights. A review of all applications is underway to ensure that they are processed in the most effective way.
7. In May 2026, a ULaw cohort has been authorised with conveyancing, probate and litigation practice rights.
8. A review of Portfolio Litigation applications is currently being conducted to identify and progress the applications that have not been approved despite being submitted before Q2.

Qualifying Experience (QE)

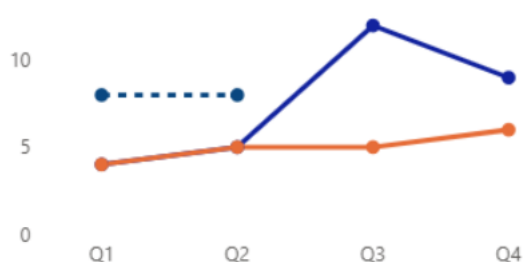
QE Applications

● 2026 ● 2025 ● 2024



Weeks End to End

● 2026 ● 2025 ● 2024



New applications

Year	Q1	Q2	Q3	Q4
2026	156	121		
2025	158	136	121	114
2024	123	160	135	107

Weeks end to end

Year	Q1	Q2	Q3	Q4
2026	8	8		
2025	4	5	12	9
2024	4	5	5	6

- QE applications have been higher per month on average in 2026.
- Continuing this trend, we would be forecasted to receive 590 applications in 2026, higher than previous yearly average of 527.

New Applications														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	Total
2026	59	45	52	51	40	31							41	247
2025	60	54	44	32	43	61	52	35	34	51	46	17	44	529
2024	28	37	58	57	56	47	35	43	57	52	31	24	44	525

Weeks end to end														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	
2026	14	6	5	6	8	9							8	
2025	4	4	5	5	5	5	11	10	14	12	7	7	7	
2024	4	4	5	5	4	5	5	5	5	5	5	8	5	

Work Based Learning (WBL)

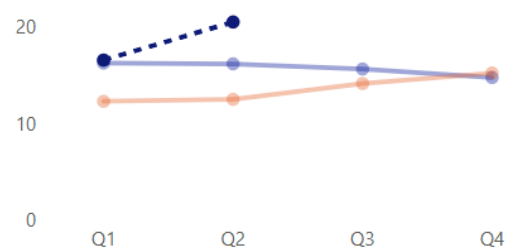
WBL Applications

● 2026 ● 2025 ● 2024



Weeks End to End

● 2026 ● 2025 ● 2024



New applications				
Year	Q1	Q2	Q3	Q4
2026	125	128		
2025	109	145	146	111
2024	93	138	144	93

Weeks end to end				
Year	Q1	Q2	Q3	Q4
2026	17	16		
2025	16	16	16	15
2024	12	13	14	15

- Work Based Learning applications started strongly in 2026, with 224 applications received between January and May compared with 184 during the same period in 2025.
- End-to-end processing times have increased to an average of 18 weeks year-to-date, compared with 16 weeks in 2025 and 14 weeks in 2024, reflecting the impact of higher application volumes.

New Applications														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	Total
2026	48	34	43	61	38	28							44	262

2025	39	21	49	60	35	50	46	47	53	42	40	29	43	511
2024	31	32	30	39	51	48	49	41	54	26	42	25	39	468

Authorisations

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	Total
2026	52	31	37	16	23	41							33	200
2025	31	32	30	39	51	48	49	41	54	26	42	25	39	468
2024	64	31	37	44	46	58	51	48	50	48	60	39	48	576

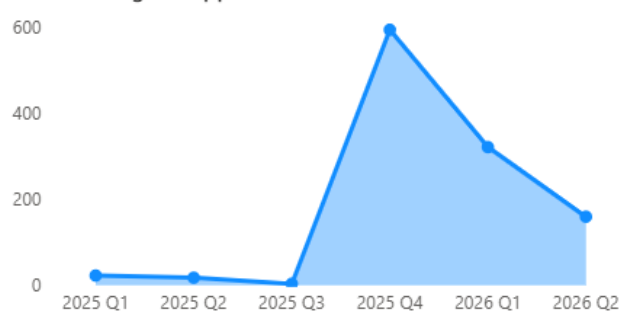
Weeks end to end

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	Total
2026	14	19	18	23	17	17							18	
2025	14	15	20	19	15	15	17	16	15	13	15	16	16	
2024	11	13	13	11	11	15	13	15	15	17	15	13	14	

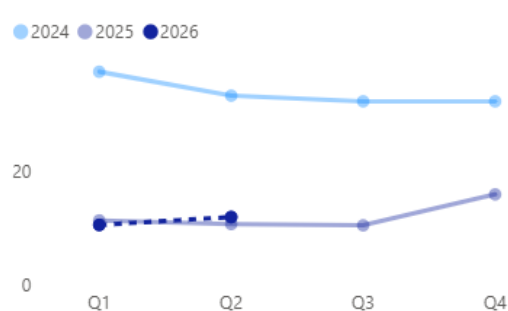
Practice Rights & Advocacy

Practice Rights

Practice Rights Applications



Weeks End to End



New applications				
Year	Q1	Q2	Q3	Q4
2026	322	160		
2025	23	18	4	595
2024	29	16	23	10

Weeks end to end				
Year	Q1	Q2	Q3	Q4
2026	11	12		
2025	11	11	11	16
2024	37	33	32	32

- Practice Rights activity remains significantly higher than historic levels, with 454 applications received between January and May 2026 compared with 78 across the whole of 2024.
- The increased volume reflects the continued impact of the large intake received in Q4 2025 (595 applications). Despite the increased workload, average end-to-end processing times have reduced to 11 weeks in 2026, compared with 12 weeks in 2025 and 34 weeks in 2024, demonstrating a substantial improvement in operational performance, and despite the significant increase in applications.

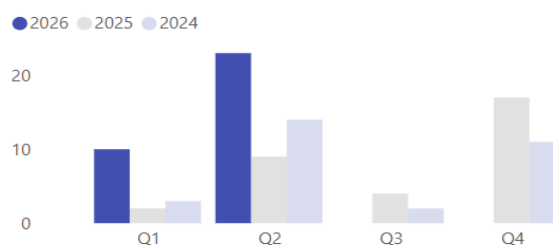
New Applications														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	Total
2026	123	108	91	82	50	28							80	482

2025	9	7	7	10	6	2	2	1	1	109	299	187	53	640
2024	17	6	6	7	6	3	11	9	3	2	6	2	7	78
Authorisations														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	Total
2026	81	147	208	130	80	33							113	679
2025	11	10	22	9	10	8	8	6	10	5	11	10	10	120
2024	24	16	26	13	16	7	12	15	15	8	7	6	14	165
Weeks end to end														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	
2026	10	11	11	11	13	13							12	
2025	11.8	11.3	11	11	11	11	11	11			22	10	12	
2024	37	37	37	35	33	32	32	32	32	32	32	32	34	

Advocacy

New applications				
Year	Q1	Q2	Q3	Q4
2026	10	24		
2025	2	9	4	17
2024	3	14	2	11

Advocacy Applications



- Advocacy applications have already surpassed the previous annual totals so far in 2026. Carrying on this trend, 69 applications are forecast to be received in 2026, higher than the average of 31 per year across the last 2 years.

New Applications														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	Total
2026	3	3	4	5	14	5							6	33
2025	1	1		1	6	2		3	1	2	5	10	3	32
2024		2	1	3	10	1	1		1	4	5	2	3	30

ENTITY TEAM UPDATE

Designated Professional Body (DPB) application.

- The DPB section at the FCA has been asked what steps can now be taken for CRL to secure DPB authorisation following the recent publication of strategy consultations by the [SRA](#) and [CILEX](#) respectively.

Compensation Arrangements Review

- At its meeting in late April 2026 the SRC noted the Terms of References for a Review of the Compensation Fund Arrangements agreed by the Board at its meeting on 10

February 2026. The lines of enquiry agreed at that meeting are currently being followed up ahead of the SRC's next meeting in early October 2026.

Operations

11. There are currently 21 authorised entities.
12. 11 applications for authorisation are in progress with a further 3 enquiries.
13. Follow ups are being sent for CRL entities to respond to questionnaires enquiring about supervision arrangements for the delivery of litigation services following publication of [guidance](#) in May 2026.

CILEX Authorised Firms (exc ABS)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2026	19	18	19	19	20							
2025	20	20	20	20	20	20	20	20	20	20	20	19
2024	20	18	19	19	20	20	21	20	20	20	20	20
ABS												
2026	1	1	1	1	1							
2025	1	1	1	1	1	1	1	1	1	1	1	1
2024	1	1	1	1	1	1	1	1	1	1	1	1
Applications Granted Full Authorisation												
2026	0	0	1	0	1							
2025	1	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	1	0	1	0	0	0	0	0
Renewals Authorised												
2026	5	2	1	0	0							
2025	1	1	1	2	2	3	3	3	4	2	1	0
2024	2	2	3	2	1	1	2	1	2	2	2	2

ACCA Performance Update

ACCA Probate Firms												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2026	35	35	35	35	35							
2025	39	40	40	40	36	35	35	35	35	35	35	35
2024	37	37	39	38	37	38	37	38	38	38	38	38

ECONOMIC CRIME UPDATE

Economic Crime Update

AML Reform Consultation

15. The Government published a [further response](#) in June 2026 following an analysis of responses to its consultation on AML Reform published in December 2025. The key proposals include:
- The FCA will maintain a public register of supervised firms.
 - Supervisors (including the FCA) will be granted powers to cancel a firm's registration where it is no longer carrying out regulated activity, subject to appropriate safeguards.
 - Regulation 58 fit and proper testing requirements will be extended to legal and accountancy service providers.
 - The FCA will be provided with enhanced supervisory powers, including the ability to appoint skilled persons and issue formal directions.
 - Information-gathering, inspection and information-sharing powers will be expanded, while legal professional privilege will continue to be protected.
 - AML/CTF supervision will be funded through FCA fees, with further consultation expected on the proposed fee structure.
16. The Government has also placed considerable emphasis on transition planning and regulatory coordination with the aim of reducing duplication and minimising the burden on regulated firms.
17. The Economic Crime Objective will be retained on the basis that it will complement, rather than duplicate, the FCA's future AML supervisory role.

AML Reform – FCA Engagement

14. CRL met with the FCA in May 2026 as part of the preparation for the transfer of AML supervision to the FCA.

AML Statement (2026 Cycle)

15. The 2026 AML Statement cycle commenced in June 2026, with participating firms required to complete the questionnaire and submit supporting documentation by the end of June 2026.

ENFORCEMENT TEAM UPDATE

16. The Administration Assistant appointed in April 2026 resigned in May 2026 following a three-week induction period. The recruitment process for a replacement has started.
17. One of the temporary investigators left CRL in June 2026. A permanent Investigator has also resigned and is due to leave CRL in September 2026. The recruitment process is starting for a permanent Investigator.

18. An Enforcement training day was held in June 2026, attended by the full team, with a primary focus on misconduct and the key themes underpinning casework. A further training day has been scheduled for September 2026, aimed at enhancing understanding, communication, and collaboration across the team. Participants will receive a personalised profile outlining their communication styles, strengths, and potential blind spots, alongside practical applications and team-based exercises to strengthen teamwork and day-to-day working practices.
19. Three further PCP meetings were held between the end of April and June 2026, during which a total of 28 prior conduct (PC) and misconduct (MC) matters were considered. This included the PCP granting CRL's application for an interim suspension order in a misconduct case, pending a hearing before the Disciplinary Tribunal. A further PCP meeting is scheduled for July.
20. Two Disciplinary Tribunal hearings were held on 24 June 2026. Both cases involved allegations of dishonesty and proceeded in the Respondents' absence, following successful applications by CRL to do so. In each case, the Tribunal imposed a sanction of indefinite exclusion and awarded costs to CRL, including legal representative fees.
21. A further DT hearing was scheduled on 25 June 2026, but there was a late adjournment at which the panel will resume its deliberations in relation to a long-standing, highly contested case originally heard in February 2026. The hearing is scheduled to reconvene in August 2026 following the panel's deliberations, when a final decision is expected.
22. Thirteen new lay and professional panel members appointed at the end of March 2026 have been onboarded, with tailored induction currently underway across two sessions. Further work is in progress to strengthen engagement and build closer relationships with panel members, including through scheduling regular feedback and catch-up sessions with CRL staff.
23. Appeals Panel hearings will resume shortly so that outstanding appeals can be determined.
24. There was an all-panel training day on 2 July with a focus on regulatory caselaw updates, key issues in practices sexual misconduct, dealing with vulnerable parties and unconscious bias. Work is also underway to make EDI eLearning modules available for panels members as part of CRL's EDI strategy action plan.
25. The Information Analyst continues to work with the Enforcement Team to enhance the accuracy, quality and usefulness of misconduct case data. A new case tracker has been developed and reviewed, with implementation planned for Quarter 3.
26. The Regulatory Support Lead continues to work with the team to identify and progress key improvements to the enforcement framework.

Enforcement Review

27. The current draft Enforcement Review Consultation is at Appendix 07.02 and the draft Regulatory Impact Assessment is at Appendix 07.03. Further amendments will be made to the Consultation prior to publication:
 - (i) Comparing approaches to investigations taken by other regulators, in particular the SRA, BSB and the Legal Ombudsman
 - (ii) Mapping out the role of the legally qualified clerk, and

- (iii) Providing clerk demarcations between the roles of the adjudicator and the Disciplinary Tribunal.

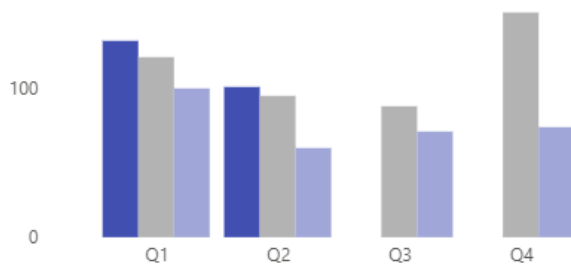
28. The Board is asked to:

- COMMENT** on the draft Enforcement Review Consultation (07.02) and draft Regulatory Impact Assessment (07.03),
- GIVE AUTHORITY** to the Chair, if it considers appropriate, to agree the final version of these documents prior to publication.

Prior conduct

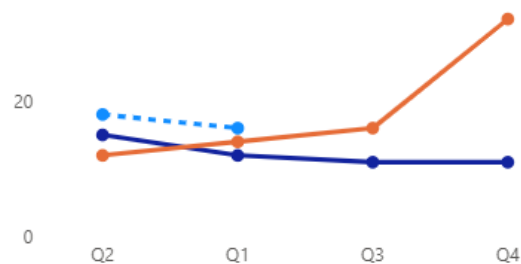
Prior Conduct Declarations

● 2026 ● 2025 ● 2024



Weeks End to End

● 2026 ● 2025 ● 2024



New Declarations

Year	Q1	Q2	Q3	Q4
2026	132	101		
2025	121	95	88	151
2024	100	60	71	74

Weeks to disposal for all cases

Year	Q1	Q2	Q3	Q4
2026	16	18		
2025	12	15	11	11
2024	14	12	16	32

New Declarations

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	Total
2026	66	29	37	47	16	41							39	236
2025	46	31	44	34	27	34	12	34	42	60	25	66	38	455
2024	44	27	29	24	15	21	18	28	25	19	21	34	25	305

Average weeks to disposal for all cases

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	Total
2026	25	22	8	11	24	17							18	
2025	4	10	20	14	26	9	13	9	11	7	18	9	13	
2024	14	20	7	5	21	12	2	25	16	32	29	34	18	

Cases Resolved

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	Total
2026	7	35	28	25	7	16							20	118
2025	18	29	29	25	18	26	28	21	32	34	22	12	25	294
2024	34	33	27	20	16	18	14	21	21	22	15	19	22	260

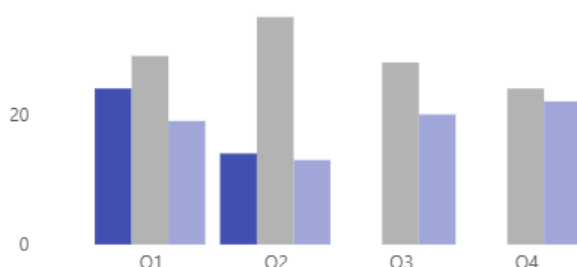
- Prior Conduct declarations have increased in 2026, with 195 declarations received between January and May compared with 142 during the same period in 2025.

- Disposal times have been slightly higher in January and February in 2026 (25 and 22 weeks), although the annual average so far is 18 weeks for all cases in 2026.

Misconduct

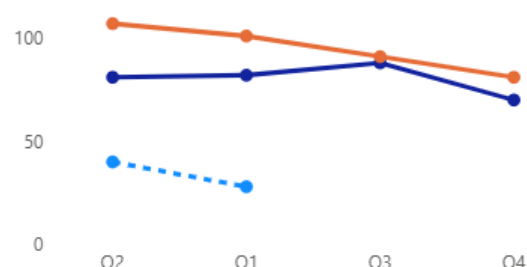
New Misconduct Cases

● 2026 ● 2025 ● 2024



Weeks End to End

● Sum of 2026 ● Sum of 2025 ● Sum of 2024



New Complaints

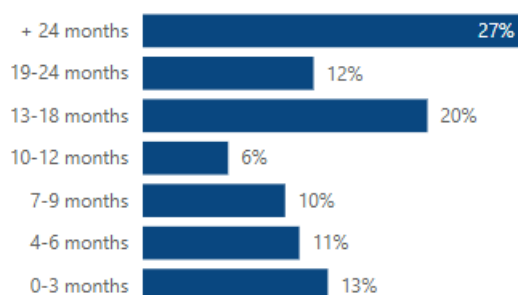
Year	Q1	Q2	Q3	Q4
2026	24	14		
2025	29	35	28	24
2024	19	13	20	22

Average weeks to disposal for all cases

Year	Q1	Q2	Q3	Q4
2026	28	40		
2025	82	81	88	70
2024	101	107	91	81

Age Grouping	%
0-3 months	13%
4-6 months	11%
7-9 months	10%
10-12 months	6%
13-18 months	20%
19-24 months	12%
+ 24 months	27%

Current Age of Open Cases



- The active caseload currently stands at 162 cases, higher than in previous reports, with 27% of open cases aged over 24 months. This includes all live cases, though not if a case has been on hold during this period. In future reports, data will be reported for cases which are on hold and record the date they become active, to provide better and more accurate measures of timeliness.
- In 2026, the average end to end time for cases has been reduced to 34 weeks year-to-date from 85 weeks in 2025, and 95 weeks in 2024.

New Complaints

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	Total
------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	---------	-------

2026	8	9	7	12	1	1							6	38
2025	7	10	12	11	8	16	7	7	14	5	5	14	10	116
2024	8	5	6	9	1	3	9	6	5	5	8	9	6	74
Cases Resolved														
2026	4	10	1	12	1	1							5	29
2025	7	1	6	0	0	15	1	2	6	9	0	4	4	51
2024	12	12	19	9	7	5	5	3	8	10	4	10	9	104
Cases Live*														
2026	149	158	164	163	162	157							159	
2025	105	114	120	131	139	139	147	151	159	163	169	155	141	
2024	131	124	112	112	106	103	106	106	106	100	104	101	109	

*From 2026, the definition of a live case has been refined, providing a high-level view of where a case sits within the process:

- In Progress – The case remains active and is being worked on. No closure date has been recorded and none of the criteria below apply.
- On Hold – The case is temporarily paused and the current status contains the term "On Hold".
- Complete – All case activity has been completed, but final administrative actions are outstanding. This applies when the current status is "Closed – Awaiting note to PCP/Admin Completion".
- Closed – The case has been fully completed, all required information has been recorded, and a Date Closed has been entered.